

COMPANY REGISTRATION NUMBER: 05524901
CHARITY REGISTRATION NUMBER: 1114508

Mosaic Church Limited
Company Limited by Guarantee
Annual Report and Financial Statements
31 December 2021

HARRISON HOLT
Chartered Accountants
High Park Farm
Kirkbymoorside
York
YO62 7HS

Mosaic Church Limited

Company Limited by Guarantee

Annual Report and Financial Statements

Year ended 31 December 2021

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Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited Annual Report and Financial Statements of the charity for the year ended 31 December 2021.

Reference and administrative details

| | |
|---|---|
| Registered charity name | Mosaic Church Limited |
| Charity registration number | 1114508 |
| Company registration number | 05524901 |
| Principal office and registered office | Mabgate Mill 5 Ground Floor Mabgate Mills Leeds LS9 7DZ |
| The trustees | Emily Harvey (nee Bosworth) (Retired 1 May 2021) Adrian Byrne Dr Raymond Holt Andrew Scopes Joel Topham |
| Mosaic Charity Eldership Team | Matt Hatch Dan Chadwick David Horsfall (retired January 2022) |
| Operations Manager | Dave Fahrer |
| Finance Administrator | Helen Bolton |
| Human Resource Administrator | Gayle Goldsmith |

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Mosaic Church

| | |
|--|---|
| Mosaic Leadership Team | Matt Hatch Dan Chadwick Rich Bradley Hannah Pearson Faye Simmons Tom Eaton Matt Jones (non staff) Ian Walker (non staff) |
| South Gathering's Children's Worker | Emily Swingler |
| North Central Gathering's Children's Worker | Emma Mitchell |
| Web site | www.mosaic-church.org.uk |

The Oak

| | |
|---|---|
| Senior Leadership team | Elea Derry Graham French (non staff) Dan Kinsley (non staff) Andrew Ryland (non staff) Matt Urwin (non staff) |
| Children's Family worker | Lucy Munton |
| Church and Buildings Administrator | Ali Bowstead |
| Missional Social Action Lead | Will Munton |
| Community Outreach Lead | Jack Carter |
| Grace City Church Plant Leader | Chris Mason |
| Web site | www.theoakchurch.co.uk |

Leeds School of Theology

| | |
|---------------------------|--|
| Executive Director | Daniel McGinnis |
| Director | David Horsfall |
| Support Staff | Theo Sheridan-Watts |
| Web site | www.Leeds-school-of-theology.org |

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Our Catalyst Hub

| | |
|------------------------|---|
| Leadership team | Matt Hatch James Shepherd Chris Mason Hannah Pearson Abi Flavell John Flavell David Lavery Tom Gallagher |
|------------------------|---|

Professional advisors

| | |
|-----------------------------|--|
| Bankers | HSBC Bank plc 62 Cross Gate Centre Leeds LS15 8EU NatWest Bank plc 1 Humber Quays Wallington Street Hull HU1 2BN Co-operative Bank plc 1 Balloon Street Manchester M60 4EP |
| Company secretary | A Scopes |
| Independent examiner | Philip Holt FCA, FCIE High Park Farm Kirkbymoorside York YO62 7HS |

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Structure, governance and management

Legal Status

Mosaic Church Limited was incorporated as a company (company number 05524901) on 2nd August 2005 and became a registered Charity on 2nd June 2006 (charity number 1114508). The Charity's legal status is that of a Company Limited by Guarantee and is governed by the Company's Articles of Association.

Governing document

Memorandum and Articles of Association incorporated 2nd August 2005 as amended by special resolution dated 19th January 2006.

The methods adopted for the recruitment and appointment of new trustees

The Charity is governed by the Board of Trustees. Board vacancies are dealt with on a skills need basis. The Elders nominate potential candidates and the Board submits advice to the Elders after a trial period. Final confirmation is voted by the Eldership Team as sole Members of the Charity. Appointments may be terminated by the Elders at any time during an individual trustee's term.

The policies and procedures adopted for the induction and training of trustees

Access to an information folder is given to all new trustees which includes information about the Charity, its vision and purpose and copies of policies. It includes the Memorandum and Articles of Association and principles of good governance. It includes a description of the legal responsibilities of a trustee.

The organisational structure of the Charity and how decisions are made

The trustees meet as and when necessary to manage the Church's affairs. Meetings are minuted and records kept indefinitely.

The charity is divided into four major Ministry Units: Mosaic Church, The Oak Church, Leeds School of Theology and Our Catalyst Hub. These Ministry Units of the Charity are managed on a day-by-day basis by the staff and are supported by operational staff and many volunteer personnel from the church congregations. The Operations Manager is David Fahrer and he is supported in finance by Helen Bolton and HR by Gayle Goldsmith. Each Ministry Unit has a leadership team that oversees and carries the primary responsibility for the unit, reporting to the trustees directly and via the Operations Team. Each Unit plans, budgets and manages its finances individually and presents them to the trustees for approval. The Ministry Units and leadership teams are as follows.

| | |
|--------------------------|--|
| Mosaic Church | - Elders supported by Senior Leadership Team |
| The Oak Church | - Senior Leadership Team |
| Leeds School of Theology | - Senior Leadership Team of Directors |
| Our Catalyst Hub | - Leadership Team |

The trustees of the Charity (listed on Page 2), who are also directors of the company, ensure compliance with the charity's obligation under company and charity law and set/monitor the salaries and the contract/working conditions of the employees.

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Structure, governance and management *(continued)*

Business relationships

The Trustees have had regard to the need to foster business relationships with suppliers, customers and others, including its effect on the principal decisions taken during the year.

