

LOVE RUSSIA LIMITED

Company Registration No. 04222680 (England and Wales)
Registered Charity No. 1092154

**COMPANY LIMITED BY GUARANTEE
AND REGISTERED CHARITY**

UNAUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2021**

LOVE RUSSIA LIMITED

CONTENTS

	Page
Reference and Administrative Information	1
Trustees' Report	2 to 7
Independent Examiners Report	8
Statement of Financial Activities	9
Balance Sheet	10 to 11
Notes to the Financial Statements	12 to 19

LOVE RUSSIA LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	C Owen-Smith – Chairperson L Bowring J Ball C Worland S Wisbey W Lindsell – appointed 30 July 2021
Secretary	L Bowring
Chief Executive Officer	D Bradley – to 31 December 2020 A Thwaites – from 1 January 2021
Company number	04222680
Charity number	1092154
Registered office	Manor Farm Church Lane Thrumpton Nottinghamshire NG11 0AU
Bankers	Lloyds Bank Plc 75 Castle Street Farnham Surrey GU9 7LT
Independent examiner	DEKM Limited 8 Vernon Street Derby DE1 1FR

LOVE RUSSIA LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

The trustees present their annual report together with the financial statements of Love Russia Limited for the year ended 30 June 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the charity's trust deed, the Charities Act 2011, the Companies Act 2006, and 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 January 2015).

Reference and administrative information set out on page 1 forms part of this report.

STRUCTURE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, a deed of trust dated 1 June 2001 and amended 1 July 2004, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The trustees meet quarterly to administer the charity. The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of the charity. No trustee held any interest in the company during the year ended 30 June 2021.

Our Mission

"Suppose there are brothers and sisters who need clothes and don't have enough to eat. What good is there in saying, 'God bless you' if you don't give them the necessities of life?" James 2 v 15 & 16

Love Russia is a charity that is committed to improving the lives of orphaned children, destitute young people and adults in crisis, including those with disabilities and learning difficulties. Our aim is to provide relief of poverty, suffering and distress by demonstrating practical Christian compassion and, where appropriate, sharing the Christian faith.

The trustees confirm that they have complied with the duty in section 17(5) of the 2011 Charities Act in that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Our Aims

- To transform lives — body and soul — of orphans, destitute young people and those with learning difficulties or physical handicaps, who have been damaged by abandonment, neglect, abuse, poverty, illness and lack of education.
- To work in effective partnerships with Russian Christians to make a real difference to those in need and bring about social change in their local communities.
- To work alongside our Russian friends, always being mindful and sensitive to their culture, and without judging them, but being compassionate to their needs (Discretion and full respect for privacy is always used).
- To be an organisation where every person and gift of time, money or goods is used to best effect and which exercises good stewardship of resources.
- To keep our supporters informed about activities and as up to date with information as is possible.

Our Approach

Prayer is a valuable part of our ministry and it has a powerful impact on all we do. We publish a regular and specific prayer diary and send out alerts for any emergency situation. None of our work would be possible without the steadfast prayer of Love Russia supporters.

We are dependent on voluntary income and through general donations we are able to respond quickly whenever a need arises, as well as continue our work helping to tackle the underlying problems experienced by orphans and destitute young people. Regular donors enable us to make longer term plans and commitments.

LOVE RUSSIA LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

STRUCTURE AND MANAGEMENT - continued

Organisational structure

Love Russia began the financial year 2020-21 with 5 staff members (only 2 full time) but on 1 January 2021 reduced to 4 staff members (only two full-time) who deal efficiently with requests for publicity, speaking engagements, donation administration, producing materials for the publications, and who are responsible for the website and developing ideas for fundraising campaigns. The work is fully supported by a team of volunteers enabling sorting of equipment, packaging Christmas items and organising the mail outs.

Management ensure legal compliance in all aspects of the charity's registration and work practices. During the financial year 2020-21 Debbie Bradley, CEO, retired on 31 December 2020 and Anna Thwaites stepped into the position of CEO on 1 January 2021.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees keep this process under regular review. Travel, summer projects and office safety policies are all current.

The main risks are financial, and in particular could be:

- The reduced income of unrestricted donations to maintain expenditure and our reserves policy.
- The uncertainty of foreign exchange rate fluctuations and inflation abroad on the cost of projects.
- Fraud, through assets being abused or misdirected through poor financial controls or dishonesty in countries where we operate. We regularly monitor and, where necessary, address these risks.

