

NOVOUK LTD

(formerly Church Resource Ministries)

Report and Accounts
Year ended 31 March 2021

Stewardship 
Active generosity

1 Lamb's Passage, London EC1Y 8AB
www.stewardship.org.uk

NOVOUK LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Mr D Aanderud Ms H Barclay (resigned 14 July 2020) Mr D Prince Ms C Tinkler (appointed 9 November 2020) Mr A Wright (Chair) Ms M Wyard
Company Secretary	Mr D Aanderud
Governing Document	Memorandum and Articles of Association dated 23 March 2004 as amended on 14 December 2018
Company Registration Number	05081532
Charity Registration Number	1115959
Registered Office	182 Old Montague Street London E1 5NA
Independent Examiner	Ajay Rajani FCIE Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers	National Westminster Bank Plc Barclays Bank UK Plc

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NOVOUK LTD
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are the charity's directors for the purposes of company law, have pleasure in submitting the Report and Accounts for the year.

Structure, Governance and Management

The policy and operating decisions of the charity rest with the trustees who meet regularly to review and direct the activities of the charity. The day to day running of the charity is delegated to individuals with the appropriate skills. New trustees are recruited and appointed by a majority of existing trustees.

Objects of the charity

The principal objective of the charity is the advancement of the Christian faith. This will be accomplished by launching innovative evangelism and discipleship projects and by providing systematic education, training and resources in and for:

- church planting;
- church growth;
- church leadership; and
- biblical principles relating to church growth and church leadership.

Summary of the charity's main activities and achievements

The principal activities of the charity are a) to find creative ways of reaching people with the Gospel who have no Christian background, and b) see churches planted in communities throughout the UK.

The charity's mission partners work among communities with little to no church presence and pioneer new forms of evangelism, disciple making, and church planting. As particular strategies prove successful, they leverage this experience and success to train, mentor, and equip charities, churches, pastors, and lay leaders to develop their own dynamic and culturally relevant church expressions in their communities.

In planning the activities the trustees have had regard to the guidance on public benefit issued by the Charity Commission.

Activities over the past year include:

- 662 Christians trained in effective outreach and discipleship methodologies.
- 123 leaders trained to multiply gospel movements.
- 121 inactive believers mobilised into active mission.
- 19 Discovery Bible Studies (DBS) started or multiplied with 123 participants resulting in 30 new followers of Jesus.
- 91 relationships cultivated between our workers and people walking toward Jesus.
- 52 redemptive initiatives engaged to care for the needs of communities we serve.
- Consultations and trainings generally across a wide spectrum of churches (e.g. Anglican, Baptist, Vineyard, Non-denominational evangelical) and in a variety of UK cities and regions (Glasgow, Edinburgh, Huddersfield, Oxford, London, etc.) including overseas (Germany, USA, Spain, Mexico, Brazil, Hungary, etc.).

Partnerships

The charity works, at a strategic level, in partnership with a charity with similar objects in the USA ("NOVO USA") and receives grant income from this US charity; these grants are shown separately in note 3 'Donations' to the accounts.

NOVOUK LTD
TRUSTEES' ANNUAL REPORT continued

Tax liability

As part of its partnership with NOVO USA, the charity oversees the work done by NOVO USA's mission partners in the United Kingdom. During the year the charity took professional advice on the tax status of these individuals and was advised that these mission partners are obliged to pay tax in the United Kingdom. Furthermore, because of the charity's close relationship with NOVO USA, it was very likely that the charity would be held liable for this tax. The charity's tax advisors have advised that the tax due could be up to £525,000. NOVO USA has committed to support the charity financially by reimbursing some of the expense and by providing loans. The charity has currently budgeted for its share of the liability to be 10% of the tax due and £52,500 has been charged to the Statement of Financial Activities. Due to the factors involved, the quantum of the liability is an estimate and is subject to agreement with HM Revenue & Customs. The trustees do not expect the net impact of the eventual outcome to differ significantly from the £52,500 charged in this year's SOFA.