Risk Management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established and regular reports produced to mitigate these risks.

Reserves Policy

The Articles of Association authorise the Trustees to make any investments they consider appropriate and to raise money with or without the security of the Trust Property. It is the policy of the Trustees to maintain unrestricted funds at a level to ensure that all management and administrative costs can be met for three months.

Accordingly, the Trustees have determined to generally hold reserves representing three months management and administrative costs which approximates to £140,000. For the Mosaic Church ministry unit this is held in the Unrestricted General Fund with a balance of £114,519. For the other ministry units this forms part of their respective restricted ministry funds and is reviewed by the trustees periodically.

Trustees indemnity insurance

There is no trustee indemnity insurance in place at the time of this report.

Objectives and activities

- a) To advance Christianity in accordance with the statement of Faith contained in the Appendix of the Memorandum of Association in Leeds and in such other parts of the United Kingdom or the World as the trustees may from time to time think fit.
 - b) To promote and fulfil such other charitable purposes beneficial to the community in Leeds and in such other parts of the United Kingdom or the World as the trustees may from time to time think fit.
 - c) To relieve aged persons and persons in conditions of need, hardship, sickness or distress arising there from whether in connection with housing or accommodation or shelter or any other purpose (whether by way of loan gift the provision of accommodation or shelter or in any other way) in Leeds and in such other parts of the United Kingdom or the World as the trustees may from time to time think fit.
 - d) To advance education whether of children (above or below compulsory school age) or of adults.
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Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Objectives and activities *(continued)*

Primary Activities

The charitable company exists primarily as a network of churches and related ministries, as part of the Newfrontiers network. It carries out typical activities of a Christian Church e.g. public worship, teaching & training, prayer, projects of a charitable nature, the extension of the Christian faith in Leeds and beyond, the spiritual and practical support of other Christian churches and its own congregation.

During the year ended 31 December 2021, it was not easy to measure our average attendance due to COVID restrictions. A lot of our services were online and also pre-recorded. For the first few months of 2021 the UK was still under COVID Restrictions on social meetings but from April onwards some of the restrictions were removed and we could meet in person. For a period of time our gatherings held a combination of online and in person meetings. It was not until towards the end of the year that we saw most people returning to in person services. Our predicted average attendance (including children) across all of our Sunday meetings (including The Oak) is around 490 (2020 - 490).

Public Benefit

The Trustees confirm that they have paid due regard to the Charities Commission guidance on public benefit when reviewing the Charity's purpose and vision and in deciding which activities the Charity should undertake.

The Charity have engaged in services to the homeless; provision of counsel to those in need; and has worked with external agencies for the development of communities in the Holbeck area and city as a whole. The Charity actively serves other churches across the North of England, including The Oak, a church born out of Mosaic, and have worked with many other churches across Leeds and the UK. We have directly supported charitable works in Leeds, Hull, Northern Ireland, Germany, France, USA, South Africa and Ukraine.

Grant making policy

The Trustees ensure that any criteria applied by them to determine the eligibility of grant recipients and to ensure compliance with the Charity's objects and the public benefit, are reasonable, justifiable and proportionate.

With all grant applications received from individuals, it is part of the charity's grant making procedure to ensure that the purposes to which the grants are utilised are:

- charitable at law, and
- fulfil the public benefit requirements.

Volunteers

The Charity has over 300 active volunteers and the Trustees are immensely grateful for their commitment to see how they support the charity in giving time, effort and support to all the causes we are involved in.

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Achievements and performance

As a charity we have worked to obtain our achievements in different ways through our ministry units. Mosaic Church, The Oak and Leeds School of Theology have worked hard in a year still restricted by COVID outbreaks and other changes. They have worked through periods of activities restarting, changing and refocusing, to help achieve the objectives of the charity.

Mosaic Church

Mosaic Church started the year with no in-person meetings until February when some of the restrictions were lifted and our Holbeck Gathering continued its ministry to those that do not have access to online interactions. The other 3 gatherings restarted in-person meetings from April and were transitioning from online to in-person meetings until September.

COVID continued to have an effect on a number of our Members and the COVID care fund that we set up the year before has continued to help people in need in our gatherings. The future of this fund will be reviewed to make the best use of the balances at the end of the year..

September saw a big change, with the merger of our North and Central Gatherings. This was to address the lack of growth and the cross over of mission and locations. To start here was a drop in attendance but by the end of the year the numbers were starting to rise again. This merger has allowed us to restart after lockdown with a renewed vision for outreach to the city of Leeds by having local outreaches, running courses to help people understand Christianity and look at ways to relieve poverty. The restart has built on the past and has prepared for growth in line with our objectives in 2022

This change has been reflected in our donations. There has been a small increase in regular giving throughout the year but in the last 3 months there was a drop. In 2020 we set the budgets for 2021 thinking that there would be no more lockdowns, but in fact we continued to make savings on our operational costs with reduced venue hire costs. This led to an increase in funds available, some of which has been transferred to designated funds for buildings and other projects, as disclosed in note 16.

The Objectives primarily met by Mosaic Church are Advancing Christianity, Promote Community, Relief of poverty and Education by our regular Sunday services, bigger events, supporting missionaries and churches around the world. These are supported by individual support to mission and small groups stepping out in mission activities in their communities.

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Achievements and performance *(continued)*

The Oak

The Oak has seen some big changes in 2021. Chris Mason has stepped down as leader of The Oak to take up the mission of Church Planting into Bradford with Grace City Church. With this large push on advancing the gospel on one front the leadership team has transitioned from one main leader to a team led approach. The budgeted salary cost of the leader has been released into 2 new roles of Ministry and outreach. This led to an increase in all the areas of our objectives.