Reserves Policy

The main purpose of our reserves is to meet our statutory and contractual liabilities and the trustees continue to review the appropriate level of reserves required annually. In practice this means aiming to have at least 3 months of running costs. During the 2020-21 financial year a new reserves policy was adopted to now include 3 months of project costs as well as UK running costs.

ACTIVITIES

Currently our main services are:

- Offering support and care to young people who were brought up in the orphanage system.
- Offering support to Christian mentors who seek to encourage the vulnerable in their local communities.
- Offering support and care to Christian crisis centres and support groups that care for individual destitute mothers (often orphans) and recovering addicts and their children.
- Offering support for those in need of basic equipment such as clothing, beds, showers, toilets, mobility aids etc.
- Offering emergency one-off funding towards medical needs where individuals are unable to afford essential medical treatment.

Love Russia works closely with all projects and strong relationships are built up over time as monitoring trips typically occur every two months (September, November, January, March and May) alternating the destination to allow for greater depth of a visit to one city and to reduce the length of the trip and thus reduce stress for the staff. A British member of staff visits Russia on every trip and meets with the key Russian link workers who monitor activities on a daily basis. Any trustees or supporters who accompany staff make significant contributions to the cost of the trip. During the financial year 2020-21 no trips were made due to the ongoing Covid-19 pandemic.

There is more information on our website at www.loverussia.org and on our Facebook page at <https://www.facebook.com/LRCharity>

LOVE RUSSIA LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Projects benefitting young people

Projects benefitting 98 young people have continued throughout the year.

1. Genesis programme = 73 students
 - College 8 teacher training: 32 students
 - Federovits: 12 students
 - Ryazan Genesis group: 9 students
 - Agricultural college group: 15 students
 - Sosnovo Genesis group: 5 students
2. Education sponsorship = 5 students
 - I know English: 5 students
3. Orphan support groups = 20 young people
 - Ribnoe orphanage: 10 children
 - St Petersburg group: core group of 10 young people
4. Transition home support

73 of these young people receive support through programmes operating using a Genesis style model. This model was developed by Love Russia in 2000 to support vulnerable orphanage leavers who desired to access education. It delivers financial support alongside emotional support and life skills teaching from a Christian mentor. All of the young people on the Genesis programme, bar those in the agricultural college, receive a small monthly bursary of 2,000-2,200 roubles (approximately £20-£22) during school terms to support their efforts to access education. A 2015 study in Moscow demonstrated that higher education halved the risk of poverty later in life. Therefore, by supporting these young people to access higher education, we play some part in reducing poverty within these struggling communities. Furthermore, 5 vulnerable students were supported with either full or partial sponsorship for completing English language courses.

A further way we have supported vulnerable young people this year has been through orphan support groups run by Christian mentors. These groups vary but aim to provide emotional, financial and life skills support to vulnerable orphans. One of these groups supports orphans who have not reached the age of 16, so still live in an orphanage and one benefits young people who have graduated from the orphanage and are now trying to navigate their independence. During the financial year 2020-21 many of these young people were given extra financial support to support them as the disparity between cost of living and incomes increases in Russia.

We also support the running of four transition homes. The rents in these homes are significantly subsidised for young people who cannot afford typical rent rates due to surviving on such low incomes.

Projects benefitting vulnerable families

Part of Love Russia's aim is to prevent more children being needlessly placed in orphanages when vulnerable mums begin to struggle with various issues including poverty, addictions and domestic violence.

As part of our aim to preserve struggling families, we support the running costs of a Christian Crisis Centre in a large, industrialised city in the north of the country and run two support groups in Ryazan. Many of the families in the support group are surviving on incomes that don't even cover the basics. To counter this, mums are given a monthly bursary of 2,000 roubles per month all year round and also receive clothes for the children that have been donated by supporters in the UK. During the financial year 2020-21 many of these families were given extra financial support to support them as the disparity between cost of living and incomes increases in Russia.

1. Crisis centre = 50 mums and children (number fluctuates frequently)
2. Orphan mum support groups = 15 mums
 - 1st Ryazan orphan mum group: 10 mums
 - 2nd Ryazan orphan mum group: 5 mums

LOVE RUSSIA LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

ACHIEVEMENT AND PERFORMANCE - continued

One-off Projects

We continue to support one-off projects as and when needs arise.