Financial review

During the year income decreased by £3,415 to £381,723, and expenditure decreased by £2,631 to £400,133. As a result the charity reported a deficit this year of £18,410 (2020: £17,626) and the charity's net assets decreased by £18,410 to £71,553. The charity ended the year with cash of £125,417, of which £52,792 was unrestricted.

This year's expenditure includes a charge of £52,500 in respect of the tax liability referred to in the previous section 'Tax liability'. Largely as a result, at the year-end the charity's unrestricted funds are in deficit by £1,072. NOVO USA has undertaken to support the charity financially and therefore, this deficit notwithstanding, the trustees are satisfied that the charity is a going concern.

Reserves policy

The charity largely achieves its charitable objectives by making grants to mission partners and most of the charity's expenditure is funded from restricted income. The charity has budgeted for overheads of £38,000 for the coming year and the trustees are seeking to hold unrestricted cash equal to no less than 6 month's budgeted overheads and no more than 12 month's budgeted overheads so that the charity could continue to operate smoothly should income and / or expenditure vary adversely. At the year end the charity held unrestricted cash of £52,792; the trustees anticipate that the charity's reserves will reduce over the coming year as it addresses the tax issue referred to above.

Key risks and uncertainties

The charity is exposed to various risks - be they operational, financial or reputational. The trustees review the charity's activities regularly to identify significant risks and, where possible, they take appropriate measures to mitigate those risks. Until the tax liability referred to above is agreed and settled, this issue is considered to represent a significant risk.

Covid-19

Covid-19 has had a significant effect on the day to day activities of the mission workers supported by the charity, particularly due to restrictions on interpersonal contact. Various events have been cancelled, gatherings postponed, and some workers have had to isolate due to contact with Covid-19 infected people. However, the charity has shifted many training and outreach activities to online platforms and experienced an overall increase in impact and connection with like-minded individuals and organisations. It has also significantly improved its administrative, HR, and operational infrastructure and overall capacity. So far, Covid-19 has not had a significant financial impact however the trustees are continuing to monitor income and expenditure closely.

NOVOUK LTD

TRUSTEES' ANNUAL REPORT continued

Responsibilities of trustees under company law

The trustees are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements, the trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper 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 and other irregularities.

Approval

This report, which has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies, was approved by the trustees and signed on their behalf by:

Mr Andrew Wright
Chair of the Board

Date: 23 December 2021

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
NOVOUK LTD
('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021 on pages 6 to 13 following, which have been prepared on the basis of the accounting policies set out on pages 8 and 9.

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 statement

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 Fellow of the Association of Charity Independent Examiners, 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 Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. 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
4. 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).

As explained in the notes to the accounts, the trustees anticipate that the charity will be asked to settle a tax liability estimated at £525,000. The trustees are confident that NOVO USA will support the charity financially and the trustees are therefore satisfied that the charity is a going concern.

Other than the matter referred to in the above paragraph, 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 financial statements to be reached.

Ajay Rajani FCIE
Fellow of the Association of Charity Independent Examiners
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 23 December 2021

NOVOUK LTD
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Restated Total Funds 2020 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	19,187	362,536	381,723	385,138
Total income and endowments		<u>19,187</u>	<u>362,536</u>	<u>381,723</u>	<u>385,138</u>
EXPENDITURE ON:					
Charitable activities					
Operating expenses	4	2,781	344,852	347,633	402,764
Taxation	5	52,500	-	52,500	-
Total expenditure		<u>55,281</u>	<u>344,852</u>	<u>400,133</u>	<u>402,764</u>
Net income/(expenditure)		<u>(36,094)</u>	<u>17,684</u>	<u>(18,410)</u>	<u>(17,626)</u>
Transfers between funds	12	1,791	(1,791)	-	-
Net movement in funds		<u>(34,304)</u>	<u>15,894</u>	<u>(18,410)</u>	<u>(17,626)</u>
Reconciliation of funds:					
Total funds brought forward		33,232	56,731	89,963	107,589
Total funds carried forward	12	<u>(1,072)</u>	<u>72,625</u>	<u>71,553</u>	<u>89,963</u>

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

All income and expenditure derive from continuing operations.

