

NOVOUK LTD

Report and Accounts
Year ended 31 March 2024

Stewardship 
Active generosity

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

NOVOUK LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024

Trustees	Mr D Aanderud (resigned September 2023) Ms R Head (appointed October 2023) Mr D Prince Ms C Tinkler Mr A Wright (Chair)
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	5 Brayford Square London E1 0SG
Independent Examiner	Ajay Rajani FCIE Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers	Barclays Bank UK Plc

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NOVOUK LTD
TRUSTEES' ANNUAL REPORT
(INCORPORATING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

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 2023/24, Novo UK has seen growth in the number of disciple-makers they work with across the UK, and has trained many leaders in disciple-making from across different church denominations and charities. It has started a UK-based strategic network of disciple makers called the God Movement Network, and continues to take a lead in shaping 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. The charity continues its support for these ministries and substantial donations have been received and distributed.

Since the end of the financial year, the National Director and trustees have continued to be in dialogue with HMRC regarding the back tax liability. The trustees are aware that the total back tax amounts which HMRC could formally demand would be far beyond the resources of Novo UK, and could force the closure of the charity. HMRC is aware of this and the trustees continue to hope for a favourable settlement.

The uncertainty surrounding the back taxes has made for a difficult period throughout 2024. It has been very hard for the charity to recruit new members and some existing members, particularly US members affected personally by the back taxes, have made the choice to move on. This has seen Novo UK shrink in size. In addition, in September 2024, the National Director of Novo UK stepped down, with the trustees appointing a new acting National Director to fill the gap.

The trustees have continued to work on plans for the future and the remaining community of Novo UK is engaged and highly active, but the charity is hoping for a resolution to the back tax situation soon.

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

NOVOUK LTD
TRUSTEES' ANNUAL REPORT continued

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.

Tax liability and going concern

As part of its partnership with NOVO USA the charity oversees the work done by NOVO USA's missionary employees in the United Kingdom. The charity took professional advice on the tax status of these individuals and was advised that these employees of NOVO USA are obliged to pay tax in the United Kingdom and had not done so for some years. HM Revenue & Customs ('HMRC') have confirmed that the charity is liable for this tax.

The charity has fully paid the back tax obligations for 2022/23 and 2023/24 and is now paying income and national insurance taxes for all NOVO USA employees working with the charity in the UK on a monthly basis.

The charity has also made a payment on account for the 2021/22 liabilities of £100,000.

Nevertheless, HMRC have advised that the amount that remains due for these historic back tax liabilities is £822,612. This is far in excess of the charity's own resources.

The charity has continued in dialogue with HMRC and HMRC is aware that the charity, even with the financial support of NOVO USA, would be unable to pay this amount in full. The charity is hopeful that HMRC may be willing to agree a settlement for a lower amount. NOVO USA have indicated that, depending on the settlement offered by HMRC, they may be willing to provide some further financial support to enable the charity to continue operating.

The eventual settlement offer, and NOVO USA's willingness to provide financial support, are two material uncertainties. It is a material possibility that the charity will not be able to continue as a going concern as HMRC could commence proceedings to have the charity wound up.

However, the trustees believe that as HMRC will clearly recover a larger amount through a settlement which is, at least in part, funded by NOVO USA, this must be a more likely outcome than the charity being wound up. Therefore, they continue to believe that there is a reasonable expectation that the charity will be able to continue as a going concern and the going concern basis has been used in the preparation of these accounts.

Financial review

During the year income increased by £70,000 to £487,000 due to a substantial increase in the restricted income received for the various projects that the charity supports.

Normal operating expenditure fell by £52,000 to £374,000, which was mainly due to a reduction in the grants distributed this year by the charity .

The tax issue referred to above has given rise to a tax charge of £800,000 (see note 6 'Taxation' in the accounts) and the overall deficit for the year is therefore £687,000. The charity's net assets have fallen by £687,000 and the charity has ended the year with net liabilities of £609,000. Net liabilities comprise unrestricted cash of £17,000 plus restricted cash of £197,000 less a provision of £823,000 for taxation.