1. Medical needs
2. Building projects (including furnishings for buildings)
3. Conference

Throughout 2020-21 we have supported the creation of safe accommodation for vulnerable people including the completion of the new Women's Crisis Centre building, a toilet and shower for an orphanage leaver's flat and insect fumigation for an orphan mum's bedsit. We continue to fund the heating system for the new Women's Crisis Centre building.

We have also responded to numerous medical needs for vulnerable people who are unable to afford lifesaving medical care.

Due to the Covid-19 pandemic we decided not to fund a conference for young orphanage leavers like we had in previous years due to risks of spreading the virus.

Significant funds have been held over at the end of the 2020-21 financial year that are designated for the heating system at the new Women's Crisis Centre building. The rest of the building project was completed in February 2021 and the women moved into the new building shortly after.

Future Financial Restructure

For the next financial year 2021-22 we have proposed to restructure the way our projects are sub-categorised as well as our designated funding pots. The reasoning behind this is to use more up-to-date and clearer categories for our projects and to create designated funding pots to match these. The projects and designated funding streams will be categorised as follows:

1. Support groups
2. Crisis centres
3. Empowering people with disabilities
4. Education support
5. Emergency homes
6. Medical support

Overseas expenditure

Money transfer processes bear risks, and we have taken appropriate steps to manage these. We have risk assessed the processes used to transfer money and have checked that we are fully legally compliant in all aspects. Monies are transferred within regular bank systems and through cash couriers, money service business, online payments and personally. We have a full record of how much was transferred through each system.

We monitor overseas expenditure by requesting quotes for work and Love Russia then monitors the expenditure through collection of receipts, photographic evidence and personal visits when the work can be inspected.

Impact of Coronavirus

During the financial year the Covid-19 pandemic has had a significant impact on the operational activities of the charity. One staff member had their contracted hours permanently reduced in November 2020 and three other staff members were placed on part-time furlough from November 2020.

Furthermore, monitoring trips were cancelled so visits to Russia were not made. Despite this, contact with Russian partners has increased over this time with regular Zoom and Skype meetings. Whilst overall incomes have been maintained due to one-off donations, furlough payments and large legacy donations, regular pledged monthly incomes have shown a significant downward trend. Consequently, budgets have been adjusted for 2021-22.

LOVE RUSSIA LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

ACHIEVEMENT AND PERFORMANCE – continued

Impact of Coronavirus - continued

The Covid-19 pandemic has had a significant impact on the 2020-21 accounts. Due to lack of travel to Russia during the pandemic, cash couriers were not able to be used for the whole financial year. This has caused a reduction in monies being sent to Russia and an increased level of cash in the bank. Cash couriers are used as many on the fringes of society do not have bank accounts, so bank transfers are not possible.

Future hopes

We hope to continue to provide relief of poverty, suffering and distress by demonstrating practical Christian compassion and, where appropriate, sharing the Christian faith through projects benefitting vulnerable orphanage leavers, destitute young people and families in crisis. We are also hopeful that we can expand our work in Russia and begin commitments to new projects.

FINANCIAL REVIEW

Reserves Policy

It is the policy of the charitable company that unrestricted funds which have not been designated for specific use should be maintained at a level equivalent to approximately three months of essential expenditure and project costs. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding or adverse movements in exchange rates, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised.

During the year any gifts in kind were valued to reflect an open market value. Thanks need to be noted for the donations from many individuals, churches, schools, trust funds and other groups for their continued support for our work.

Statement of Trustees Responsibilities

The charity trustees, who are also the directors for the purpose of Company Law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the charity trustees to prepare financial statements for each financial year. Under that law the charity trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the charity 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees would like to express their gratitude to all our supporters and donors and their deep appreciation to all our staff, volunteers, supporters and partner organisations for their commitment and contribution to the vision and values of Love Russia. We continue to trust the Lord as we move forward in faith.

LOVE RUSSIA LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 22/01/2022 and signed on its behalf by:-

Lesley Bowring

Mrs L Bowring
Trustee

LOVE RUSSIA LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 30 JUNE 2021

I report to the trustees on my examination of the accounts of the charitable company for the year ended 30 June 2021 set out on pages 9 to 19.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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 Report

Since the company'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 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:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those accounting records; or
- the accounts 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
- the accounts 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.