The statement of financial activities also complies with the requirements for an income and expenditure account required by the Companies Act 2006.

The notes on pages 8 to 13 form part of these accounts.

NOVOUK LTD
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total Funds 2020 £
CURRENT ASSETS									
Debtors	8								
Operating activities		2,893	-	-	2,893	-	-	-	-
Tax reimbursement		472,500	-	-	472,500	-	-	-	-
		<u>475,393</u>	<u>-</u>	<u>-</u>	<u>475,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash at bank and in hand	9	52,792	-	72,625	125,417	37,695	-	56,731	94,426
		<u>528,185</u>	<u>-</u>	<u>72,625</u>	<u>600,810</u>	<u>37,695</u>	<u>-</u>	<u>56,731</u>	<u>94,426</u>
CREDITORS: Amounts falling due within one year	10	(4,257)	-	-	(4,257)	4,463	-	-	4,463
		<u>(4,257)</u>	<u>-</u>	<u>-</u>	<u>(4,257)</u>	<u>4,463</u>	<u>-</u>	<u>-</u>	<u>4,463</u>
Net current assets / (liabilities)		<u>523,928</u>	<u>-</u>	<u>72,625</u>	<u>596,553</u>	<u>33,232</u>	<u>-</u>	<u>56,731</u>	<u>89,963</u>
Total assets less current liabilities		<u>523,928</u>	<u>-</u>	<u>72,625</u>	<u>596,553</u>	<u>33,232</u>	<u>-</u>	<u>56,731</u>	<u>89,963</u>
Provisions for liabilities	11	(525,000)	-	-	(525,000)	-	-	-	-
		<u>(525,000)</u>	<u>-</u>	<u>-</u>	<u>(525,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET ASSETS		<u>(1,072)</u>	<u>-</u>	<u>72,625</u>	<u>71,553</u>	<u>33,232</u>	<u>-</u>	<u>56,731</u>	<u>89,963</u>
FUND BALANCES	12								
Unrestricted Funds									
General funds		(1,072)	-	-	(1,072)	33,232	-	-	33,232
Designated funds		-	-	-	-	-	-	-	-
		<u>(1,072)</u>	<u>-</u>	<u>-</u>	<u>(1,072)</u>	<u>33,232</u>	<u>-</u>	<u>-</u>	<u>33,232</u>
Restricted Funds		-	-	72,625	72,625	-	-	56,731	56,731
		<u>(1,072)</u>	<u>-</u>	<u>72,625</u>	<u>71,553</u>	<u>33,232</u>	<u>-</u>	<u>56,731</u>	<u>89,963</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006 however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner and their report has been included in these financial statements.

The trustees (who are the charitable company's directors for the purposes of company law) acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 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 net income or 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.

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

The financial statements were approved by the Board of Trustees and were signed on its behalf by:

Mr Andrew Wright

Date: 23 December 2021

Company number: 05081532

Charity number 1115959

The notes on pages 8 to 13 form part of these accounts.

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Statutory Information

The charity is a charitable company limited by guarantee and is incorporated in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention.

These financial statements have been prepared in accordance with the "Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("the Charities SORP"), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), with the Companies Act 2006 and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The principles adopted in the preparation of the financial statements are set out below.

a) Restatement of the previous year's results

The results of the previous year have been restated so that they included the value of services donated to the charity (see note 3 'Donations and legacies'). The effect of this restatement has been to increase both the income and expenditure reported previously by £50,000. The overall deficit reported for the previous year is unchanged.

b) Going concern

The trustees (who are the charitable company's directors for the purposes of company law) have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment the trustees have considered how COVID-19 might affect the charity's forecasts.