The church has invested in streaming equipment which means it is now online every Sunday and in-person at the same time.

During the year regular income has seen a steady increase, although some of the one-off donations of 2020 were not repeated. The oak has built up a very solid position as shown in their level of reserves held in the oak Restricted Fund.

The Objectives primarily met by the Oak are Advancing Christianity, Promote Community, Relief of poverty and Education by our regular Sunday services, bigger events, church planting, supporting missionaries and churches around the world. These are supported by individual support to mission and small groups stepping out in mission activities in their communities.

Leeds School of Theology (LSoT)

2021 has been the most challenging year for LSoT to date but we have received some of our most positive student feedback ever. Covid-19 forced a change to online, which is certainly not ideal for our teaching or the student experience. However, the staff team and our wider teaching team have risen to that task admirably. We have been able to deliver 4 different courses and a total of 150 sessions to students this year. 99 new students joined the school in 2021 and we saw the successful launch of the Justice, Peace and Reconciliation course with 19 students registering for this. The Objective primarily met by Leeds School of Theology is Education by its multiple courses.

Our Catalyst Hub

A large section of The Catalyst Hubs vision is supporting and growing the churches in the group. Matt Hatch has supported first remotely and secondly in person. As our regular LoveNations conference was unable to happen in person we were able to produce an online version to help our communities grow and have a heart for global and local mission. There was budget set aside for missions trips and other trips that was not going to be used due to travel restrictions so we repurposed this to give to church planting and our international family for churches that are going through some leadership transitions. The Objectives primarily met by our Catalyst Hub is advancing Christianity.

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Financial review

Results

The results for the year and the Charity's financial position at the end of the year are shown in the attached financial statements.

Review of Financial Activities

Income for the general running of the Charity during the period came primarily from donations of members and other private individuals.

Expenditure during the year from the general fund related to the normal running costs including: salaries and expenses of the employees, venue hire, training, support costs and office costs. As previously mentioned, income remained fairly stable but expenditure, particularly on venue costs, reduced dramatically. This led to a significant excess of income over expenditure for the year, some of which will be retained in general funds to support normal operations costs and some of which has been transferred to designated funds for projects and buildings..

The Charity makes a practice of giving to other charitable bodies whose aims are consistent with the Charity's Objectives in the Memorandum of Association. Donations are also made to individuals, including, but not restricted to participants of the church (this is normally in cases of hardship). All such giving is consistent with the Memorandum of Association. This giving is one of the largest items of expenditure after salaries and venue hire.

Transactions and Financial position

Voluntary income, including Gift Aid where appropriate, for the year amounted to £569,563 (2020 - £629,828) and the Charity earned £41,462 (2020 - £58,941) from training admissions, education, outreach and groups and grant funding totalling £2,700 (2020 - £7,660). Total income for the Charity was £613,725 (2020 - £696,636).

The total expenditure on charitable activities amounted to £563,017 (2020 - £562,198) and included governance costs which totalled £1,839 (2020 - £3,912) during the year.

The net assets at the year-end stand at £636,548 (2020 - £587,972). The total fixed assets of the charity amounted to £324,806 (2020 - £306,248).

Significant events that have affected financial performance and financial position during the period

With the exception of the ongoing effect of the Covid-19 pandemic, there were no significant events that influenced this year's financial performance.

Principal funding sources and how they support key objectives

The Charity's principal funding source is its members donations. This is a direct representation of how they are wanting to see our objectives met and how they can support that financially not just with time.

Mosaic Church Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Plans for future periods

Our main areas of attention continue to be Christian mission, community support and church planting in Leeds, the UK and overseas. In spring 2022 we held a special offering to financially support three new ministry areas focusing on the areas of Youth, Debt and outreach to young men in the Holbeck area. Each of these ministries will recruit staff and volunteers during 2022 to work alongside all the other ongoing ministry areas.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 20 September 2022 and signed on behalf of the board of trustees by:

ANDREW SCOPES

Trustee

Mosaic Church Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Mosaic Church Limited

Year ended 31 December 2021

I report to the trustees on my examination of the Annual Report and Financial Statements of Mosaic Church Limited ('the charity') for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the Annual Report and Financial Statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the Annual Report and Financial Statements do not accord with those records; or
3. the Annual Report and Financial Statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the Annual Report and Financial Statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

PHILIP HOLT FCA, FCIE

Independent Examiner

High Park Farm
Kirkbymoorside
York
YO62 7HS

27 September 2022

Mosaic Church Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2021

| | | Unrestricted funds | 2021 Restricted funds | Total funds | 2020 Total funds |
|--------------------------------------|------|-----------------------|-----------------------------|----------------|---------------------|
| | Note | £ | £ | £ | £ |
| Income and endowments | | | | | |
| Donations and legacies | 5 | 396,103 | 176,160 | 572,263 | 637,488 |
| Charitable activities | 6 | 24 | 41,438 | 41,462 | 58,941 |
| Other income | 7 | – | – | – | 207 |
| Total income | | <u>396,127</u> | <u>217,598</u> | <u>613,725</u> | <u>696,636</u> |
| Expenditure | | | | | |
| Expenditure on charitable activities | 8,9 | <u>348,878</u> | <u>216,271</u> | <u>565,149</u> | <u>566,110</u> |
| Total expenditure | | <u>348,878</u> | <u>216,271</u> | <u>565,149</u> | <u>566,110</u> |
| Net income | | <u>47,249</u> | <u>1,327</u> | <u>48,576</u> | <u>130,526</u> |
| Transfers between funds | | (12,275) | 12,275 | – | – |
| Net movement in funds | | <u>34,974</u> | <u>13,602</u> | <u>48,576</u> | <u>130,526</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>380,894</u> | <u>207,078</u> | <u>587,972</u> | <u>457,446</u> |
| Total funds carried forward | | <u>415,868</u> | <u>220,680</u> | <u>636,548</u> | <u>587,972</u> |

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 34 form part of these Annual Report and Financial Statements.