Penny Fletcher FCA
DEKM Limited
Chartered Accountants
8 Vernon Street
Derby
DE1 1FR

Date: 23 February 2022

LOVE RUSSIA LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) FOR THE YEAR ENDED 30 JUNE 2021

All unrestricted funds

	Notes	2021 £	2020 £
INCOME FROM:			
Donations and legacies	2	307,338	305,535
Other trading activities	3	866	1,505
Investments	4	129	181
Other	5	18,575	6,948
Total income		<u>326,908</u>	<u>314,169</u>
EXPENDITURE ON:			
Raising funds	6	110,816	120,883
Charitable activities			
Caring for children in Russia	7	149,845	122,722
Total expenditure		<u>260,661</u>	<u>243,605</u>
NET INCOME/(DEFICIT) AND MOVEMENT IN FUNDS FOR THE YEAR BEFORE TRANSFERS		66,247	70,564
RECONCILIATION OF FUNDS			
Total funds brought forward		136,514	65,950
TOTAL FUNDS CARRIED FORWARD		<u><u>202,761</u></u>	<u><u>136,514</u></u>

LOVE RUSSIA LIMITED

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2021

All unrestricted funds

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	14	721	1,448
Current assets			
Stocks		5,128	5,106
Debtors	15	7,508	8,953
Cash at bank and in hand		195,114	127,631
		<u>207,750</u>	<u>141,690</u>
Creditors			
Amounts falling due within one year	16	(5,710)	(6,624)
		<u>202,040</u>	<u>135,066</u>
Net current assets			
		<u>202,761</u>	<u>136,514</u>
Net assets	17		
		<u>202,761</u>	<u>136,514</u>
Funds			
Unrestricted funds	18	202,761	136,514
Total funds		<u>202,761</u>	<u>136,514</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records that comply with section 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its incoming resources and application of resources, including its income and expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

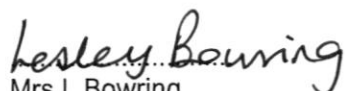
LOVE RUSSIA LIMITED

BALANCE SHEET - Continued

FOR THE YEAR ENDED 30 JUNE 2021

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 22/01/2022 and signed on the charity's behalf.



Mrs L Bowring
Trustee

Company Registration No. 04222680
Registered Charity No. 1092154

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting Policies

Charity information

Love Russia Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Manor Farm, Church Lane, Thrumpton, Nottingham, NG11 0AU.

Accounting convention

These financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable company 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 accounts.

Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

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

Incoming resources

Income is recognised when the charitable company 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 charitable company 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 charitable company 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.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and appointment of costs

Direct costs have been allocated to costs of generating funds and charitable activities. Support costs and governance costs are appointed based on estimate usage of the resources employed by each activity.

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting Policies - continued

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery - straight line over 4 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Taxation

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Gifts in kind

Gifts in kind are included at a reasonable estimate of their value to the charity, usually the price that the charity would have to pay in the open market for an equivalent item.

2 Donations and legacies

	2021	2020
	£	£
Donations and gifts	242,901	211,819
Legacies receivable	32,000	61,359
Gift aid	32,437	32,357
	<u>307,338</u>	<u>305,535</u>

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3	Activities for generating funds	2021	2020
		£	£
	Income from sales	<u>866</u>	<u>1,505</u>
4	Investment income	2021	2020
		£	£
	Deposit account interest	<u>129</u>	<u>181</u>
5	Other income	2021	2020
		£	£
	Government Job Retention Scheme	<u>18,575</u>	<u>6,948</u>
6	Expenditure on raising funds	2021	2020
		£	£
	<i>Costs of generating voluntary income</i>		
	Staff costs	33,927	41,795
	Fundraising and function costs	-	535
	Conference costs	225	532
	Postage	6,360	6,543
	Stationery and office supplies	725	683
	Newsletters and leaflets	5,109	5,321
	Advertising	1,437	1,101
	Depreciation	727	1,819
	Support costs	58,977	58,930
		<u>107,487</u>	<u>117,259</u>
	<i>Fundraising trading: cost of goods sold and other costs</i>		
	Opening stock	983	628
	Purchases	45	877
	Closing stock	(803)	(983)
	Support costs	3,104	3,102
		<u>3,329</u>	<u>3,624</u>
		<u>110,816</u>	<u>120,883</u>

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Charitable activities costs

	Direct costs (see note 8) £	Grant funding of activities (see note 9) £	Support costs (see note 10) £	Totals £
Caring for children in Russia	<u>30,780</u>	<u>109,424</u>	<u>9,641</u>	<u>149,845</u>

