

Catalyst Network of Churches

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | |
|----------------------------------|---|
| Trustees | Sarah Crowhurst Martin Eaton Simon Holley Royden Loveley Andrew Martin David Morris Michael Saxton Andrew Simpkins Richard Wightman |
| Company registered number | 08284434 |
| Charity registered number | 1150242 |
| Registered office | Hertford Place Coventry West Midlands CV1 3JZ |
| Independent auditor | MHA MacIntyre Hudson Chartered Accountants Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ |

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Principle Activity

The main activities of Catalyst Network are to advance the Christian faith and to provide assistance for persons in conditions of need, hardship or distress. To achieve its objectives Catalyst works as a family of churches:

- Supporting Churches and their Elders
- Establishing new Churches
- Working directly with or supporting projects helping the poor or those in hardship
- Organising conferences to educate, encourage and envision church leaders and individuals
- Training individuals for Christian service in the church and community

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also directors for the purposes of company law, and who served during the year were:

Sarah Crowhurst

Martin Eaton

Simon Holley

Royden Loveley

Andrew Martin

David Morris

Michael Saxton

Andrew Simpkins

Richard Wightman

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantees to contribute £1 in the event of a winding up.

Trustees appointment, induction and training

There were no appointments during the year. Trustees are required to agree with the trust's Statement of Faith. Trustee induction includes a briefing with one of the existing directors on the role of Trustees. It also includes the provision and review of charity commission material on the role of the trustee. The need for further trustee training is kept under review.

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

Achievements and performance

a. Organisational structure

The trustees met for two formal board meetings during the year and have responsibility for the general, legal and fiscal oversight of the trust.

The day to day work of the charity is delegated to four of the Directors, Simon Holley, Richard Wightman, Andrew Martin and Andrew Simpkins who are supported by both paid and voluntary staff. There is a strategy team, headed by Simon Holley, made up of church leaders from within the network with emerging apostolic gifting that makes recommendations to the board on the broad direction of the Network and projects to fund. Simon Holley, Andrew Simpkins and Richard Wightman also form part of this team.

b. Risk management

The trustees have established a pattern of risk management which is monitored through a Finance and Risk subcommittee of 6 of the directors to consider the financial, strategic and operational risks to the charity.

c. How our activities deliver public benefit

As at 31st December 2020, 79 churches were part of the Catalyst Network. There are also a large number of churches overseas that have a direct Apostolic relationship with Catalyst. The UK church leaders have gathered on several occasions during the year for training, prayer and to be equipped to fulfil their role as leaders of churches reaching out to benefit the community locally, across the UK and overseas. These gatherings all took place online due to the Covid-19 pandemic.

An offering appeal was launched during April 2020 to enable us to provide emergency support to churches and other related organisations overseas that had been affected by the pandemic. This has raised £666,804 and enabled us to set up the Covid relief fund. This fund was used to provide emergency food and medical relief to some of the poorest people who were affected by local Covid restrictions that meant their ability to buy food etc. was severely impacted.

During 2020 we have made grants to more than 70 different churches / organisations in over 30 different countries from this fund. The offering also enabled us to trial and subsequently establish a new related fund – the Catalyst Business Redevelopment fund which aims to provide micro-grants to help those whose livelihoods have been devastated by COVID-19 by building a sustainable, local micro enterprise.

Most grants will be £200-£500 in value, with people applying through their local church, ensuring that every project we support is known, trusted, and built with relationship at its core. The initial funding of £81,000 for this new fund came from a specific request to four of the largest donors to the Covid relief fund to reallocate up to half of their initial grant to the emergency fund.

Catalyst Festival, a 4 day family bible and worship event was planned for the late May bank holiday weekend. Unfortunately, due to the Covid-19 pandemic this was postponed to become an online festival running the same weekend in 2021.

Leadership Training, a 2 year structured training programme for church leaders and potential leaders once again ran online during the year.

A new two year, entry level bible training course "God's Big Story" was piloted during 2019 and was launched to run online during 2020.

Overseas ministry forms a large part of Catalyst's activities. Apostolic oversight of churches has involved continued online support to many nations, but no travelling has been undertaken.

