

# NOVOUK LTD

Report and Accounts  
Year ended 31 March 2023

Stewardship   
*Active generosity*

1 Lamb's Passage, London EC1Y 8AB  
[www.stewardship.org.uk](http://www.stewardship.org.uk)

**NOVOUK LTD**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2023**

<b>Trustees</b>	Mr D Aanderud (resigned September 2023) Ms R Head (appointed October 2023) Mr D Prince Ms C Tinkler Mr A Wright (Chair)
<b>Company Secretary</b>	Mr D Aanderud
<b>Governing Document</b>	Memorandum and Articles of Association dated 23 March 2004 as amended on 14 December 2018
<b>Company Registration Number</b>	05081532
<b>Charity Registration Number</b>	1115959
<b>Registered Office</b>	182 Old Montague Street London E1 5NA
<b>Independent Examiner</b>	Ajay Rajani FCIE Stewardship 1 Lamb's Passage London EC1Y 8AB
<b>Bankers</b>	Barclays Bank UK Plc

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**NOVOUK LTD**  
**TRUSTEES' ANNUAL REPORT**  
**(INCORPORATING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**

Novo UK exists to further the advancement of the Christian faith. It does so through evangelism, training, and innovative projects in strategic communities across the UK. It also develops partnerships with like-minded people and organisations with the aim of generating rapid growth and multiplication of disciples in additional communities, thereby expanding Novo UK's influence across the UK. In 2022/23, Novo UK has launched new teams in six locations and trained hundreds of leaders in disciple making from across different UK denominations and charities. It has started a UK-based strategic network of disciple makers called Catalyst Network, and has also helped birth a European partnership with five other countries with a view to share disciple-making resources and expertise for urban European centres.

The charity has supported ministries operating in Ukraine for a number of years. These ministries are well established and responded immediately when the war broke out in February 2022. They are very actively engaged in providing humanitarian aid and spiritual support to those affected by the war. In the previous year the charity launched a special appeal to try to bolster its support for these ministries and substantial donations have been received and distributed.

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

**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 and going concern**

As part of its partnership with NOVO USA the charity oversees the work done by NOVO USA's mission partners in the United Kingdom. The charity has taken professional advice on the tax status of these individuals and has been advised that these mission partners are obliged to pay tax in the United Kingdom and have not done so. 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 previously estimated the liability to be £525,000 and, based on this estimate, NOVO USA had previously agreed to support the charity financially by reimbursing most of the expense and (if necessary) by providing loans. However, following the receipt of some recent correspondence from HM Revenue & Customs, it is now possible that the tax liability could be substantially more than £525,000 (see note 6 'Taxation' for more information). As there is significant uncertainty over the amount of tax that will be due, NOVO USA is not able at this time to make a commitment to help finance the settlement of the liability. The relationship with NOVO USA remains strong and, if at all possible, there is a willingness to support the charity financially. For these reasons the trustees believe that, when the time comes, NOVO USA will provide the funds that are needed to settle the tax liability and provide the financial resources that the charity needs to continue operating. Therefore the accounts continue to be prepared on a going concern basis.

**Financial review**

During the year income increased by £271 to £416,281. In response to the war in Ukraine, donations to help support ministries operating in Ukraine increased by £76,026. Other restricted donations decreased by £63,966 (partly because many of the charity's mission partners are now self funding) and unrestricted income fell by £11,789.

During the year expenditure increased by £25,121 to £425,446. Expenditure to support ministries operating in Ukraine increased by £128,660. Other restricted expenditure fell by £112,325, mainly because many of the charity's mission partners are now self funding. Unrestricted expenditure increased by £4,786 as the charity increased its spending on training mission partners and developing the charity's activities; the increase in expenditure on these activities was partly offset by a reduction in professional fees paid in respect of the above tax issue.

As a result the charity has reported a deficit this year of £9,165 (2022: a surplus of £15,685) and the charity's net assets decreased by £9,165 to £78,073. The charity ended the year with cash of £132,418, of which £54,987 was unrestricted.