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 aims to hold unrestricted cash of no less than £15,000 to help meet its normal operating overheads. At the year end the charity held unrestricted cash of £17,000, which is sufficient to cover the reserve requirement for normal operating costs. The charity does not hold any other free reserves and would have to rely on NOVO USA for funding to help pay any tax settlement.

NOVOUK LTD
TRUSTEES' ANNUAL REPORT continued

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. The two key risks and uncertainties faced by the charity are the outcome of discussions concerning a tax settlement and, related to this, NOVO USA's willingness (and ability) to provide financial support.

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).

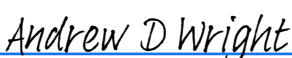
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for 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 D Wright (Dec 15, 2024 16:37 GMT)

Mr Andrew Wright
Chair of the Board

Date: Dec 15, 2024

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 2024 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).

In my opinion, attention should be drawn to the following matter in order to enable a proper understanding of the accounts to be reached:

For reasons that are outlined in note 6 'Taxation' the charity has ended the year with unrestricted net liabilities of £805,263. The charity is seeking to negotiate a settlement with HMRC and, depending on the outcome, NOVO USA have indicated that they may be willing to support the charity financially. As explained in note 2(a) 'Going concern', the trustees believe that there is a reasonable expectation that the charity will be able to continue as a going concern and they have therefore used the going concern basis in the preparation of these accounts. However, they acknowledge that going concern is a material uncertainty because the future decisions and actions that will be taken by HMRC and NOVO USA cannot be reliably predicted. For this reason, I am unable to form a view on the going concern conclusion reached by the trustees and going concern may not be an appropriate basis for the preparation of these accounts.

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 (Dec 16, 2024 09:25 GMT)

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

Date: Dec 16, 2024

NOVOUK LTD
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	4,690	470,565	475,255	403,700
Charitable activities	4	11,377	-	11,377	12,581
Total income and endowments		<u>16,067</u>	<u>470,565</u>	<u>486,632</u>	<u>416,281</u>
EXPENDITURE ON:					
Charitable activities					
Operating expenses	5	18,491	354,951	373,442	425,446
Taxation	6	800,112	-	800,112	-
Total expenditure		<u>818,603</u>	<u>354,951</u>	<u>1,173,554</u>	<u>425,446</u>
Net income/(expenditure)		<u>(802,536)</u>	<u>115,614</u>	<u>(686,922)</u>	<u>(9,165)</u>
Transfers between funds	13	(3,369)	3,369	-	-
Net movement in funds		<u>(805,905)</u>	<u>118,983</u>	<u>(686,922)</u>	<u>(9,165)</u>
Reconciliation of funds:					
Total funds brought forward		642	77,431	78,073	87,238
Total funds carried forward	13	<u>(805,263)</u>	<u>196,414</u>	<u>(608,849)</u>	<u>78,073</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 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
CURRENT ASSETS							
Debtors	9						
Operating activities and other reimbursements due		42,261	-	42,261	4,874	-	4,874
Reimbursement for back taxes		-	-	-	472,500	-	472,500
		<u>42,261</u>	<u>-</u>	<u>42,261</u>	<u>477,374</u>	<u>-</u>	<u>477,374</u>
Cash at bank and in hand	10	17,055	196,414	213,469	54,987	77,431	132,418
		<u>59,316</u>	<u>196,414</u>	<u>255,730</u>	<u>532,361</u>	<u>77,431</u>	<u>609,792</u>
CREDITORS: Amounts falling due within one year							
	11	(41,967)	-	(41,967)	(6,719)	-	(6,719)
		<u>17,349</u>	<u>196,414</u>	<u>213,763</u>	<u>525,642</u>	<u>77,431</u>	<u>603,073</u>
Net current assets / (liabilities)							
		<u>17,349</u>	<u>196,414</u>	<u>213,763</u>	<u>525,642</u>	<u>77,431</u>	<u>603,073</u>
Total assets less current liabilities							
		<u>17,349</u>	<u>196,414</u>	<u>213,763</u>	<u>525,642</u>	<u>77,431</u>	<u>603,073</u>
Provisions for liabilities							
	12	(822,612)	-	(822,612)	(525,000)	-	(525,000)
		<u>(805,263)</u>	<u>196,414</u>	<u>(608,849)</u>	<u>642</u>	<u>77,431</u>	<u>78,073</u>
TOTAL NET ASSETS							
		<u>(805,263)</u>	<u>196,414</u>	<u>(608,849)</u>	<u>642</u>	<u>77,431</u>	<u>78,073</u>
FUND BALANCES							
Unrestricted Funds	13	(805,263)	-	(805,263)	642	-	642
Restricted Funds		<u>-</u>	<u>196,414</u>	<u>196,414</u>	<u>-</u>	<u>77,431</u>	<u>77,431</u>
		<u>(805,263)</u>	<u>196,414</u>	<u>(608,849)</u>	<u>642</u>	<u>77,431</u>	<u>78,073</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2024 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 D Wright
Andrew D Wright (Dec 15, 2024 16:37 GMT)