Mosaic Church Limited

Company Limited by Guarantee

Statement of Financial Position

31 December 2021

| | Note | 2021 £ | 2020 £ |
|--|-------------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible fixed assets | 17 | 324,806 | 306,248 |
| Current assets | | | |
| Debtors | 18 | 16,420 | 18,978 |
| Cash at bank and in hand | | 553,755 | 529,674 |
| | | <u>570,175</u> | <u>548,652</u> |
| Creditors: amounts falling due within one year | 19 | (28,587) | (26,663) |
| Net current assets | | <u>541,588</u> | <u>521,989</u> |
| Total assets less current liabilities | | 866,394 | 828,237 |
| Creditors: amounts falling due after more than one year | 20 | (229,846) | (240,265) |
| Net assets | | <u>636,548</u> | <u>587,972</u> |
| Funds of the charity | | | |
| Restricted funds | | 220,680 | 207,078 |
| Unrestricted funds | | 415,868 | 380,894 |
| Total charity funds | 24 | <u>636,548</u> | <u>587,972</u> |

For the year ending 31 December 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its Annual Report and Financial Statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of Annual Report and Financial Statements.

These Annual Report and Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These Annual Report and Financial Statements were approved by the board of trustees and authorised for issue on 20 September 2022, and are signed on behalf of the board by:

ANDREW SCOPES
Trustee

The notes on pages 15 to 34 form part of these Annual Report and Financial Statements.

Mosaic Church Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2021

| | Note | 2021 | 2020 |
|---|-------------|-----------------|-----------------|
| | 26 | £ | £ |
| Cash generated from operations | | 62,091 | 158,293 |
| Interest paid | | (3,082) | (3,620) |
| Net cash from operating activities | | <u>54,059</u> | <u>154,673</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible assets | | (25,733) | (11,058) |
| Proceeds from sale of tangible assets | | – | 771 |
| Net cash used in investing activities | | <u>(25,733)</u> | <u>(10,287)</u> |
| Cash flows from financing activities | | | |
| Repay borrowings | | (9,195) | (8,657) |
| Government grant income | | – | 1,060 |
| Net cash used in financing activities | | <u>(9,195)</u> | <u>(7,597)</u> |
| Net increase in cash and cash equivalents | | 24,081 | 136,789 |
| Cash and cash equivalents at beginning of year | | <u>529,674</u> | <u>392,885</u> |
| Cash and cash equivalents at end of year | | <u>553,755</u> | <u>529,674</u> |

The notes on pages 15 to 34 form part of these Annual Report and Financial Statements.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements

Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Mabgate Mill 5, Ground Floor, Mabgate Mills, Leeds, LS9 7DZ.

2. Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Mosaic Church Limited constitutes a public benefit entity as defined by FRS 102.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £1.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Mosaic Church Limited

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Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Income tax

Mosaic Church Limited is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|-----------------------|----------------------------|
| Fixtures and fittings | - 20% or 25% straight line |
| Equipment | - 33% straight line |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Mosaic Church Limited is a charitable company limited by guarantee and accordingly does not have a share capital. The Eldership Team are the sole members of the company limited by guarantee.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

5. Donations and legacies

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|-------------------------|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Mosaic Church | 325,787 | – | 325,787 |
| Our Catalyst Hub | – | 23,600 | 23,600 |
| Oak Church | – | 123,172 | 123,172 |
| COVID-19 Care | – | 120 | 120 |
| Turbocam Donations | – | – | – |
| New Day Staycation | – | 293 | 293 |
| Grace city Church | – | 7,010 | 7,010 |
| Gift Aid | 70,316 | 19,265 | 89,581 |
| Grants | | | |
| Grants receivable | – | 2,700 | 2,700 |
| Government grant income | – | – | – |
| | <u>396,103</u> | <u>176,160</u> | <u>572,263</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

5. Donations and legacies *(continued)*

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|-------------------------|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Mosaic Church | 337,873 | – | 337,873 |
| Our Catalyst Hub | – | 16,648 | 16,648 |
| Oak Church | – | 133,033 | 133,033 |
| COVID-19 Care | – | 13,760 | 13,760 |
| Turbocam Donations | – | 30,841 | 30,841 |
| New Day Staycation | – | – | – |
| Grace city Church | – | – | – |
| Gift Aid | 73,501 | 24,173 | 97,673 |
| Grants | | | |
| Grants receivable | 1,600 | 5,000 | 6,600 |
| Government grant income | – | 1,060 | 1,060 |
| | <u>412,974</u> | <u>224,515</u> | <u>637,488</u> |

6. Charitable activities

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|--------------------------|----------------------------|--------------------------|--------------------------|
| Leeds School of Theology | – | 41,438 | 41,438 |
| Activities and Projects | – | – | – |
| Other Income | 24 | – | 24 |
| | <u>24</u> | <u>41,438</u> | <u>41,462</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|--------------------------|----------------------------|--------------------------|--------------------------|
| Leeds School of Theology | – | 55,989 | 55,989 |
| Activities and Projects | 2,802 | 150 | 2,952 |
| Other Income | – | – | – |
| | <u>2,802</u> | <u>56,139</u> | <u>58,941</u> |