Through being a network of churches together Catalyst has been able to achieve more and get more involved in more areas than would otherwise have been possible by individual churches acting alone, thereby reaching out and benefitting more people in the UK and abroad.

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

Achievements and performance (continued)

Financial review

a. Going concern and COVID-19 Pandemic

Due to the current crisis and restrictions on gatherings we were unable to run the Catalyst Festival in 2020. Ticket sales for this event began during the later part of 2019 and carried on into March 2020. £145,517 of ticket sales were received during 2019. During 2020 it became clear that the 2021 Festival would also not be able to go ahead as planned. An offer to refund the full ticket payment was made to each ticket holder who had previously requested their ticket be transferred to the 2021 Festival. During the end of 2020 and beginning of 2021 £134,100 we had received was refunded and £91,652 was subsequently given as donations at the request of the original purchasers of the tickets. These donations were primarily used to cover the costs incurred in cancelling the Festival and to fund an Online festival in 2021 for which no charge was made to delegates.

b. Reserves policy

Catalyst aims to hold a minimum of the equivalent of three month's expenditure as general reserves.

The Trustees have continued to monitor the charity's finances to ensure that we are able to meet our commitments and thus remain a going concern. The Trustees will continue to monitor the income and adjust the cost base appropriately if needed. We hold unrestricted cash reserves which equate to 10 months expenditure. Having considered these factors, we still consider the charity to be a going concern.

Structure, governance and management

a. Financial review

Total incoming resources for the year were £1,125,972 (2019: £725,699) Grants were mainly received from churches either as regular or one-off gifts. Donations from individuals were mainly received at an offering taken for the Covid 19 crisis appeal along with associated gift aid. Many churches took up an offering amongst their own congregation for this appeal and consequently made a grant to Catalyst as part of this offering. Total tickets sales of £134,100 for Catalyst Festival 2020 were refunded. Total resources expended amounted to £1,077,048 (2019: £609,731). Total surplus for the year was £48,924 (2019: £115,968). The net assets of the trust are £643,023 (2019: £594,097).

Plans for future periods

The Catalyst Festival ran in May 2021 as an online only event with no charge to delegates.

CATALYST NETWORK OF CHURCHES

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Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, MHA MacIntyre Hudson, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
Mr A Simpkins
Trustee
Date: 11 September 2021

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CATALYST NETWORK OF CHURCHES

Opinion

We have audited the financial statements of Catalyst Network of Churches (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 matter

The financial statements of Catalyst Network Of Churches for the year ended 31 December 2019 were unaudited.

We are engaged to audit the current year, not the comparatives as well (our work on them is limited to ensuring the opening balances are materially accurate) so the current statement gives a more positive confirmation on the accuracy of them, whereas the above wording is simply a factual statement/acknowledgement (and so reduces our exposure).

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CATALYST NETWORK OF CHURCHES (CONTINUED)

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CATALYST NETWORK OF CHURCHES (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk management override of controls, including testing of journal entries and other adjustment for appropriateness;
- Reviewing minutes of meetings of those charged with governance

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

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 Auditor's report.

CATALYST NETWORK OF CHURCHES

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CATALYST NETWORK OF CHURCHES (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Company's and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson, Statutory Auditor
Milton Keynes, United Kingdom

27 September 2021

MHA MacIntyre Hudson is eligible for appointment as auditor of the charitable charity by virtue of its eligibility for appointment as auditor under section 1212 of the Companies Act 2006.