Mr Andrew Wright

Dec 15, 2024

Date

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 2024

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

Largely as a result of the tax issue outlined in note 6 'Taxation', this year the charity has reported a deficit of £805,905 on unrestricted funds and has ended the year with unrestricted net liabilities of £805,263. As explained in note 6, the charity has been in discussions with HMRC and is hopeful of agreeing a settlement for a lower amount of tax as the tax calculated to be due far exceeds the charity's own resources. Depending on the eventual settlement offered by HMRC, NOVO USA have indicated that they may be willing to try to help support the charity financially so that it can continue to operate as a going concern. The eventual settlement offer, and NOVO USA's willingness to provide financial support, are two material uncertainties. Depending on the outcome, it is possible that the charity will not be able to continue as a going concern as HMRC could commence proceedings to have the charity wound up to try to maximise the recovery of tax. However the hope is that the settlement offer will be affordable and that NOVO USA will be both willing and able to support the charity financially so that it can continue to operate. The trustees believe that there is a reasonable expectation that the charity will be able to continue as a going concern and the going concern basis has been used in the preparation of these accounts.

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 membership fees receivable from mission workers who receive services from the charity and conference fees from mission workers who have attended conferences organised by 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.

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.

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

2 Accounting Policies continued

g) Critical accounting estimates and areas of judgement

The material sources of estimation and 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 are outlined in accounting policy 2(a) 'Going concern' and in note 6 'Taxation'.

3 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Donations of cash and similar	2,328	343,118	345,446	288,028
Grants received from NOVO USA	2,362	102,447	104,809	90,672
Donated services	-	25,000	25,000	25,000
	<u>4,690</u>	<u>470,565</u>	<u>475,255</u>	<u>403,700</u>

NOVO USA donated the services of one (2023: one) of its mission workers to serve as the charity's national director. The estimated value of these donated services to the charity is £25,000 (2023: £25,000). A matching expense is included in note 4 'Charitable expenditure'.

4 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Membership fees	5,577	-	5,577	6,309
Conferences and training	5,800	-	5,800	6,272
	<u>11,377</u>	<u>-</u>	<u>11,377</u>	<u>12,581</u>

5 Charitable expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
a Costs incurred directly on specific activities				
Ministry grants payable (note 5c)	1,750	256,843	258,593	298,212
Ministry support and development	1,628	13,965	15,593	16,232
Ministry conferences and training	-	7,774	7,774	22,357
Staff costs	-	32,185	32,185	32,026
Donated services expense (see note 3 'Donations and legacies')	-	25,000	25,000	25,000
	<u>3,378</u>	<u>335,767</u>	<u>339,145</u>	<u>393,827</u>
b Costs incurred on support & administration				
Independent examiner's fee	474	3,366	3,840	3,120
Professional fees	14,087	11,371	25,458	16,273
Media expenses	196	1,922	2,118	7,417
Other administrative expenses	356	2,525	2,881	4,809
	<u>15,113</u>	<u>19,184</u>	<u>34,297</u>	<u>31,619</u>
Total expenditure	<u>18,491</u>	<u>354,951</u>	<u>373,442</u>	<u>425,446</u>