**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 unrestricted overheads of £17,000 for the coming year and the trustees are seeking to hold unrestricted cash of no less than 6 month's budgeted overheads (or £8,500), plus £52,500, to help settle the tax liability referred to above i.e. in total £61,000. At the year end the charity held unrestricted cash of £54,987. Though this is below the charity's target for holding reserves, the trustees are satisfied that the charity can continue to operate with this level of reserves for the time being. Ultimately, in view of the tax issue referred to above, the charity will not be able to continue to operate unless it receives financial support from NOVO USA.

**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.

**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:

*Andrew Wright*

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Mr Andrew Wright  
Chair of the Board

Date: 18 December 2023

**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 2023 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 note 2 (a) 'Going Concern' and in note 6 'Taxation', the trustees anticipate that the charity will be asked to settle a substantial tax liability and the charity could only do this if it receives financial assistance from NOVO USA. Based on a previous estimate of the tax liability, NOVO USA had undertaken to provide this financial support. However HM Revenue & Customs have recently asked for tax calculations for a further three years and it is now believed that the eventual tax liability could be substantially more than the current estimate. Until the actual tax liability is known and has been formally considered by its trustees, NOVO USA is unable at this time to make a commitment to support the charity financially. Therefore, though the trustees remain confident that this support will be forthcoming, going concern is considered to be material uncertainty.

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*

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

Date: 19 December 2023

**NOVOUK LTD**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	7,795	395,905	403,700	413,720
Charitable activities	4	12,581	-	12,581	2,290
<b>Total income and endowments</b>		<u>20,376</u>	<u>395,905</u>	<u>416,281</u>	<u>416,010</u>
<b>EXPENDITURE ON:</b>					
Charitable activities					
Operating expenses	5	28,100	397,346	425,446	400,325
Taxation	6	-	-	-	-
<b>Total expenditure</b>		<u>28,100</u>	<u>397,346</u>	<u>425,446</u>	<u>400,325</u>
<b>Net income/(expenditure)</b>		<u>(7,724)</u>	<u>(1,441)</u>	<u>(9,165)</u>	<u>15,685</u>
<b>Transfers between funds</b>	13	-	-	-	-
<b>Net movement in funds</b>		<u>(7,724)</u>	<u>(1,441)</u>	<u>(9,165)</u>	<u>15,685</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		8,366	78,872	87,238	71,553
<b>Total funds carried forward</b>	13	<u>642</u>	<u>77,431</u>	<u>78,073</u>	<u>87,238</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 2023**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>CURRENT ASSETS</b>							
Debtors	9						
Operating activities		4,874	-	4,874	4,479	-	4,479
Tax reimbursement		472,500	-	472,500	472,500	-	472,500
		<u>477,374</u>	<u>-</u>	<u>477,374</u>	<u>476,979</u>	<u>-</u>	<u>476,979</u>
Cash at bank and in hand	10	54,987	77,431	132,418	74,783	78,872	153,655
		<u>532,361</u>	<u>77,431</u>	<u>609,792</u>	<u>551,762</u>	<u>78,872</u>	<u>630,634</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	(6,719)	-	(6,719)	(18,396)	-	(18,396)
		<u>525,642</u>	<u>77,431</u>	<u>603,073</u>	<u>533,366</u>	<u>78,872</u>	<u>612,238</u>
<b>Net current assets / (liabilities)</b>							
		<u>525,642</u>	<u>77,431</u>	<u>603,073</u>	<u>533,366</u>	<u>78,872</u>	<u>612,238</u>
<b>Total assets less current liabilities</b>							
		<u>525,642</u>	<u>77,431</u>	<u>603,073</u>	<u>533,366</u>	<u>78,872</u>	<u>612,238</u>
<b>Provisions for liabilities</b>	12	(525,000)	-	(525,000)	(525,000)	-	(525,000)
		<u>642</u>	<u>77,431</u>	<u>78,073</u>	<u>8,366</u>	<u>78,872</u>	<u>87,238</u>
<b>TOTAL NET ASSETS</b>							
		<u>642</u>	<u>77,431</u>	<u>78,073</u>	<u>8,366</u>	<u>78,872</u>	<u>87,238</u>
<b>FUND BALANCES</b>	13						
Unrestricted Funds		642	-	642	8,366	-	8,366
Restricted Funds		<u>-</u>	<u>77,431</u>	<u>77,431</u>	<u>-</u>	<u>78,872</u>	<u>78,872</u>
		<u>642</u>	<u>77,431</u>	<u>78,073</u>	<u>8,366</u>	<u>78,872</u>	<u>87,238</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 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:

*Andrew Wright*

Mr Andrew Wright

Date 18 December 2023

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 2023**

**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) Going concern

As explained in note 6 'Taxation' the trustees note that it is likely that the charity will have to settle a substantial tax liability, which the charity's tax advisors had previously estimated to be in the region of £525,000. Based on this estimate, NOVO USA had previously undertaken to support the charity financially by reimbursing most of this expense and by providing loans. However, as explained in note 6, just prior to the signing of these accounts, HM Revenue & Customs asked the charity to calculate the tax that would be due for a further three years. These calculations are currently being prepared but, as the size of the eventual liability is not yet known and could be substantially more than £525,000, NOVO USA is unable at this time to make a commitment to support the charity to whatever amount is required. The relationship with NOVO USA remains strong and, if at all possible, there is a willingness to support the charity financially. For these reasons the trustees believe that, when the time comes, NOVO USA will provide the funds that are needed to settle the tax liability and provide the financial resources that it needs to continue operating for a period of at least 12 months from the date that these accounts were approved. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) 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.

Income from charitable activities represents income from membership fees receivable from mission workers who receive services from the charity.

c) 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.

d) 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.

e) 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 2023**

**2 Accounting Policies continued**

f) 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.

g) 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 2023 £	Total 2022 £
Donations of cash and similar	3,542	284,486	288,028	305,366
Grants received from NOVO USA	4,253	86,419	90,672	73,354
Donated services	-	25,000	25,000	35,000
	<u>7,795</u>	<u>395,905</u>	<u>403,700</u>	<u>413,720</u>

NOVO USA donated the services of one (2022: two) of its mission workers to serve as the charity's national director and, in 2022, as its operations director. The estimated value of these donated services to the charity is £25,000 (2022: £35,000). A matching expense is included in note 4 'Charitable expenditure'.

**4 Income from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Membership fees	6,309	-	6,309	2,290
Conferences and training	6,272	-	6,272	-
	<u>12,581</u>	<u>-</u>	<u>12,581</u>	<u>2,290</u>

Many of the charity's mission partners are now self funding and the charity receives membership fees from these mission workers that help cover the charity's expenses.

**5 Charitable expenditure**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>a Costs incurred directly on specific activities</b>				
Ministry grants payable (note 5c)	-	298,212	298,212	297,929
Ministry support and development	4,342	11,890	16,232	15,045
Ministry conferences and training	13,433	8,924	22,357	-
Staff costs	-	32,026	32,026	15,669
Donated services expense (see note 3 'Donations and legacies')	-	25,000	25,000	35,000
	<u>17,775</u>	<u>376,052</u>	<u>393,827</u>	<u>363,643</u>
<b>b Costs incurred on support &amp; administration</b>				
Independent examiner's fee	1,040	2,080	3,120	3,000
Professional fees	7,786	8,487	16,273	26,807
Media expenses	-	7,417	7,417	-
Other administrative expenses	1,499	3,310	4,809	6,875
	<u>10,325</u>	<u>21,294</u>	<u>31,619</u>	<u>36,682</u>
<b>Total expenditure</b>	<u>28,100</u>	<u>397,346</u>	<u>425,446</u>	<u>400,325</u>

The fee payable to the independent examiner for preparing and examining the accounts was £3,000 (2022: £3,000); in addition the charity paid £726 (2022: £444) to Stewardship for payroll bureau and consultancy services.

**NOVOUK LTD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**5c Grants payable**

	Institutions £	Individuals £	2023 £
Grants for UK and overseas mission			
Individuals	-	204,033	204,033
NOVO Ukraine	13,424	-	13,424
NOVO Germany for their work in Ukraine	58,342	-	58,342
NOVO USA	22,413	-	22,413
	<u>94,179</u>	<u>204,033</u>	<u>298,212</u>

NOVO Ukraine, NOVO Germany and NOVO USA are registered charities in their home nations. They are independent charities and they are all part of the global NOVO network of like minded mission charities.