7. Other income

| | Restricted Funds £ | Total Funds 2021 £ | Restricted Funds £ | Total Funds 2020 £ |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Gain on disposal of tangible fixed assets held for charity's own use | – | – | 207 | 207 |
| | <u>–</u> | <u>–</u> | <u>207</u> | <u>207</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

8. Expenditure on charitable activities by fund type

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|--------------------------------|----------------------------|--------------------------|--------------------------|
| Mosaic - Sunday Venue Costs | 16,175 | – | 16,175 |
| Mosaic - Other Gathering costs | 25,202 | – | 25,202 |
| Mosaic - Staff costs | 242,144 | – | 242,143 |
| Mosaic - Training | 3,664 | – | 3,664 |
| Mosaic - Grants and Giving | 23,703 | – | 23,703 |
| Mosaic - Projects | – | 29,516 | 29,517 |
| Oak Church | – | 15,591 | 15,591 |
| Oak Church - Leadership | – | 256 | 256 |
| Oak Church - Ministry | – | 4,391 | 4,391 |
| Oak Church - Staff costs | – | 68,043 | 68,043 |
| Oak Church - Grants and Giving | – | 9,546 | 9,546 |
| Leeds School of Theology | – | 53,395 | 53,395 |
| Holbeck | 427 | 5,293 | 5,720 |
| CAP Job Club | – | – | – |
| COVID Care | – | 3,461 | 3,461 |
| Impact course | – | 1,896 | 1,896 |
| Turbocam supported staff costs | – | 12,506 | 12,506 |
| Grace City Church | – | 9,015 | 9,015 |
| Newday Staycation | – | 293 | 293 |
| Support costs | 37,563 | 3,069 | 40,632 |
| | <u>348,878</u> | <u>216,271</u> | <u>565,149</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|--------------------------------|----------------------------|--------------------------|--------------------------|
| Mosaic - Sunday Venue Costs | 21,623 | – | 21,623 |
| Mosaic - Other Gathering costs | 15,453 | – | 15,453 |
| Mosaic - Staff costs | 246,295 | – | 246,293 |
| Mosaic - Training | 5,838 | – | 5,838 |
| Mosaic - Grants and Giving | 17,106 | – | 17,106 |
| Mosaic - Projects | 2,608 | 27,303 | 29,912 |
| Oak Church | – | 21,293 | 21,293 |
| Oak Church - Leadership | – | 4,104 | 4,104 |
| Oak Church - Ministry | – | 2,408 | 2,408 |
| Oak Church - Staff costs | – | 62,194 | 62,194 |
| Oak Church - Grants and Giving | – | 7,677 | 7,677 |
| Leeds School of Theology | – | 54,242 | 54,242 |
| Holbeck | 3,506 | 2,604 | 6,110 |
| CAP Job Club | – | 1,388 | 1,388 |
| COVID Care | – | 4,019 | 4,019 |
| Impact course | – | 4,936 | 4,936 |
| Turbocam supported staff costs | – | 17,710 | 17,710 |
| Grace City Church | – | – | – |
| Newday Staycation | – | – | – |
| Support costs | 37,126 | 6,678 | 43,804 |
| | <u>349,555</u> | <u>216,556</u> | <u>566,110</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

9. Expenditure on charitable activities by activity type

| | Activities undertaken directly £ | Grant funding of activities £ | Support costs £ | Total funds 2021 £ | Total fund 2020 £ |
|------------------------|---|--|-----------------------|-----------------------------------|-------------------------|
| Mosaic - Sunday | | | | | |
| Venue Costs | 16,175 | – | – | 16,175 | 21,623 |
| Mosaic - Support costs | – | – | 35,724 | 35,724 | 33,214 |
| Mosaic - Other | | | | | |
| Gathering costs | 25,202 | – | – | 25,202 | 15,453 |
| Mosaic - Staff costs | 242,143 | – | – | 242,143 | 246,293 |
| Mosaic - Training | 3,664 | – | – | 3,664 | 5,838 |
| Mosaic - Grants and | | | | | |
| Giving | – | 23,703 | – | 23,703 | 17,106 |
| Mosaic - Projects | 29,517 | – | – | 29,517 | 29,912 |
| Oak Church | 15,591 | – | 3,069 | 18,660 | 27,723 |
| Oak Church - | | | | | |
| Leadership | 256 | – | – | 256 | 4,104 |
| Oak Church - Ministry | 4,391 | – | – | 4,391 | 2,408 |
| Oak Church - Staff | | | | | |
| costs | 68,043 | – | – | 68,043 | 62,194 |
| Oak Church - Grants | | | | | |
| and Giving | – | 9,546 | – | 9,546 | 7,677 |
| Leeds School of | | | | | |
| Theology | 53,395 | – | – | 53,395 | 54,242 |
| Holbeck | 5,720 | – | – | 5,720 | 6,110 |
| CAP Job Club | – | – | – | – | 1,388 |
| COVID Care | – | 3,461 | – | 3,461 | 4,267 |
| Impact course | 1,896 | – | – | 1,896 | 4,936 |
| Turbocam supported | | | | | |
| staff costs | 12,506 | – | – | 12,506 | 17,710 |
| Grace City Church | 9,015 | – | – | 9,015 | – |
| Newday Staycation | 293 | – | – | 293 | – |
| Governance costs | – | – | 1,839 | 1,839 | 3,912 |
| | <u>487,807</u> | <u>36,710</u> | <u>40,632</u> | <u>565,149</u> | <u>566,110</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