The fee payable to the independent examiner for preparing and examining the accounts was £3,840 (2023: £3,120); in addition the charity paid £775 (2023: £726) to Stewardship for payroll bureau and consultancy services.

c Grants payable

	Institutions £	Individuals £	2024 £
Grants for UK and overseas mission			
Individuals	-	178,573	178,573
NOVO Ukraine	58,766	-	58,766
NOVO USA	13,685	-	13,685
Stewardship	5,819	-	5,819
Ffald Y Brenin	1,750	-	1,750
	<u>80,020</u>	<u>178,573</u>	<u>258,593</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.

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

5c Grants payable continued

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

	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>

6 Taxation

The charity works closely with NOVO in the USA ('NOVO USA') and, for a number of years, has overseen the work done by their mission partners in the United Kingdom. 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 and have not done so. Furthermore the charity was advised that it would be held liable for this tax and this was confirmed subsequently by HM Revenue & Customs ('HMRC').

To rectify this, the charity asked its tax advisors to:

- b) open and operate a payroll with effect from 6 April 2022 for the NOVO USA mission partners working in the UK. The charity is operating this payroll as agent for NOVO USA. As agent for NOVO USA, during the year the charity payroll taxes of £560,134 to HMRC and received reimbursements totalling £553,414 from NOVO USA. At the year end the charity was owed £6,720 for payroll taxes by NOVO USA.

In addition during the year the charity incurred professional fees totalling £34,266 as agent for NOVO USA (mainly in respect of the above payroll) and a reimbursement for these professional fees was owed by NOVO USA at the year end.

The total amount owed at the year end by NOVO USA for payroll taxes and tax related professional fees was £40,986 (see note 9 'Debtors').

- a) calculate the back taxes owed to HMRC for earlier years. The charity's tax advisors previously determined that approximately £525,000 was owed in respect of the four tax years ending on 5 April 2022 and a provision for this tax was included in the previous year's accounts. At the time the charity's tax advisors did not believe that HMRC would ask for tax to be paid for any earlier tax years.

Based on the above tax estimate, and subject to confirmation of the amount owed, NOVO USA had previously indicated that it would help the charity pay any tax that might be due. During the year NOVO USA helped the charity make an on account payment of £100,000 to HMRC by contributing £70,000.

In December 2023 the charity received some indication that HMRC might seek to hold the charity liable for taxes for three earlier tax years. This has been confirmed since the year end and, after deducting the on account payment of £100,000 mentioned above, HMRC have advised that the tax that remains due is calculated to be £822,612 (see note 12 'Provisions'), which is substantially more than the previous estimate.

HMRC have not yet issued a formal demand for the tax and recognise that the amount calculated to be due is far greater than the charity's own resources (namely the charity's unrestricted funds). Therefore, in seeking to try to maximise the recovery of tax, the trustees are hopeful that HMRC may be willing to accept a settlement for a lower amount. Discussions with HMRC are continuing but it may be some time before the charity receives a formal settlement offer. The settlement offer will then be put to NOVO USA and it is hoped that they will agree to help finance the settlement.

At the present time, NOVO USA are no longer able to make a commitment to provide financial support and the balance of the previous year's debtor for financial support has been written back in these financial statements. At the end of the previous year the financial assistance receivable from NOVO USA was estimated to be £472,500 (see note 9 'Debtors'); during the year NOVO USA contributed £70,000 and the remaining £402,500 has been written back in these accounts.

The tax charge in these accounts comprises:

Total amount of tax demanded	922,612
Less: the previous estimate of the charity's share of the liability	(52,500)
Less: amount contributed by NOVO USA during the year	(70,000)
	<u>800,112</u>

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

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 (2023: 1).

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

The charity's key management comprise the trustees, the national director and the deputy national director. During the year key management received employment benefits totalling £31,500 (2023: £31,500).