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

| | | Restricted funds | Unrestricted funds | Total funds | Total funds |
|------------------------------------|------|------------------|--------------------|------------------|----------------|
| | | 2020 | 2020 | 2020 | 2019 |
| | Note | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations and legacies | 4 | 841,533 | 177,672 | 1,019,205 | 588,803 |
| Charitable activities | 5 | - | 48,696 | 48,696 | 132,216 |
| Investments | 6 | - | 1,023 | 1,023 | 1,552 |
| Other income | 7 | - | 57,048 | 57,048 | 3,128 |
| Total income | | 841,533 | 284,439 | 1,125,972 | 725,699 |
| Expenditure on: | | | | | |
| Charitable activities | 9 | 762,351 | 314,697 | 1,077,048 | 609,731 |
| Total expenditure | | 762,351 | 314,697 | 1,077,048 | 609,731 |
| Net movement in funds | | 79,182 | (30,258) | 48,924 | 115,968 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 217,054 | 377,043 | 594,097 | 478,129 |
| Net movement in funds | | 79,182 | (30,258) | 48,924 | 115,968 |
| Total funds carried forward | | 296,236 | 346,785 | 643,021 | 594,097 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 27 form part of these financial statements.

CATALYST NETWORK OF CHURCHES**(A company limited by guarantee)****REGISTERED NUMBER: 08284434**

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

| | Note | 2020 £ | 2019 £ |
|--|-------------|-------------------|-------------------|
| Current assets | | | |
| Cash at bank and in hand | | 679,025 | 601,597 |
| | | 679,025 | 601,597 |
| Creditors: amounts falling due within one year | 14 | (36,004) | (7,500) |
| Net current assets | | 643,021 | 594,097 |
| Total assets less current liabilities | | 643,021 | 594,097 |
| Net assets excluding pension asset | | 643,021 | 594,097 |
| Total net assets | | 643,021 | 594,097 |
| Charity funds | | | |
| Restricted funds | | | |
| Restricted funds - General | 16 | 284,355 | 88,741 |
| Restricted funds - Festival | 16 | 11,881 | 128,313 |
| Total restricted funds | 16 | 296,236 | 217,054 |
| Unrestricted funds | | | |
| Designated funds | 16 | 174,777 | 228,487 |
| General funds | 16 | 172,008 | 148,556 |
| Total unrestricted funds | 16 | 346,785 | 377,043 |
| Total funds | | 643,021 | 594,097 |

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

REGISTERED NUMBER: 08284434

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Mr A SImpkins

Date: 11 September 2021

The notes on pages 14 to 27 form part of these financial statements.

CATALYST NETWORK OF CHURCHES**(A company limited by guarantee)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | 76,405 | 119,338 |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 1,025 | 1,552 |
| | <hr/> | <hr/> |
| Net cash provided by investing activities | 1,025 | 1,552 |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| | <hr/> | <hr/> |
| Net cash provided by financing activities | - | - |
| | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | 77,430 | 120,890 |
| Cash and cash equivalents at the beginning of the year | 601,597 | 480,707 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 679,027 | 601,597 |
| | <hr/> | <hr/> |

The notes on pages 14 to 27 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Catalyst Network of Churches is a private company limited by guarantee incorporated in England and Wales. The registered office is Hertford Place, Coventry, West Midlands, CV1 3JZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

At the time of approving the financial statements, the trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

2.4 Expenditure

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure (continued)

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.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Debtors

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

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

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

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

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Income from donations and legacies

| | Restricted funds 2020 £ | Festival restricted funds 2020 £ | Unrestricted funds 2020 £ | Total fund 202 |
|-----------|--|---|--|-------------------------------|
| Donations | 242,924 | - | 2,641 | 245,565 |
| Other | - | 80,236 | 890 | 81,126 |
| Grants | 518,373 | - | 174,141 | 692,514 |
| | <u>761,297</u> | <u>80,236</u> | <u>177,672</u> | <u>1,019,205</u> |

| | <i>Restricted funds 2019 £</i> | <i>Festival restricted funds 2019 £</i> | <i>Unrestricted funds 2019 £</i> | <i>Total fund 201</i> |
|-----------|--|---|--|-------------------------------|
| Donations | 58,000 | - | 33,682 | 91,682 |
| Other | - | 145,517 | 2,215 | 147,732 |
| Grants | 53,755 | - | 295,634 | 349,389 |
| | <u>111,755</u> | <u>145,517</u> | <u>331,531</u> | <u>588,803</u> |