10. Analysis of support costs

| | Mosaic Church £ | Oak Church £ | Governance costs £ | Total 2021 £ | Total 2020 £ |
|--------------------------------|-----------------------|-----------------|--------------------------|-------------------------|-----------------|
| Premises | 23,252 | – | – | 23,252 | 21,111 |
| General office | 10,167 | 3,069 | – | 13,236 | 14,695 |
| Independent examination fee | – | – | 1,839 | 1,839 | 3,912 |
| Insurance | 2,305 | – | – | 2,305 | 3,284 |
| Travel and subsistence | – | – | – | – | 271 |
| Online costs | – | – | – | – | 531 |
| | <u>35,724</u> | <u>3,069</u> | <u>1,839</u> | <u>40,632</u> | <u>43,804</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

11. Analysis of grants

| | 2021 £ | 2020 £ |
|--------------------------------------|---------------|---------------|
| Grants to institutions | | |
| Catalyst Network of churches | 11,792 | 9,587 |
| Transformation Leeds | 240 | 480 |
| Holbeck Foodbank | 1,000 | 480 |
| Kidz Klub Leeds | 2,334 | 480 |
| Leeds Faith in schools | 1,000 | – |
| Vinjeru School trust | – | 500 |
| Open Doors UK | 1,000 | 1,056 |
| Zambia Project | 5,600 | 300 |
| UNreached People Groups | 1,500 | – |
| Joanna Charity | – | 1,056 |
| Leeds Universities Christian Unions | 1,000 | – |
| Tearfund re Afganistan | 474 | – |
| 5loaves2Fish | 896 | – |
| Local Mission | 2,512 | – |
| Indian Covid Appeal | 1,000 | – |
| Pakistan Church | – | 1,000 |
| Ukraine | – | 1,526 |
| Covid | – | 4,700 |
| Ashish Churches | – | 2,000 |
| | <u>30,348</u> | <u>23,165</u> |
| Grants to individuals | | |
| Promotion of Christianity (2020 - 6) | – | 1,535 |
| Equipment (2020-4) | – | 160 |
| 20 - Welfare (2020-22) | 6,062 | 1,409 |
| Education/Training (2020 - 6) | – | 250 |
| Travel (2020 - 12) | – | 1,369 |
| Social care (2020 - 8) | – | 895 |
| 1 - Covid-19 (2020 - 8) | 300 | 4,019 |
| | <u>6,362</u> | <u>9,637</u> |
| Total grants | <u>36,710</u> | <u>32,802</u> |

12. Net income

Net income is stated after charging/(crediting):

| | 2021 £ | 2020 £ |
|---------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets | 7,175 | 3,981 |
| Operating lease rentals | <u>15,013</u> | <u>13,720</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

13. Independent examination fees

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Fees payable to the independent examiner for: Independent examination of the Annual Report and Financial Statements | 1,839 | 3,912 |

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Wages and salaries | 306,077 | 311,056 |
| Social security costs | 65,525 | 49,890 |
| Employer contributions to pension plans | 18,294 | 23,178 |
| Other employee benefits | – | 674 |
| | <u>389,896</u> | <u>384,798</u> |

The average head count of employees during the year was 23 (2020: 21). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2021 No. | 2020 No. |
|-------------------------------|-------------|-------------|
| Charitable activities | 8 | 8 |
| Management and administration | 5 | 5 |
| | <u>13</u> | <u>13</u> |

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £153,859 (2020:£151,035).

15. Trustee remuneration and expenses

During the current and previous year, no remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

During the current and previous year, no reimbursed expenses were paid to any trustees by the Charity or any related entity.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

16. Transfers between funds

During the year the Trustees made transfers between funds as follows:

- £65,000 from General unrestricted funds to the designated Mosaic projects funds, to support future projects and ministries, representing surplus funds accumulated over the previous 2 years.
- £65,000 from General unrestricted funds to the designated Building funds, to support potential future purchase of buildings, representing surplus funds accumulated over the previous 2 years.
- £5,421 from General unrestricted funds to the designated church planting funds, representing part of the church annual tithe.
- £12,275 from General unrestricted funds to the restricted funds for Our Catalyst Hub and Leeds School of Theology to support their work.
- £27,670 from The Oak Restricted fund to the restricted funds for Grace City and Our Catalyst Hub to support their work.

17. Tangible fixed assets

| | Freehold property £ | Fixtures and fittings £ | Equipment £ | Total £ |
|----------------------------|---------------------------|-------------------------------|----------------|----------------|
| Cost | | | | |
| At 1 January 2021 | 295,023 | 1,705 | 21,181 | 317,909 |
| Additions | – | 21,468 | 4,265 | 25,733 |
| At 31 December 2021 | <u>295,023</u> | <u>23,173</u> | <u>25,446</u> | <u>343,642</u> |
| Depreciation | | | | |
| At 1 January 2021 | – | 1,705 | 9,956 | 11,661 |
| Charge for the year | – | 1,789 | 5,386 | 7,175 |
| At 31 December 2021 | <u>–</u> | <u>3,494</u> | <u>15,342</u> | <u>18,836</u> |
| Carrying amount | | | | |
| At 31 December 2021 | <u>295,023</u> | <u>19,679</u> | <u>10,104</u> | <u>324,806</u> |
| At 31 December 2020 | <u>295,023</u> | <u>–</u> | <u>11,225</u> | <u>306,248</u> |

18. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|---------------|---------------|
| Prepayments and accrued income | 2,795 | 71 |
| Rent recoverable | 5,400 | 5,400 |
| Gift Aid recoverable | 8,225 | 13,507 |
| | <u>16,420</u> | <u>18,978</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