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

8 Other occasions when the charity has acted as agent for NOVO USA

From time to time there are other occasions when the charity acts as agent for NOVO USA. This includes instances when it receives money from NOVO USA 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 the previous year, as agent, the charity received £24,778 (2024: £nil) and paid £36,536 (2024: £nil). In respect of these arrangements, no amounts were owed to, or by, NOVO USA at the year end (2023: £nil).

9 Debtors

	2024	2023
	£	£
Prepayments and accrued income	1,275	4,874
Reimbursement for payroll taxes and tax related professional fees due from NOVO USA	40,986	-
Contribution towards back taxes for tax years ending on 5 April 2022 due from NOVO USA	-	472,500
	<u>42,261</u>	<u>477,374</u>

Information about the amounts owed by NOVO USA on both 31 March 2024 and on 31 March 2023 is given in note 6 'Taxation'.

10 Cash at Bank and in Hand

	2024	2023
	£	£
Cash at bank with immediate access	<u>213,469</u>	<u>132,418</u>

11 Creditors: liabilities falling due within one year

	2024	2023
	£	£
Trade creditors	2,955	2,453
Professional fees due in respect of back taxes and payroll for NOVO USA staff	34,266	-
Accruals and other creditors	4,746	4,266
	<u>41,967</u>	<u>6,719</u>

12 Provisions

	2024	2023
	£	£
Taxation		
Provision brought forward	525,000	525,000
Provision arising in the year	397,612	-
Payments made in part settlement during the year	(100,000)	-
Provision carried forward	<u>822,612</u>	<u>525,000</u>

Information about the above provision, and related uncertainties, is given in note 6 'Taxation'.

NOVOUK LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

13 Funds

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

	Opening balance 2024 £	Incoming resources 2024 £	Outgoing resources 2024 £	Transfers in the year 2024 £	Closing balance 2024 £
<i>Restricted funds</i>					
Mission Partner fund					
Projects in Ukraine	48,100	227,644	(157,538)	-	118,206
Other projects	28,803	217,921	(171,885)	3,369	78,208
Donated services fund	-	25,000	(25,000)	-	-
Media fund	528	-	(528)	-	-
	<u>77,431</u>	<u>470,565</u>	<u>(354,951)</u>	<u>3,369</u>	<u>196,414</u>
<i>Unrestricted general funds</i>	642	16,067	(818,603)	(3,369)	(805,263)
Aggregate of funds	<u>78,073</u>	<u>486,632</u>	<u>(1,173,554)</u>	<u>-</u>	<u>(608,849)</u>

In the previous 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)	-	-
	<u>-</u>	<u>7,945</u>	<u>(7,417)</u>	<u>-</u>	<u>528</u>
	<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>

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 (until September 2024) 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 (2023: £nil) from related parties (which includes trustees, key management and anyone closely connected to them).
- b) paid legal and professional fees totalling £2,580 (2023: £nil) for D Aanderud, who is a member of key management.

Except for the reimbursement of expense incurred when acting as agent for the charity, no expenses (2023: £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 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
INCOME AND ENDOWMENTS FROM:							
Donations and legacies	3	4,690	470,565	475,255	7,795	395,905	403,700
Charitable activities	4	11,377	-	11,377	12,581	-	12,581
Total income and endowments		16,067	470,565	486,632	20,376	395,905	416,281
EXPENDITURE ON:							
Charitable activities:							
Operating expenses	5	18,491	354,951	373,442	28,100	397,346	425,446
Taxation	6	800,112	-	800,112	-	-	-
Total Expenditure		818,603	354,951	1,173,554	28,100	397,346	425,446
Net income/(expenditure)		(802,536)	115,614	(686,922)	(7,724)	(1,441)	(9,165)
Transfers between funds	13	(3,369)	3,369	-	-	-	-
Net movement in funds		(805,905)	118,983	(686,922)	(7,724)	(1,441)	(9,165)
Reconciliation of funds:							
Total funds brought forward		642	77,431	78,073	8,366	78,872	87,238
Total funds carried forward	13	(805,263)	196,414	(608,849)	642	77,431	78,073