5. Income from charitable activities

| | Unrestricted funds 2020 £ | Total fund 202 |
|-----------------------------------|--|-------------------------------|
| Income from charitable activities | <u>48,696</u> | <u>48,696</u> |

| | <i>Restricted funds 2019 £</i> | <i>Unrestricted funds 2019 £</i> | <i>Total fund 201</i> |
|-----------------------------------|--|--|-------------------------------|
| Income from charitable activities | <u>17,952</u> | <u>114,264</u> | <u>132,216</u> |

CATALYST NETWORK OF CHURCHES**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Investment income

| | Unrestricted funds 2020 £ | Total fund 2020 |
|---------------------|--|--------------------------------|
| Interest receivable | <u>1,023</u> | <u>1,023</u> |

| | <i>Unrestricted funds 2019 £</i> | <i>Total fund 2019</i> |
|---------------------|--|--------------------------------|
| Interest receivable | <u>1,552</u> | <u>1,552</u> |

7. Other trading activities

| | Unrestricted funds 2020 £ | Total fund 2020 |
|--------------|--|--------------------------------|
| Other income | <u>57,048</u> | <u>57,048</u> |

| | <i>Unrestricted funds 2019 £</i> | <i>Total fund 2019</i> |
|--------------|--|--------------------------------|
| Other income | <u>3,128</u> | <u>3,128</u> |

CATALYST NETWORK OF CHURCHES**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Analysis of grants

| | Grants 2020 £ | Total fund 202 |
|---------------------|------------------------------|-------------------------------|
| Support of churches | 559,562 | 559,562 |
| Other grants | 139,124 | 139,124 |
| | <u>698,686</u> | <u>698,686</u> |

| | Grants 2019 £ | Total fund 201 |
|---------------------|------------------------------|-------------------------------|
| Support of churches | 192,800 | 192,800 |
| Other grants | 23,559 | 23,559 |
| Individual grants | 8,286 | 8,286 |
| | <u>224,645</u> | <u>224,645</u> |

Although it is a requirement of the SORP to disclose details of the grants provided this includes sensitive information. Per the breakdown above the charity supports both individuals and churches to allow them to undertake projects and activities.

9. Analysis of expenditure on charitable activities**Summary by fund type**

| | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total fund 202 |
|---------------------|--|--|-------------------------------|
| Support of churches | 681,656 | 256,268 | 937,924 |
| Other grants | 80,695 | 58,429 | 139,124 |
| | <u>762,351</u> | <u>314,697</u> | <u>1,077,048</u> |

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

| | <i>Restricted funds</i> | <i>Unrestricted funds</i> | <i>Total fund</i> |
|---------------------|-------------------------|---------------------------|-------------------|
| | 2019 | 2019 | 201 |
| | £ | £ | |
| Support of churches | 109,722 | 468,164 | 577,886 |
| Other grants | 1,000 | 22,559 | 23,559 |
| Individual grants | - | 8,286 | 8,286 |
| | <u>110,722</u> | <u>499,009</u> | <u>609,731</u> |

10. Analysis of expenditure by activities

| | Grant funding of activities | Support costs | Total fund |
|---------------------|------------------------------------|----------------------|-------------------|
| | 2020 | 2020 | 202 |
| | £ | £ | |
| Support of churches | 559,562 | 378,362 | 937,924 |
| Other grants | 139,124 | - | 139,124 |
| | <u>698,686</u> | <u>378,362</u> | <u>1,077,048</u> |

| | <i>Grant funding of activities</i> | <i>Support costs</i> | <i>Total fund</i> |
|---------------------|------------------------------------|----------------------|-------------------|
| | 2019 | 2019 | 201 |
| | £ | £ | |
| Support of churches | 192,800 | 385,086 | 577,886 |
| Other grants | 23,559 | - | 23,559 |
| Individual grants | 8,286 | - | 8,286 |
| | <u>224,645</u> | <u>385,086</u> | <u>609,731</u> |

