



Plummer Parsons
Chartered Accountants

Charity registration number 258253

Company registration number 00945991 (England and Wales)

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED

SLAVIC GOSPEL ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev W F McCurrie Mr D Harvey Mr R A Potts Mr C J K Smith Mr E Macdonald Mr J A Knox Dr H J Waters Mr R W Trainer
Secretary	Rev W F McCurrie
Charity number	258253
Company number	00945991
Principal address	22 Little Church Street Rugby Warwickshire CV21 3AW
Registered office	22 Little Church Street Rugby Warwickshire CV21 3AW
Auditor	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT
Bankers	Barclays Bank PLC North Street Rugby Warwickshire CV21 2AH

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED

SLAVIC GOSPEL ASSOCIATION

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SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of SGA are to assist the Church in Central and Eastern Europe, Central Asia and Far East Russia to become fully equipped to fulfil the great Commission of Jesus Christ, particularly among its own peoples by training workers, sponsoring leaders, providing Christian literature and distributing aid.

The means adopted in order to accomplish the objects of the charity are summed up in the purpose statement – To serve Christ and His Church.

The charity believes that the most effective way for the Mission to achieve its objectives is to find and support local churches and individuals who have a vision to make Jesus and the love of God known through their words and actions. Therefore, the charity makes grants, provides teaching, training, gifts in kind and other resources to churches, individuals, and organisations through their four core ministries:

1. Biblical Leadership Training which prepares the indigenous church for Christian service through our Mission Schools. Over the years, leadership training, theological studies, and other educational training has been offered to students in Poland, Slovakia, Hungary, Serbia, Bulgaria, Romania, Moldova, Ukraine, and Central Asia. Gifted Christian workers recommended by the local churches are given the opportunity to undertake a course of study to equip them for a lifetime of Christian service in the various ministries-pastoral ministry, youth ministry, work among drug addicts, orphans and widows, which brings maximum benefits to the public.

Students in Balti Mission School, Moldova, and Almaty Bible Institute, Kazakhstan receive grants.

International Correspondence Bible School in Central Asia offers Christian education by extension mainly to Kazakhstan and Tajikistan.

2. Leadership Support includes providing funds for pioneering churches and groups in new areas, growing and developing existing churches. This offers practical and financial assistance to Christian leaders who cannot be supported by the small churches which they serve. If this support were not available some would be forced to leave their Christian ministry for work opportunities elsewhere. Also, supporting other church projects that include making grants towards the purchase or building of public places of worship and providing transportation for evangelists and pastors, is helping to advance the Gospel.

3. Christian Literature provides resources such as Bibles and other literature which is helpful in understanding Biblical truth.

4. Crisis Response includes relief of poverty, medical assistance, drug and alcohol rehabilitation, food aid, emergency aid, disaster relief and other programmes for the benefit of the community. This support helps our partners in showing God's love in these practical ways. SGA's Crisis Response ministry is of huge public benefit as the poor and needy, vulnerable and forsaken, forgotten and neglected are being provided for through many different means. Impoverished communities are receiving the necessities for survival and medical care at point of need. The public benefits are enormous and far reaching.

Activities for the public benefit

The trustees have paid due regard to the Charity Commission guidance regarding Public Benefit.

SGA is currently serving the local evangelical churches through its four areas of ministry: Biblical Leadership Training; Leadership Support; Christian Literature; Crisis Response; the purpose being to enable the churches to best serve their own society and offer aid where possible.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

In all our projects and ministries, the public benefit of individuals, families or communities is paramount. It has always been the desire of the charity from its inception to show compassion to the needy and have a caring attitude toward the helpless.

Grant making policy

Grant making is always in response to requests from church leaders in Eastern Europe, Central Asia and Far East Russia or a need observed by staff while on Field trips. Grants are only made to known partners and those recommended by long standing and trusted sources. Trustees have delegated responsibility for grant making from funds to the General Director for grants up to £7,000 from General Funds and £10,000 from Designated Funds. Amounts in excess of this must be approved by the Board of Directors.