18. Debtors *(continued)*

The debtors above include the following amounts falling due after more than one year:

| | 2021 | 2020 |
|------------------|-------|-------|
| | £ | £ |
| Rent recoverable | 5,400 | 5,400 |

19. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | 9,400 | 8,176 |
| Accruals and deferred income | 11,543 | 9,458 |
| Social security and other taxes | 7,644 | 6,946 |
| Pension liabilities | – | 2,083 |
| | <u>28,587</u> | <u>26,663</u> |

20. Creditors: amounts falling due after more than one year

| | 2021 | 2020 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 129,846 | 140,265 |
| Other long term concessionary loan | 100,000 | 100,000 |
| | <u>229,846</u> | <u>240,265</u> |

In June 2015, the Charity arranged a loan with NatWest Plc for £185,000. This loan is secured on the Land & Building at 54 Bradford Road, Pudsey, LS28 6EF. The loan is repayable over a 10-year period with an interest rate of 2.04% over the Base Rate with maturity in June 2025 and a final balloon repayment in June 2025.

In February 2015, the Charity arranged an interest-free loan of £100,000 from friends of Mosaic Church. The loan is due to be repaid in full in January 2025.

21. Deferred income

| | 2021 | 2020 |
|----------------------------|--------------|----------|
| | £ | £ |
| At 1 January 2021 | – | 490 |
| Amount released to income | – | (490) |
| Amount deferred in year | 4,460 | – |
| At 31 December 2021 | <u>4,460</u> | <u>–</u> |

Deferred income arises on ticket proceeds for the 2019-2020 Discipleship course and is deferred because the course ran over 2 financial years and the funds were designated to support the rest of the course costs in 2022.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £18,294 (2020: £23,178).

23. Government grants

The amounts recognised in the Annual Report and Financial Statements for government grants are as follows:

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Recognised in income from donations and legacies: | | |
| Government grants income | — | 1,060 |

24. Analysis of charitable funds

Unrestricted funds

| | At 1 January 2021 £ | Income £ | Expenditure £ | Transfers £ | At 31 December 2021 £ |
|----------------------|------------------------------|----------------|------------------|-----------------|--------------------------------|
| General funds | 213,176 | 396,127 | (347,089) | (147,696) | 114,518 |
| Mosaic Projects | 10,818 | — | — | 65,000 | 75,818 |
| Building Fund | 136,900 | — | (1,789) | 65,000 | 200,111 |
| Church Planting Fund | 20,000 | — | — | 5,421 | 25,421 |
| | <u>380,894</u> | <u>396,127</u> | <u>(348,878)</u> | <u>(12,275)</u> | <u>415,868</u> |

| | At 1 January 2020 £ | Income £ | Expenditure £ | Transfers £ | At 31 December 2020 £ |
|----------------------|------------------------------|----------------|------------------|-----------------|--------------------------------|
| General funds | 161,549 | 405,474 | (346,347) | (7,500) | 213,176 |
| Mosaic Projects | 25,624 | 2,802 | (2,608) | (15,000) | 10,818 |
| Building Fund | 130,000 | 7,500 | (600) | — | 136,900 |
| Church Planting Fund | 10,000 | — | — | 10,000 | 20,000 |
| | <u>327,173</u> | <u>415,776</u> | <u>(349,555)</u> | <u>(12,500)</u> | <u>380,894</u> |

Mosaic Projects Fund - the monies in this fund relate to income for specific projects and events organised and overseen by Mosaic (rather than general income).

Building Fund - the money in this fund relates to special offering designated gifts to be used in future for investments in buildings.

Church Planting Fund - the transfers to this fund, of money from our regular giving, are saved to support church plants that arise in the future.

The designated funds are wholly represented by the Charity's cash reserves.

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

24. Analysis of charitable funds *(continued)*

Restricted funds

| | At 1 January 2021 £ | Income £ | Expenditure £ | Transfers £ | At 31 December 2021 £ |
|-----------------------------|------------------------------|----------------|------------------|----------------|--------------------------------|
| Holbeck Fund | 7,603 | – | (5,293) | – | 2,310 |
| Job Club Fund | 978 | – | – | – | 978 |
| Leeds School of Theology | 32,591 | 41,438 | (53,394) | 2,825 | 23,460 |
| The Oak Church | 125,948 | 140,754 | (100,896) | (27,670) | 138,136 |
| Acorns Play Group | 110 | – | – | – | 110 |
| Our Catalyst Hub Fund | 14,419 | 23,600 | (29,516) | 10,438 | 18,941 |
| COVID-19 Care Fund | 12,234 | 120 | (3,461) | – | 8,893 |
| Impact Fund | 64 | 1,700 | (1,896) | 132 | – |
| Turbocam Donations Fund | 13,131 | – | (12,506) | – | 625 |
| Grace City Church | – | 9,693 | (9,016) | 26,550 | 27,227 |
| Newday Staycation 2021 | – | 293 | (293) | – | – |
| | <u>207,078</u> | <u>217,598</u> | <u>(216,271)</u> | <u>12,275</u> | <u>220,680</u> |

| | At 1 January 2020 £ | Income £ | Expenditure £ | Transfers £ | At 31 December 2020 £ |
|-----------------------------|------------------------------|----------------|------------------|----------------|--------------------------------|
| Holbeck Fund | 10,058 | 150 | (2,605) | – | 7,603 |
| Job Club Fund | 2,365 | – | (1,387) | – | 978 |
| Leeds School of Theology | 30,636 | 56,196 | (54,241) | – | 32,591 |
| The Oak Church | 78,130 | 155,525 | (104,107) | (3,600) | 125,948 |
| Acorns Play Group | 110 | – | – | – | 110 |
| Our Catalyst Hub Fund | 8,974 | 16,648 | (27,303) | 16,100 | 14,419 |
| COVID-19 Care Fund | – | 16,501 | (4,267) | – | 12,234 |
| Impact Fund | – | 5,000 | (4,936) | – | 64 |
| Turbocam Donations Fund | – | 30,841 | (17,710) | – | 13,131 |
| Grace City Church | – | – | – | – | – |
| Newday Staycation 2021 | – | – | – | – | – |
| | <u>130,273</u> | <u>280,861</u> | <u>(216,556)</u> | <u>12,500</u> | <u>207,078</u> |