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

	Institutions £	Individuals £	2022 £
Grants for UK and overseas mission			
Individuals	-	274,303	274,303
Impact Giving UK Trust	15,000	-	15,000
Ffald-y-Brenin Trust Ltd	8,626	-	8,626
	<u>23,626</u>	<u>274,303</u>	<u>297,929</u>

**6 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. The charity has taken professional advice on the tax status of these individuals and has been advised that some of these mission partners are obliged to pay tax in the United Kingdom and have not done so. Furthermore, because of the charity's close relationship with NOVO USA, it is believed that the charity will be held liable for this tax.

The charity's tax advisors had previously advised that the tax due could be up to £525,000 (in respect of the four year period between 1 April 2018 and 31 March 2022). Based on this estimate, NOVO USA agreed to support the charity financially by reimbursing most of this expense and by providing loans. The charity budgeted for its share of the liability to be £52,500 and, in the charity's accounts for the year ended 31 March 2021, £52,500 was charged to the Statement of Financial Activities.

The existence of this tax issue has now been disclosed to HM Revenue & Customs. Shortly before the signing of these accounts, HM Revenue & Customs asked the charity to provide calculations for the tax that would be due for a further three years (i.e. for the period from 1 April 2015 to 31 March 2018). These calculations are currently being prepared. This could indicate that HM Revenue & Customs is minded to require repayment of an amount larger than that provided for in these accounts but, at this time, no further information has been provided by HM Revenue & Customs and any additional potential liability is still being calculated. It is possible that the charity may have grounds to successfully challenge any tax that might be assessed in respect of the additional three year period.

As the eventual tax liability could be substantially more than £525,000, NOVO USA is not able at this time to make a commitment to help finance the settlement of the liability until the tax due has been calculated and considered by the trustees.

Given these uncertainties, the charity is unable to reliably revise the estimates for the tax due and the related reimbursement receivable from NOVO USA and the previous estimates have not been updated.

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

The average monthly number of employees during the year was 1 (2022: 0.5). Most of the charity's activities are carried out by individuals who receive grants from this charity or from other charities and, to a lesser extent, by volunteers.

No staff received salaries at a rate of more than £60,000 per annum.

The charity's key management comprise the trustees (one of whom also serves as national director) and the deputy national director (who has served since October 2021). During the year key management received employment benefits totalling £31,500 (2022: £15,375).

No trustees received employment benefits in either the current or preceding year.

**8 Acting as agent**

From time to time 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 received £24,778 (2022: £53,137) and paid over £36,536 (2022: £41,379); at the year end, the charity held £nil (2022: £11,758) for NOVO USA.

**NOVOUK LTD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**9 Debtors**

	2023	2022
	£	£
Operating activities:		
Prepayments and accrued income	4,874	4,479
Reimbursement for tax due from NOVO USA	472,500	472,500
	<u>477,374</u>	<u>476,979</u>

As explained in note 6 'Taxation', the charity has been advised that at the present time the charity is estimated to have a tax liability of £525,000 in respect of the NOVO USA mission partners that worked in the United Kingdom. Based on this estimate, NOVO USA previously agreed to support the charity financially by reimbursing £472,500 and a debtor for this amount has been included in the accounts. The remaining £52,500 represents the charity's estimated share of the tax liability and this was charged to the Statement of Financial Activities in the charity's accounts for the year ended 31 March 2021. The trustees note that there are now some uncertainties over the amount of tax due and the reimbursement receivable from NOVO USA, which are explained in note 6 'Taxation'.

**10 Cash at Bank and in Hand**

	2023	2022
	£	£
Cash at bank with immediate access	<u>132,418</u>	<u>153,655</u>

**11 Creditors: liabilities falling due within one year**

	2023	2022
	£	£
Trade creditors	2,453	2,613
Funds held as agent for NOVO USA (see note 8 'Acting as agent')	-	11,758
Accruals and other creditors	4,266	4,025
	<u>6,719</u>	<u>18,396</u>

**12 Provisions**

	2023	2022
	£	£
Taxation		
Provision brought forward	525,000	525,000
Provision arising in the year	-	-
Provision carried forward	<u>525,000</u>	<u>525,000</u>

As explained in note 6 'Taxation', the charity has been advised that at the present time the charity is estimated to have a tax liability of £525,000 in respect of the NOVO USA mission partners that worked in the United Kingdom. The trustees note that there are now some uncertainties over the amount of tax due, which are explained in note 6 'Taxation'.