We recognise the need to take steps to prevent the use of grants for money laundering, terrorist activity, bribery and for purposes other than those for which they were given. To this end Trustees hold SGA's partners accountable for the funds, resources, aid or training they have received and require them to produce regular reports of their activities and use of funding. In addition, SGA staff members visit partners who receive funding or other help from SGA.

All our partners understand that the grants, training, or gifts in kind are to be used for the benefit of the community they serve and are to be freely available to all sections of the community.

The role of volunteers

The Trustees are very grateful to the many volunteers across the UK who give their time and energy to help Slavic Gospel Association and our partners. Volunteers help occasionally at the office in preparing the bi-monthly mail-out. In addition to this we have volunteers who plan itineraries for staff. The Phoebe Representatives operate in a voluntary capacity.

Achievements and performance

The past year has been one of significant achievements both in the UK and through our partners. It was the desire of the Board of Directors to be able to continue the support of our current number of national Gospel workers and fund all our ongoing projects on the Field at the present level.

We continue to look for new ways to share the missional need of Central & Eastern Europe, Central Asia and Far East Russia and raise funds for this work. Exploration of new ways to generate income included advertisements in Christian periodicals.

During the year achievements have included the expansion of Leadership Support through the fourth and final Project70 leaflet where we link UK churches/individuals with sponsored church planters, funding the production and distribution of Media Devices and SD cards in Central Asia; raising awareness and much needed finance for Hope Centres in Central Asia; support for Bible schools and students; transportation for church planters; literature projects.

Through our partners we have also continued to support children's work and orphanages; displaced people; widows; summer camps; soup kitchens, Covid-19 emergencies etc.

Just a few specific examples of this work include:

Training Workers

The main focus of SGA's ministry is Biblical Leadership Training. The teaching centres run in partnership with local churches scattered throughout Eastern Europe and Central Asia.

Although travel restrictions were in place in the early part of the year due to Covid-19, national church leaders were able to carry out the teaching required. From September 2021 SGA staff members were able to commence travel and share in the teaching alongside indigenous pastors.

The Mission has been able to continue funding for Emanuel University, Oradea, Romania; Odessa Seminary, Ukraine and Almaty Bible Institute, Kazakhstan.

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Supporting Leaders

Project70, that was launched to mark the 70th anniversary of the Mission has hugely increased SGA's financial contribution to missionary pastors. The aim was to send, and support 70 missionary pastors sponsored by churches and individuals in the UK & Ireland. This year the number has grown from seventy to eighty. This brings the total number of missionary families supported through Leadership Support to two hundred.

Radios/uploaded SD cards

SGA launched its project 'Sending Little Missionaries' in partnership with Trans World Radio, with anticipation and a degree of excitement. It was a response to the challenge of reaching isolated communities across Muslim-dominated Central Asia, with the Gospel.

SGA's initial commitment to finance and send 500 radios supplemented with pre-programmed SD cards containing Gospel material has superseded our expectations to 1300 sets. The impact of this partnership project has been significant, and very encouraging.

Church Buildings

Funds were provided for four Houses of Prayer in Ukraine, one in Poland, one in Tajikistan and one in Moldova.

Loan for Buildings Fund

The 'Loan for Buildings Fund' was created as another source of financing buildings for ministry in Eastern Europe and Central Asia. This is to address the problem of continual financial dependency upon the western support. This will bring huge public benefit as church buildings, camp facilities etc. can be completed with funds from the 'Loan Fund' and repayment made over an agreed period. No loans were requested during 2021.

Widows' Project

Widows' Fund which provides finance for heating, medical needs, food and clothing in Poland, Serbia, Macedonia, Bulgaria, Romania, Moldova, Ukraine and Central Asia amounted to £94,000 during 2021.