As explained in note 5 'Taxation', the trustees note that the charity is likely to have a settle tax liability estimated at £525,000. NOVO USA has agreed to support the charity financially by reimbursing some of the expense and by providing loans and the trustees are therefore satisfied that the charity is a going concern.

c) Income

Income including investment income is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part, income is generally recognised when it is received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Donated services are recognised as income when receivable at fair value (being an estimate of the amount that the charity would have been willing to pay for similar services). As these donated services are consumed immediately, a matching expense in respect of these services is included in the Statement of Financial Activities.

The charity relies on volunteers, in particular to oversee the general running of the charity. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

d) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

The charity has a policy where by it capitalises expenditure on tangible fixed assets when expenditure on any one item exceeds £1,000; to date, the charity has not incurred any expenditure that needs to be capitalised.

e) 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 charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

f) Taxation

The company is a registered charity; it has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

2 Accounting Policies

g) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for loans, creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive). The charity recognises liabilities for the principal of those loans that remains outstanding at the year end.

h) Critical accounting estimates and areas of judgement

The trustees do not consider that there are any material sources of estimation or uncertainty at the balance sheet date that could result in a material adjustment to the carrying values of assets and liabilities in the next reporting period.

3 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Donations of cash and similar	6,634	248,236	254,870	233,094
Grants received from NOVO USA	12,553	64,300	76,853	102,044
Donated services	-	50,000	50,000	50,000
	<u>19,187</u>	<u>362,536</u>	<u>381,723</u>	<u>385,138</u>

NOVO USA donated the services of two of its mission workers to serve as the charity's national director and as it's operations director. The estimated value of these donated services to the charity is £50,000 (2020: £50,000). A matching expense is included in note 4 'Charitable expenditure'.

4 Charitable expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
a Costs incurred directly on specific activities				
Ministry grants payable (note 4c)	-	267,130	267,130	303,316
Ministry support costs	-	5,310	5,310	6,442
Ministry development costs	-	3,370	3,370	18,301
Donated services expense (see note 3 'Donations and legacies')	-	50,000	50,000	50,000
	<u>-</u>	<u>325,810</u>	<u>325,810</u>	<u>378,059</u>
b Costs incurred on support & administration				
Independent examiner's fee	450	2,550	3,000	2,280
Rent	-	-	-	7,816
Media	355	-	355	179
Professional fees	1,524	13,712	15,236	10,112
Other administrative expenses	452	2,780	3,232	4,318
	<u>2,781</u>	<u>19,042</u>	<u>21,823</u>	<u>24,705</u>
Total expenditure	<u>2,781</u>	<u>344,852</u>	<u>347,633</u>	<u>402,764</u>

The fee payable to the independent examiner for preparing and examining the accounts was £3,000 (2020: £1,980); in addition the charity paid £800 (2020: £50) to Stewardship for consultancy services.

c Grants payable

	Institutions £	Individuals £	2021 £
Grants for UK and overseas mission			
Individuals	-	267,130	267,130
	<u>-</u>	<u>267,130</u>	<u>267,130</u>

In the previous year, the charity made the following grants:

	Institutions £	Individuals £	2020 £
Grants for UK and overseas mission			
Novo Mission Inc	35,000	-	35,000
Individuals	-	268,316	268,316
	<u>35,000</u>	<u>268,316</u>	<u>303,316</u>

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

5 Taxation

The charity works closely with NOVO in the USA ('NOVO USA') and oversees the work done by their mission partners in the United Kingdom. During the year the charity took professional advice on the tax status of these individuals and was advised that these mission partners are obliged to pay tax in the United Kingdom. Furthermore, because of the charity's close relationship with NOVO USA, it was very likely that the charity would be held liable for this tax. The charity's tax advisors have advised that the tax due could be up to £525,000. NOVO USA has committed to support the charity financially by reimbursing some of the expense and by providing loans. The charity has currently budgeted for its share of the liability to be 10% of the tax due and £52,500 has been charged to the Statement of Financial Activities. Due to the factors involved, the quantum of the liability is an estimate and is subject to agreement with HM Revenue & Customs. The trustees do not expect the net impact of the eventual outcome to differ significantly from the £52,500 charged in this year's SOFA.