CATALYST NETWORK OF CHURCHES**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Analysis of expenditure by activities (continued)**Analysis of support costs**

| | Activities 2020 £ | Total funds 2020 £ |
|--------------------------------|----------------------------------|---------------------------------------|
| Staff costs | 126,809 | 126,809 |
| Support and other office costs | 43,372 | 43,372 |
| Travel | 5,426 | 5,426 |
| Festival costs | 193,647 | 193,647 |
| Finance costs | 1,193 | 1,193 |
| IT and computer costs | 2,766 | 2,766 |
| Governance costs | 5,149 | 5,149 |
| | <hr/> | <hr/> |
| | 378,362 | 378,362 |

| | <i>Activities 2019 £</i> | <i>Total funds 2019 £</i> |
|--------------------------------|----------------------------------|---------------------------------------|
| Staff costs | 156,433 | 156,433 |
| Support and other office costs | 157,268 | 157,268 |
| Travel | 43,740 | 43,740 |
| Festival costs | 16,837 | 16,837 |
| Finance costs | 737 | 737 |
| IT and computer costs | 3,160 | 3,160 |
| Governance costs | 6,911 | 6,911 |
| | <hr/> | <hr/> |
| | 385,086 | 385,086 |

CATALYST NETWORK OF CHURCHES**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Auditor's remuneration

| | 2020 | 2019 |
|--|--------------|----------|
| | £ | £ |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | <u>2,900</u> | <u>-</u> |

In the prior year the charity was not subjected to an audit.

12. Staff costs

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Wages and salaries | | |
| Wages and salaries | 119,199 | 139,289 |
| Social security costs | 1,193 | 5,269 |
| Contribution to defined contribution pension schemes | 6,417 | 11,875 |
| | <u>126,809</u> | <u>156,433</u> |

The average number of persons employed by the Company during the year was as follows:

| | 2020 | 2019 |
|--------------------|----------|----------|
| | No. | No. |
| Central operations | <u>5</u> | <u>4</u> |

No employee received remuneration amounting to more than £60,000 in either year.

No employee received employee benefits of more than £60,000 during the year (2019: nil).

The key management personnel of the charity comprise the Trustees' throughout the current and preceding year.

During the year, the key management personnel of the charity received remuneration, including gross salary and employers' pension contributions, amounting to £Nil (2019: £55,628).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year, expenses incurred on behalf of the charity to the value of £444 (2019: £1,826) were reimbursed to trustees in the year.

During the year, trustees donated £2,000 (2019: £4,850) to the charity.

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------|---------------|--------------|
| Other creditors | 32,004 | 3,500 |
| Accruals and deferred income | 4,000 | 4,000 |
| | <u>36,004</u> | <u>7,500</u> |

15. Financial instruments

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | <u>679,025</u> | <u>601,597</u> |

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers In/out £ | Balance at 31 December 2020 £ |
|------------------------------------|-----------------------------------|------------------|--------------------|--------------------------|-------------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Designated Funds | 228,487 | 71,999 | (150,944) | 25,235 | 174,777 |
| General funds | | | | | |
| Unrestricted Funds | 148,556 | 212,440 | (163,753) | (25,235) | 172,008 |
| Total Unrestricted funds | 377,043 | 284,439 | (314,697) | - | 346,785 |
| Restricted funds | | | | | |
| Support of churches | 827 | 48,194 | (45,156) | - | 3,865 |
| Ukraine fund | 13,371 | 5,400 | (12,728) | - | 6,043 |
| Development fund | 74,543 | 40,000 | (30,049) | - | 84,494 |
| Turkey fund | - | 300 | (300) | - | - |
| Covid-19 fund | - | 666,803 | (477,450) | - | 189,353 |
| Business redevelopment fund | - | 600 | - | - | 600 |
| | 88,741 | 761,297 | (565,683) | - | 284,355 |
| Restricted funds - Festival | | | | | |
| Festival | 128,313 | 80,236 | (196,668) | - | 11,881 |
| Total Restricted funds | 217,054 | 841,533 | (762,351) | - | 296,236 |
| Total of funds | 594,097 | 1,125,972 | (1,077,048) | - | 643,021 |

CATALYST NETWORK OF CHURCHES**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Statement of funds (continued)

The trustees have designated the funds to enable support for a variety of key areas, to ringfence from normal unrestricted funds available to the charity.