8 Direct costs of charitable activities

	2021 £	2020 £
Staff costs	29,407	29,226
Russian travel and administration	167	7,733
Conference costs	225	532
Gifts and gifts in kind to Russia	619	1,236
Stationery and office supplies	362	342
	<u>30,780</u>	<u>39,069</u>

9 Grants payable

	2021 £	2020 £
Caring for children in Russia	<u>109,424</u>	<u>73,733</u>
	2021 £	2020 £
Grants paid to individuals	32,906	35,369
Grants paid to institutions	76,518	38,364
	<u>109,424</u>	<u>73,733</u>

10 Support costs

	Governance £	Management £	Finance £	Totals £
Raising funds	12,508	46,244	3,329	62,081
Caring for children in Russia	658	8,808	175	9,641
	<u>13,166</u>	<u>55,052</u>	<u>3,504</u>	<u>71,722</u>

Governance, management and finance costs are allocated between Raising funds and Caring for children in Russia based on estimated usage of resources employed by each activity.

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Net outgoing resources

Net resources are stated after charging:

	2021	2020
	£	£
Depreciation – owned assets	727	1,819
Independent examiner's remuneration:		
- for the examination of the financial statements	2,400	2,400
- for other services	1,782	972
	<u> </u>	<u> </u>

12 Trustees' remuneration and benefits

Trustees' expenses

One trustee received travel expenses totalling £12 in the year ended 30 June 2021 (2020 – two trustees received £262).

None of the trustees received any remuneration during the current or previous year.

13 Staff costs

	2021	2020
	£	£
Wages and salaries	103,179	110,927
Social security costs	4,733	6,226
Pension contributions	1,957	1,769
	<u> </u>	<u> </u>
	109,869	118,922
	<u> </u>	<u> </u>

An amount of £18,575 was received from the government in the year in respect of furlough claims for furloughed employees. This amount is included as sundry income in the Statement of Financial Activities.

The average monthly employees during the year were as follows:

2021	2020
4	5
<u> </u>	<u> </u>

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

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

14 Tangible fixed assets

Plant and Machinery etc £

Cost	13,940
At 1 July 2020	-
Additions	-
Disposals	-
	<u>13,940</u>
At 30 June 2021	
Depreciation	12,492
At 1 July 2020	727
Charge for the year	-
Disposals	-
	<u>13,219</u>
At 30 June 2021	
Net Book Value	721
At 30 June 2021	<u>1,448</u>
At 30 June 2020	<u>1,448</u>

15 Debtors: Amounts falling due within one year

2021	2020
£	£
7,508	8,953

Other debtors

16 Creditors: Amounts falling due within one year

2021	2020
£	£
320	1,625
1,950	1,847
3,440	3,152
<u>5,710</u>	<u>6,624</u>

Trade creditors
Taxation and social security
Other creditors

17 Analysis of net assets between funds

All funds are unrestricted

	2021	2020
	£	£
Fixed assets	721	1,448
Current assets	207,750	141,690
Current liabilities	(5,710)	(6,624)
	<u>202,761</u>	<u>136,514</u>

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Movement in funds

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
Unrestricted funds				
General fund	112,430	113,244	(35,226)	190,448
Genesis project	-	(1,589)	1,589	-
Moses project	7,395	(5,411)	-	1,984
Mentor Sponsorship	2,037	2,846	-	4,883
Transition Homes	-	(6,271)	6,271	-
Building project	11,022	(38,388)	27,366	-
Emergency Medical Fund	3,630	1,816	-	5,446
Total funds	136,514	66,247	-	202,761

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	267,078	153,834	113,244
Designated funds -			
Genesis project	12,715	14,304	(1,589)
Moses project	15,795	21,206	(5,411)
Mentor Sponsorship	16,465	13,619	2,846
Transition Homes	480	6,751	(6,271)
Building Project	5,896	44,284	(38,388)
Emergency Medical Fund	8,479	6,663	1,816
Total funds	326,908	260,661	66,247

The Genesis project is a series of bursaries given to individual students leaving orphanages, or living at home in families in Russia, to assist with funding their education and accommodation. Total expenditure on the project during the year amounted to £14,304 of which £1,589 was met from unrestricted general funds.

The Moses project supports rehabilitation centres that allow mothers to keep their children with them during recovery and rehabilitation from addictions or domestic abuse, along with young mothers on very limited incomes. Total expenditure on the project and on renovating an existing building during the year amounted to £21,206 all of which was met by designated donations.