Transportation

A second-hand vehicle was funded for a Project70 missionary in Ukraine while funds were made available for a TWR missionary in Kyrgyzstan. Dr.Ivan Grozdanov received funding for a van to transport literature in Macedonia and surrounding countries. Aviation in Far East Russia received substantial funds.

SGA's partners in Sliven, Bulgaria, were provided with funding for general transportation.

Christian Literature

Dr. Ivan Grozdanov (Macedonia) received funds for printing. Finance was also provided to Facilia Editura Publishing House, Romania for a replacement printer. Financial help was offered for children's Bibles in Ukrainian. Good News Foundation (Hungary) received funding for their material on creation etc. Balti Mission School students received small libraries during their graduation.

In partnership with Bible Mission, Germany, funding has been made available to print Russian Family Bibles. These will consist of adult and children's Bibles and will be distributed in Central Asia.
East Ukraine Emergency Funding

It is the eighth year of war in the Donbas region of Ukraine. Every winter, SGA offers finance for essential supplies. This year partners requested funding for bedding and pillows which was provided.

Covid-19 Response

SGA sought to respond to our many friends as they sought to address and cope with the serious issues raised by Covid-19.

Phoebe Projects

Emanuel Hospice, Oradea, Romania along with Casa Filip, Cluj, Romania received substantial funds. Both of these facilities offer care to the terminally ill.

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Funding was also provided for Preventis in Cluj, Romania as the staff and volunteers offer counselling and advice to potential addicts and those already involved. Grace Shelter, Ukraine and Bread of Life, Serbia, both offering care for the vulnerable, were recipients of funding.

Strategies

All projects were funded by donations from churches and individuals throughout United Kingdom and Ireland. Deputation meetings began to pick up, especially during the latter part of the year.

During the year the charity published three project leaflets, and six 'Response Cards' which accompanied the bi-monthly mail out. They also promoted on-line giving, standing orders and credit card donations. Income from legacies and trusts also provided substantial finance. SGA claimed Gift Aid, where appropriate, which significantly increased income.

All the goals set for projects in Central/Eastern Europe, Central Asia and Far East Russia have been fulfilled through deputation, mail-outs and sponsorship.

Financial review

SGA's financial position on 31 December 2021 continued to be strong. Overall, the level of income for the year was not dissimilar to the previous year. However, an increased expenditure of over £400,000 was reflected in Project Expenditure.

The financial result for the year shows a deficit of £117,418 (2020: surplus of £439,852), before changes in fixed asset valuations.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained for the following reasons.

[a] to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice and

[b] to cover administration, fund-raising and support costs without which the charity could not function.

The trustees consider it prudent that designated reserves should be sufficient:

[a] to avoid the necessity of realising fixed assets held for the charity's use;

[b] to cover one year's administration fund-raising and support costs;

[c] to provide a pool equal to 10% of the average charitable expenditure over the preceding two years from which funds can be designated to specific projects.

The Board of Directors, which meets three times per year, administers the Charity and by this means monitors and ensures that there is sufficient funding to give working capital for the forthcoming period. Occasionally a sub-committee may be appointed by the Board of Trustees to complete a particular task and report back to the Board. The Trustees review their strategy and consider how best to use the surplus free reserves.

Of the £581,643 of unrestricted funds held at the year end, the trustees anticipate that these will be used for increased funding for current projects and planned ministry expansion during 2022/23.

However, the directors are aware of the need to have large sums readily available sometimes for emergency relief and other charitable purposes.

All staff salaries are based on market value and are not performance related.

Reserves policy

Trustees keep under review the need for free reserves which are those unrestricted funds not invested in tangible fixed assets or designated for a specific purpose. Currently, to allow SGA to be managed efficiently and to provide a buffer for adverse contingencies, the Trustees' policy is that such reserves should be maintained at a level of between three and six months expenditure. The level of reserves required to be maintained is around £336,000. This amount excludes the value of all assets as disposing of them could exceed six months.