Support of churches: The church planting fund is for specific gifts given for specific church plants that Catalyst is involved in. These grants are used either to pay grants for these churches or to fund other support given to them.

Ukraine fund: Catalyst is working with a number of churches based in Ukraine. These funds are used to support those churches.

Development fund: These funds are used to support New Frontiers churches and apostolic bases in the UK and overseas.

Leadership weekend: These funds are used to enable the training of church leaders to equip them to fulfil their roles.

Covid-19 fund: These funds are used to support the local community during the Covid-19 pandemic.

Summary of funds - current year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2020 £ |
|-----------------------------|-----------------------------------|------------------|--------------------|--------------------------|-------------------------------------|
| Designated funds | 228,487 | 71,999 | (150,944) | 25,235 | 174,777 |
| General funds | 148,556 | 212,440 | (163,753) | (25,235) | 172,008 |
| Restricted funds | 88,741 | 761,297 | (565,683) | - | 284,355 |
| Restricted funds - Festival | 128,313 | 80,236 | (196,668) | - | 11,881 |
| | <u>594,097</u> | <u>1,125,972</u> | <u>(1,077,048)</u> | <u>-</u> | <u>643,021</u> |

17. Analysis of net assets between funds**Analysis of net assets between funds - current period**

| | Restricted funds 2020 £ | Restricted funds - festival 2020 £ | Unrestricted funds 2020 £ | Total fund 2020 |
|-------------------------------|----------------------------------|---|------------------------------------|-----------------------|
| Current assets | 284,355 | 11,881 | 382,789 | 679,025 |
| Creditors due within one year | - | - | (36,004) | (36,004) |
| Total | <u>284,355</u> | <u>11,881</u> | <u>346,785</u> | <u>643,021</u> |

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

| | Restricted funds 2019 £ | Restricted funds - festival 2019 £ | Unrestricted funds 2019 £ | Total fund 2019 |
|-------------------------------|-------------------------------|---|------------------------------------|-----------------------|
| Current assets | 88,741 | 128,313 | 384,543 | 601,597 |
| Creditors due within one year | - | - | (7,500) | (7,500) |
| Total | 88,741 | 128,313 | 377,043 | 594,097 |

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

| | 2020 £ | 2019 £ |
|--|---------------|----------------|
| Net income for the period (as per Statement of Financial Activities) | 48,924 | 115,968 |
| Adjustments for: | | |
| Dividends, interests and rents from investments | (1,023) | (1,552) |
| Decrease in debtors | - | 4,352 |
| Increase in creditors | 28,504 | 570 |
| Net cash provided by operating activities | 76,405 | 119,338 |

19. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Cash in hand | 679,027 | 601,597 |
| Total cash and cash equivalents | 679,027 | 601,597 |

CATALYST NETWORK OF CHURCHES

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Analysis of changes in net debt

| | At 1 January 2020 | Cash flows | At 31 December 2020 |
|--------------------------|----------------------|---------------|------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 601,597 | 77,428 | 679,025 |
| | <u>601,597</u> | <u>77,428</u> | <u>679,025</u> |

21. Related party transactions

Grants totalling £25,300 (2019: £12,000) were received from, and grant totalling £19,328 (2019: £10,533) were paid to New Life Church Milton Keynes, where Richard Wightman and Sarah Crowhurst are Trustees.

Grants totalling £-Nil (2019: £63,142) were received from, and grant totalling £-Nil (2019: £10,000) were paid to New Frontiers International Trust Limited, where Martin Eaton and David Devenish are Trustees.

Grants totalling £104,000 (2019: £8,500) were received from, and grants totalling £15,434 (2019: £12,258) were paid to King's Arms Trust (Bedford), where Roydon Loveley and Simon Holley are Trustees.

Grants totalling £-Nil (2019: £2,500) were received from The Exchange Church, Aylesbury, where Sarah Crowhurst is a Trustee.

Grants totalling £67,615 (2019: £17,853) were received from Jubilee Church, Coventry, where Andrew Simpkins is a Trustee.

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