The Mentor Sponsorship fund is to support Christian Mentors engaging with young people on the Genesis Project and supporting mothers and children in crisis. Total expenditure on the project during the year amounted to £13,619, all of which was met by designated donations.

Transition Homes is a fund that provides accommodation, domestic items and furnishings for orphanage leavers who would otherwise be homeless. Total expenditure on the project during the year amounted to £6,751, of which £6,271 was met from unrestricted general funds.

LOVE RUSSIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Movement in funds – continued

Building project is a fund to enable the completion of work on an existing shell of a building on the site of the current women's crisis centre, making it habitable for women and their children and giving the centre a much need larger capacity. Total expenditure on the project during the year amounted to £44,284, of which £27,366 was met from unrestricted general funds. We have also started the next phase of funding which is to connect the centre to the mains gas supply.

Emergency Medical Fund was set-up in response to an urgent need for people with life-threatening illnesses, who would otherwise not be able to afford the medical care needed. Total expenditure on the project during the year amounted to £6,663, all of which was met by designated donations. This is now an ongoing fund that will continue to help those who need ongoing treatment and care.

19 Related party transactions

The remuneration of key management personnel amounted to £67,604 (2020 - £59,731).

The remuneration of key management personnel is higher than the previous year as the CEO Debbie Bradley retired on 31 December 2020 and for the six months prior to this was shadowed by Anna Thwaites as CEO Elect to ensure the charity had continuity of management.

There were no other related party disclosures during the current or previous year which require disclosure.

LOVE RUSSIA LIMITED

COMMITTEE OF MANAGEMENT REPORT

FOR THE YEAR ENDED 30 JUNE 2021

	2021 Unrestricted funds £	2020 Unrestricted funds £
INCOMING RESOURCES		
Voluntary income		
Donations	242,901	211,819
Legacies	32,000	61,359
Gift aid	32,437	32,357
	<u>307,338</u>	<u>305,535</u>
Activities for generating funds		
Income from sales	866	1,505
Investment income		
Deposit account interest	129	181
Other income		
Government grants	18,575	6,948
	<u>326,908</u>	<u>314,169</u>
Total incoming resources		
RESOURCES EXPENDED		
Cost of generating voluntary income		
Wages	31,982	39,116
Social security	1,399	2,128
Pension contributions	546	551
Fundraising and function costs	-	535
Conference costs	225	532
Postage	6,360	6,543
Stationery and office supplies	725	683
Newsletters and leaflets	5,109	5,321
Advertising	1,437	1,101
Depreciation	727	1,819
	<u>48,510</u>	<u>58,329</u>
Fundraising trading: cost of goods sold and other costs		
Opening stock	983	628
Purchases	45	877
Closing stock	(803)	(983)
	<u>225</u>	<u>522</u>
Charitable activities		
Wages	27,708	27,225
Social security	1,220	1,586
Pension contributions	479	415
Russian travel and administration	167	7,733
Carried forward	29,574	36,959

LOVE RUSSIA LIMITED

COMMITTEE OF MANAGEMENT REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

	2021 Unrestricted funds £	2020 Unrestricted funds £
Charitable activities		
<i>Brought forward</i>	29,574	36,959
Conference costs	225	532
Gifts and gifts in kind to Russia	619	1,236
Stationery and office supplies	362	342
Grants to institution	76,518	38,364
Grants to individuals	32,906	35,369
	<u>140,204</u>	<u>112,802</u>
Governance costs		
Wages	8,691	7,704
Social security	231	458
Pension contributions	62	80
Trustee expenses	-	262
Accountancy	4,182	3,372
	<u>13,166</u>	<u>11,876</u>
Support costs		
<i>Management</i>		
Wages	34,798	36,883
Social security	1,884	2,053
Pension contributions	870	723
Staff training	-	44
Rent, rates and electric	8,813	8,168
Insurance	1,144	1,098
Telephone and internet	4,011	2,058
Office cleaning	-	615
Office equipment maintenance	-	8
Sundries	69	195
Travelling	-	1,432
Computer running costs	3,450	4,148
Professional fees	13	48
	<u>55,052</u>	<u>57,473</u>
<i>Finance</i>		
Bank charges	<u>3,504</u>	<u>2,603</u>
Total resources expended	<u>260,661</u>	<u>243,605</u>
Net income	<u>66,247</u>	<u>70,564</u>