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SLAVIC GOSPEL ASSOCIATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees review the major risks that the Charity faces and believe that maintaining the reserves at the level stated will enable the Charity to meet its short term commitments in the event of adverse conditions.

Risk Management

The principle financial risk for SGA is of receiving insufficient regular income to pay grants to its partners in Eastern Europe, Central Asia and Far East Russia. SGA limits this risk by regular communication with donors and actively seeking new donors in particular churches and trust funds.

Trustees are aware of other financial risks including possible fraud and have systems in place to mitigate major risks. Cash is handled in both received and distributed gifts. Fraud is countered by two signatories on receipts for all transactions being kept and checked against planned expenditure. Recipients of gifts are known to SGA.

The Trustees also regularly review other operational risks to which the company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks, which are identified as:

- Loss of key staff: Each member of our small staff performs a significant role. Good staff relations and a sense of Divine calling has led to an excellent retention record.
- Safety: Staff are briefed on personal safety precautions to be taken while abroad.

SGA continues to develop policies and procedures to manage risk and ensure effectiveness, probity and legal and regulatory compliance.

Data Protection

In view of the new data protection regulations, the Trustees have agreed a revised policy. This policy is available on the Charity's website.

Safeguarding Vulnerable Groups

The Trustees have agreed a policy that outlines the Charity's guidelines and precautions in relation to vulnerable groups who are being provided for or receiving care through funding from SGA.

Project Fund Administration

There will be no administration charge deducted from funds that are allocated for special projects [PFA]. All financial gifts for projects, mission schools, leadership support will be sent in their totality.

Key Performance Indicators

There are several measures in place to assess the impact that the charity's activities are having in Eastern Europe, Central Asia and Far East Russia.

- All recipients are held accountable to the Trustees of Slavic Gospel Association for the funds, resources, aid or training they have received and are expected to produce regular reports of their activities and use of any funding.
- In addition, regular visits are made to those partners in receipt of regular funding; occasional visits are made to all other partners in receipt of significant funding or other help to gather and collate information on progress and impact.
- Test, examination and assignment results help monitor the progress of Mission School students. The performance of graduates is monitored by Mission School directors and local church leadership.
- Regular reports from participants funded under Leadership Support help the charity to measure their performance. Also, each person is required to participate in regular financial reviews of their income.
- Beneficiaries from transportation funds are monitored on a regular basis.
- The impact of the charity's Crisis Response ministry is both measured by regular reports and meetings during ministry trips by SGA staff.
- All partners understand that the grants, training or gifts in kind that they receive are in pursuit of the Charity's objectives and are for the benefit of the community they serve.

Investment policy

The Board of Slavic Gospel Association has ruled that the policy of the charity is to invest funds in the many urgent needs presented on the Field rather than investment managed funds in the UK.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future periods

Ministry developments:

- Plans are in place for new mission schools to commence in north Serbia and Central Romania.
- To be able to continue the support of our current number of nationals and fund all our ongoing projects in Eastern Europe, Far East Russia and Central Asia at the present level. We will seek to raise these required funds through deputation meetings, publishing 3 project leaflets annually, 'Project Response form' that accompanies the bi-monthly mail out and credit card/on-line giving.
- The five year plan for funding 25 students in Almaty Bible Institute and TWR's programme 'Power in Percussion' has been completed. An extension with an annual review will be considered.
- 'Bibles for the Nations' is a special project run in conjunction with Bible Mission, Germany. The goal is to provide 100,000 Bible sets for distribution in Central Asia and parts of Russia.
- SGA's partnership with Trans World Radio continues to develop. Financial provision has been made for radio programmes in Mongolia.
- The Mission's involvement in camp ministry in Eastern Europe and Central Asia is expanding. It is our desire to increase day camps in north Moldova.

Publicity:

- The monthly online newsfeed 'Inside Story' is providing relevant and up to date information from the Field.
- The updated Prayer Matters booklet [31 days of prayer] offers valuable material to faithful supporters.
- The Phoebe Project is making good progress. It focuses on ladies' ministries or projects directed by ladies in Eastern Europe and Central Asia. It is hoped with church activities recommencing following Covid 19 that Phoebe Representatives will have increased opportunities to share in ladies' events across the UK & Ireland.