**13 Funds**

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

	Opening balance 2023 £	Incoming resources 2023 £	Outgoing resources 2023 £	Transfers in the year 2023 £	Closing balance 2023 £
<i>Restricted funds</i>					
Mission Partner fund					
Projects in Ukraine	53,213	202,591	(207,739)	35	48,100
Other projects	25,659	160,369	(157,190)	(35)	28,803
Donated services fund	-	25,000	(25,000)	-	-
Media fund	-	7,945	(7,417)	-	528
	<u>78,872</u>	<u>395,905</u>	<u>(397,346)</u>	<u>-</u>	<u>77,431</u>
<i>Unrestricted general funds</i>	8,366	20,376	(28,100)	-	642
Aggregate of funds	<u>87,238</u>	<u>416,281</u>	<u>(425,446)</u>	<u>-</u>	<u>78,073</u>

**NOVOUK LTD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**13 Funds continued**

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

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Closing balance 2022 £
<i>Restricted funds</i>					
Mission Partner fund					
Projects in Ukraine	1,727	126,565	(75,079)	-	53,213
Other projects	70,898	222,280	(266,932)	(587)	25,659
Donated Services fund	-	35,000	(35,000)	-	-
	<u>72,625</u>	<u>383,845</u>	<u>(377,011)</u>	<u>(587)</u>	<u>78,872</u>
<i>Unrestricted general funds</i>	(1,072)	32,165	(23,314)	587	8,366
Aggregate of funds	<u>71,553</u>	<u>416,010</u>	<u>(400,325)</u>	<u>-</u>	<u>87,238</u>

**Mission Partner** fund is a restricted fund and was created from donations received to support specific mission projects and / or mission workers. Towards the end of the previous year, in response to the outbreak of war, the charity launched a special appeal to try to increase the charity's support for ministries operating in Ukraine. To help draw attention to the significance of this support, the movements on these Ukrainian funds are shown separately in the above tables.

The **Donated Services** fund is a restricted fund representing the services of individuals donated by NOVO USA to serve as the charity's national director and, in the previous year, as it's operations director (until September 2021).

The **Media** fund is a restricted fund created by a grant received to help develop media for use in communicating the charity's work.

**14 Transactions with related parties**

During the year the charity:

- a) did not receive any donations (2022: £nil) 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 (2022: £nil) were paid to, or for, the trustees.

Except as disclosed in note 7 'Analysis of staff costs', there have been no other transactions with related parties during the year.

**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 2023**

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	3	7,795	395,905	403,700	29,875	383,845	413,720
Charitable activities	4	12,581	-	12,581	2,290	-	2,290
<b>Total income and endowments</b>		<u>20,376</u>	<u>395,905</u>	<u>416,281</u>	<u>32,165</u>	<u>383,845</u>	<u>416,010</u>
<b>EXPENDITURE ON:</b>							
Charitable activities:							
Operating expenses	5	28,100	397,346	425,446	23,314	377,011	400,325
Taxation	6	-	-	-	-	-	-
<b>Total Expenditure</b>		<u>28,100</u>	<u>397,346</u>	<u>425,446</u>	<u>23,314</u>	<u>377,011</u>	<u>400,325</u>
<b>Net income/(expenditure)</b>		<u>(7,724)</u>	<u>(1,441)</u>	<u>(9,165)</u>	<u>8,851</u>	<u>6,834</u>	<u>15,685</u>
<b>Transfers between funds</b>	13	-	-	-	587	(587)	-
<b>Net movement in funds</b>		<u>(7,724)</u>	<u>(1,441)</u>	<u>(9,165)</u>	<u>9,438</u>	<u>6,247</u>	<u>15,685</u>
<b>Reconciliation of funds:</b>							
Total funds brought forward		8,366	78,872	87,238	(1,072)	72,625	71,553
<b>Total funds carried forward</b>	13	<u>642</u>	<u>77,431</u>	<u>78,073</u>	<u>8,366</u>	<u>78,872</u>	<u>87,238</u>