6 Analysis of staff costs, the cost of key management personnel and trustee remuneration

The charity did not have any employees during the year but has employed one person since the year-end. Most of the charity's activities are carried out by individuals who receive grants from this charity, from other charities and to a lesser extent by volunteers.

No grant recipient received more than £60,000 per annum in either the current year or the preceding year.

The charity's key management comprise the trustees and the charity's operations director. No members of key management received employment benefits, grants or any other payment for services in either the current or preceding year.

7 Acting as agent

On occasion the charity acts as agent for NOVO USA and receives money that it then pays on to known grant recipients. This income, and related payments, are excluded from the Statement of Financial Activities; any money that has not been distributed by the year-end is recognised as a creditor. In its capacity as agent for NOVO USA, during the year the charity both received and paid over £45,842 (2020: £nil); no amounts were owed at the year-end (2020: £nil).

8 Debtors

	2021 £	2020 £
Operating activities:		
Prepayments and accrued income	2,893	-
Reimbursement for tax due from NOVO USA	472,500	-
	<u>475,393</u>	<u>-</u>

As explained in note 5 'Taxation' and note 10 'Provisions', the charity has been advised that it could have a liability of up to £525,000 in respect of NOVO USA's mission workers in the United Kingdom. NOVO USA has agreed to support the charity financially by reimbursing some of the expense and by providing loans. The charity has currently budgeted for its share of the liability to be 10% of the tax due and £52,500 has been charged to the Statement of Financial Activities. The remainder of the maximum liability (as advised), which is £472,500, has been included as a debtor for an amount due from NOVO USA.

9 Cash at Bank and in Hand

	2021 £	2020 £
Cash at bank with immediate access	<u>125,417</u>	<u>94,426</u>

10 Creditors: liabilities falling due within one year

	2021 £	2020 £
Trade creditors	297	2,483
Accruals	3,960	1,980
	<u>4,257</u>	<u>4,463</u>

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

11 Provisions

	2021 £	2020 £
Taxation		
Provision arising in the year	<u>525,000</u>	<u>-</u>

As explained in note 5 'Taxation', the charity has been advised that it is likely to have a liability for tax in respect of NOVO USA's mission workers in the United Kingdom; this tax liability has been estimated to be £525,000 .

12 Funds

During the year the movements in the charity's funds were as follows:

	Opening balance 2021 £	Incoming resources 2021 £	Outgoing resources 2021 £	Transfers in the year 2021 £	Closing balance 2021 £
<i>Unrestricted Funds</i>					
Designated reserve fund	-	-	-	-	-
Unrestricted general funds	33,232	19,187	(55,281)	1,791	(1,072)
	<u>33,232</u>	<u>19,187</u>	<u>(55,281)</u>	<u>1,791</u>	<u>(1,072)</u>
<i>Restricted funds</i>					
Mission Partner support	56,731	312,536	(294,852)	(1,791)	72,625
Donated services	-	50,000	(50,000)	-	-
	<u>56,731</u>	<u>362,536</u>	<u>(344,852)</u>	<u>(1,791)</u>	<u>72,625</u>
Aggregate of funds	<u>89,963</u>	<u>381,723</u>	<u>(400,133)</u>	<u>-</u>	<u>71,553</u>

During the year the charity made transfers totalling £1,791 from the restricted Mission Partner support fund to unrestricted general funds so as to correct some fund balances within the Mission Partners support fund.