Structure, governance and management

The company is a company limited by guarantee, company number 00945991, and charity registration number 258253. The flysheet to the accounts gives details of the charity's principle addresses and those of other relevant organisations.

The directors who served during the year are:

Mr A Bennett	(Resigned 31 December 2021)
Rev W F McCurrie	
Mr D Harvey	
Mr R A Potts	
Mr C J K Smith	
Mr E Macdonald	
Mr J A Knox	
Dr H J Waters	
Mr R W Trainer	

Trustees are not paid for their service in this role other than expenses and none had any financial beneficial interest in the company. A register of Trustees' interests is held to ensure that there are no conflicts of interest and this is updated annually. The directors act as Trustees of the Charity.

The directors are the Council Members to whom the overall responsibility of managing and running the Charity is entrusted. However, the General Director is responsible for implementing the vision and strategy agreed by Trustees and the day to day running of the organisation. As a co-opted member of the Council, he reports back at Trustees' meetings. All major policy decisions and those concerning capital expenditure are ratified by the Council who meet every four months with occasional online strategy meetings as required.

The Council Members are encouraged to propose names of possible future members, considering their:

- skills, knowledge and experience
- location and availability

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Informal meetings followed by formal meetings are held with potential members, leading to a decision by Council as to whether such persons are invited to serve. These procedures are accompanied by furnishing the candidate with the History and Aims of SGA, the Doctrinal Statement and the Responsibilities of a Council Member.

A new Council Member is encouraged to undertake further training related to his particular role in the Association.

The company has sister organisations in Australia, Canada, New Zealand and the USA.

Asset cover for funds

Note 19 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Auditor

In accordance with the company's memorandum and articles of association, a resolution proposing that Plummer Parsons be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of directors

Rev W F McCurrie
Director

7 June 2022

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of Slavic Gospel Association (British Section) Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED

SLAVIC GOSPEL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED

Opinion

We have audited the financial statements of Slavic Gospel Association (British Section) Limited (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the regulations made under section 154 of that Act.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, Charities Act 2011, Bribery Act 2010, employment law, Coronavirus Jobs Retention Scheme (CJRS), Data Protection Act and GDPR. We considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as FRS 102 and the Charities Statement of Recommended Practice (SORP). We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent activities in the financial statements (including the risk of override of controls), and assessed that the principal risks could relate to posting journal entries to artificially increase income or reduce expenditure, incorrect claims through the Coronavirus Job Retention Scheme, related party transactions, management bias in accounting estimates and judgmental areas of the financial statements such as the allocation of support cost expenditure. Audit procedures performed by the engagement team included:

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SLAVIC GOSPEL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- A review of relevant correspondence, including correspondence with HM Revenue & Customs, for signs of potential non-compliance with laws and regulations; and
- A review of specific nominal codes within the accounting records that would highlight costs associated with non-compliance of relevant laws and regulations; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation, as well as throughout the year.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Plummer Parsons

17 June 2022

Chartered Accountants
Statutory Auditor

18 Hyde Gardens
Eastbourne
East Sussex
BN21 4PT

Plummer Parsons is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds Designated 2021 £	Total 2021 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	831,600	486,644	1,318,244	1,444,942
Other trading activities	4	7,493	-	7,493	4,949
Investments	5	878	-	878	3,021
Other income	6	91	-	91	-
Total income		840,062	486,644	1,326,706	1,452,912
<u>Expenditure on:</u>					
Activities for generating funds	7	39,797	-	39,797	38,027
Spreading the Gospel in eastern Europe	8	379,175	1,025,152	1,404,327	975,033
Total expenditure		418,972	1,025,152	1,444,124	1,013,060
Net incoming resources before transfers		421,090	(538,508)	(117,418)	439,852
Gross transfers between funds		(287,691)	287,691	-	-
Net income for the year/ Net incoming resources		133,399	(250,817)	(117,418)	439,852
Other recognised gains and losses					
Other gains or losses	12	(953)	(1,319)	(2,272)	4,305
Net movement in funds		132,446	(252,136)	(119,690)	444,157
Fund balances at 1 January 2021		449,197	1,512,396	1,961,593	1,517,436
Fund balances at 31 December 2021		581,643	1,260,260	1,841,903	1,961,593

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

All income and expenditure derive from continuing activities.