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

24. Analysis of charitable funds *(continued)*

Holbeck Fund - donations specifically to set up and run services and outreach including 0.5 days of staff time.

Job Club Fund - donations specifically to set up and run the CAP Job Club in North Leeds.

Leeds School of Theology - donations specifically to set up and run the Leeds School of Theology.

The Oak Church - the monies in this fund relate to donations specifically given for, and used by, The Oak Church .

Acorns Play Group - the monies in this fund relate to a grant given by Leeds City Council to run a children's play group in south Leeds.

Our Catalyst Hub Fund - the monies in this fund are restricted to management and outworking's for our Catalyst Hub of churches. From grant giving to staff and travel support to all the churches in the Hub and external.

COVID-19 Care Fund - This fund was created for Church members to support other Church members going through financial difficulties due to the Covid Lockdowns. It has pastoral oversight of the grant process and rules to manage the claims against the fund.

Impact Fund - the monies in this fund relate to donations received specifically to support the impact internships.

Turbocam Gift Fund - the monies in this fund relate to supporting the ministry of Mosaic Church specifically to contribute to staff costs for one individual.

Grace City Church Fund - the monies in this fund relate to supporting the ministry of Grace City Church.

Newday Staycation 2021 - the monies in this fund relate to supporting donations received specifically to support the Newday Staycation project.

Mosaic Church Limited

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Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

25. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 24,546 | 300,260 | 324,806 |
| Current assets | 412,443 | 157,732 | 570,175 |
| Creditors less than 1 year | (21,121) | (7,466) | (28,587) |
| Creditors greater than 1 year | – | (229,846) | (229,846) |
| Net assets | 415,868 | 220,680 | 636,548 |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 8,237 | 298,011 | 306,248 |
| Current assets | 385,143 | 163,509 | 548,652 |
| Creditors less than 1 year | (12,486) | (14,177) | (26,663) |
| Creditors greater than 1 year | – | (240,265) | (240,265) |
| Net assets | 380,894 | 207,078 | 587,972 |

26. Cash generated from operations

| | 2021 £ | 2020 £ |
|--|---------------|----------------|
| Net income | 48,576 | 130,526 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 7,175 | 3,981 |
| Government grant income | – | (1,060) |
| Interest payable and similar charges | 3,082 | 3,620 |
| Gains on disposal of tangible fixed assets | – | (207) |
| Accrued expenses | (2,375) | (1,863) |
| <i>Changes in:</i> | | |
| Trade and other debtors | 2,558 | 17,979 |
| Trade and other creditors | 3,075 | 5,317 |
| | 62,091 | 158,293 |

Mosaic Church Limited

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Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

27. Analysis of changes in net debt

| | At 1 Jan 2021 | Cash flows | At 31 Dec 2021 |
|--------------------------|----------------|---------------|-------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 529,674 | 24,081 | 553,755 |
| Debt due within one year | (8,176) | (1,224) | (9,400) |
| Debt due after one year | (140,265) | 10,419 | (129,846) |
| | <u>381,233</u> | <u>33,276</u> | <u>414,509</u> |

28. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2021 | 2020 |
|-----------------------|---------------|--------------|
| | £ | £ |
| Not later than 1 year | <u>21,683</u> | <u>9,765</u> |

29. Related parties

No payments were made to Directors or any persons connected with them during this financial period. No material transaction took place between the charity and a trustee or any person connected with them.

Total amount of donations received without conditions from trustees or other related parties amounted to £27,140 (2020: £25,490).

Mosaic Church Limited

Company Limited by Guarantee

Notes to the Annual Report and Financial Statements *(continued)*

Year ended 31 December 2021

30. Comparative disclosures for the statement of financial activity

| | Unrestricted funds £ | 2020 Restricted funds £ | Total funds £ |
|--------------------------------------|----------------------------|----------------------------------|------------------|
| Income and endowments | | | |
| Donations and legacies | 412,974 | 224,515 | 637,488 |
| Charitable activities | 2,802 | 56,139 | 58,941 |
| Other income | – | 207 | 207 |
| Total income | <u>415,776</u> | <u>280,861</u> | <u>696,636</u> |
| Expenditure | | | |
| Expenditure on charitable activities | 349,555 | 216,556 | 566,110 |
| Total expenditure | <u>349,555</u> | <u>216,556</u> | <u>566,110</u> |
| Net income | <u>66,221</u> | <u>64,305</u> | <u>130,526</u> |
| Transfers between funds | (12,500) | 12,500 | – |
| Net movement in funds | <u>53,721</u> | <u>76,805</u> | <u>130,526</u> |
| Reconciliation of funds | | | |
| Total funds brought forward | 327,173 | 130,273 | 457,446 |
| Total funds carried forward | <u>380,894</u> | <u>207,078</u> | <u>587,972</u> |