In the previous year the movements in the charity's funds were as follows:

	Opening balance 2020 £	Incoming resources 2020 £	Outgoing resources 2020 £	Transfers in the year 2020 £	Closing balance 2020 £
<i>Unrestricted Funds</i>					
Designated Reserve fund	6,000	-	-	(6,000)	-
Unrestricted general funds	27,981	14,290	(16,210)	7,171	33,232
	<u>33,981</u>	<u>14,290</u>	<u>(16,210)</u>	<u>1,171</u>	<u>33,232</u>
<i>Restricted funds</i>					
Mission Partner fund	73,608	320,848	(336,554)	(1,171)	56,731
Donated Services fund	-	50,000	(50,000)	-	-
	<u>73,608</u>	<u>370,848</u>	<u>(386,554)</u>	<u>(1,171)</u>	<u>56,731</u>
Aggregate of funds	<u>107,589</u>	<u>385,138</u>	<u>(402,764)</u>	<u>-</u>	<u>89,963</u>

The **Designated Reserve** fund is an unrestricted fund and represents monies set aside by the Trustees for as a contingency for unforeseen expenditure.

The **Mission Partner** fund is a restricted fund and was created from donations received to support specific mission projects and / or mission workers.

The **Donated Services** fund is a restricted fund representing the services of two individuals donated by NOVO USA to serve as the charity's national director and as it's operations director.

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

13 Transactions with related parties

During the year the charity:

- a) received donations totalling £534 (2020: £764) from related parties (which includes trustees, key management and anyone closely connected to them).
- b) except for the reimbursement of expense incurred when acting as agent for the charity, no expenses (2020: £nil) were paid to, or for, the trustees. During the year one trustee (2020: one) was reimbursed expenses totalling £155 (2020: £624).

Except as disclosed in this note, there were no other transactions with related parties during the year.

14 Events since the year end

In the new financial year expects to incur professional fees in the region of £20,000 in respect of the tax liability referred to in note 5 'Taxation'.

15 Members

Each member of the company commits to contribute if the charity is wound up an amount of £1.

NOVOUK LTD
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	<u>Unrestricted Funds</u>							
		General	Designated	Restricted	Total	General	Designated	Restricted	Total
		Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
		2021	2021	2021	2021	2020	2020	2020	2020
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:									
Donations and legacies	3	19,187	-	362,536	381,723	14,290	-	370,848	385,138
Total income and endowments		<u>19,187</u>	<u>-</u>	<u>362,536</u>	<u>381,723</u>	<u>14,290</u>	<u>-</u>	<u>370,848</u>	<u>385,138</u>
EXPENDITURE ON:									
Charitable activities:									
Operating expenses	4	2,781	-	344,852	347,633	16,210	-	386,554	402,764
Taxation	5	52,500	-	-	52,500	-	-	-	-
Total Expenditure		<u>55,281</u>	<u>-</u>	<u>344,852</u>	<u>400,133</u>	<u>16,210</u>	<u>-</u>	<u>386,554</u>	<u>402,764</u>
Net income/(expenditure)		<u>(36,094)</u>	<u>-</u>	<u>17,684</u>	<u>(18,410)</u>	<u>(1,920)</u>	<u>-</u>	<u>(15,706)</u>	<u>(17,626)</u>
Transfers between funds	12	1,791	-	(1,791)	-	7,171	(6,000)	(1,171)	-
Net movement in funds		<u>(34,304)</u>	<u>-</u>	<u>15,894</u>	<u>(18,410)</u>	<u>5,251</u>	<u>(6,000)</u>	<u>(16,877)</u>	<u>(17,626)</u>
Reconciliation of funds:									
Total funds brought forward		33,232	-	56,731	89,963	27,981	6,000	73,608	107,589
Total funds carried forward	12	<u>(1,072)</u>	<u>-</u>	<u>72,625</u>	<u>71,553</u>	<u>33,232</u>	<u>-</u>	<u>56,731</u>	<u>89,963</u>