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

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds Designated 2020 £	Total 2020 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	998,840	446,102	1,444,942
Other trading activities	4	4,949	-	4,949
Investments	5	3,021	-	3,021
Total income		1,006,810	446,102	1,452,912
<u>Expenditure on:</u>				
Activities for generating funds	7	38,027	-	38,027
Spreading the Gospel in eastern Europe	8	375,404	599,629	975,033
Total expenditure		413,431	599,629	1,013,060
Net incoming resources before transfers		593,379	(153,527)	439,852
Gross transfers between funds		(431,535)	431,535	-
Net income for the year/ Net incoming resources		161,844	278,008	439,852
<u>Other recognised gains and losses</u>				
Other gains or losses	12	1,889	2,416	4,305
Net movement in funds		163,733	280,424	444,157
Fund balances at 1 January 2020		285,464	1,231,972	1,517,436
Fund balances at 31 December 2020		449,197	1,512,396	1,961,593

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Property, plant and equipment	13		146,817		152,224
Current assets					
Inventories	14	6,004		4,555	
Debtors falling due after one year	15	38,868		61,882	
Debtors falling due within one year	15	115,006		89,135	
Cash at bank and in hand		1,547,633		1,664,125	
		1,707,511		1,819,697	
Current liabilities	16	(12,425)		(10,328)	
Net current assets			1,695,086		1,809,369
Total assets less current liabilities			1,841,903		1,961,593
Income funds					
Unrestricted funds - Designated	19		1,260,260		1,512,396
Unrestricted funds - general			581,643		449,197
			1,841,903		1,961,593

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 7 June 2022

Rev W F McCurrie
Trustee

Mr C J K Smith
Trustee

Company Registration No. 00945991

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20		(116,901)		451,887
Investing activities					
Purchase of property, plant and equipment		(469)		-	
Investment income received		878		3,021	
Net cash generated from investing activities			409		3,021
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(116,492)		454,908
Cash and cash equivalents at beginning of year			1,664,125		1,209,217
Cash and cash equivalents at end of year			<u>1,547,633</u>		<u>1,664,125</u>

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Slavic Gospel Association (British Section) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 22 Little Church Street, Rugby, Warwickshire, CV21 3AW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the date of this report, there exists considerable uncertainty regarding the potential impact of the Coronavirus and the economic consequences, both within the U.K. and overseas, which may result from government policies to contain the spread. The duration and geographical extent of any possible lockdown or future government policies are unknown. Whilst we are unable to predict what the economic consequences may be and the impact on the charity's future ability to continue trading, we have continued to use the going concern basis as appropriate in the preparation of these accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

1.4 Income

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

The charity's income consists of voluntary income, income from charitable activities and investment income.

The charity is not registered for VAT.

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

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

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Income from grants and contracts is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that income will be received and the amount can be measured reliably and is not deferred.

Fundraising and trading income consists of monies generated from the sale of books, CD's and cards, as well as registration fees from delegates at the Charity's annual supporters conference. This is also recognised as income when receivable.

Investment income is wholly bank and stock interest generated and is recognised in the SoFA when receivable.

1.5 Expenditure

All expenditure is incurred in pursuit of the Charity's objects as laid down in the Memorandum and Articles of Association and is recognised in the accounts when payable.

The Charity's accounting system is designed to trace general fund expenditure and distinguish it from that directly attributable to a project. All expenditure incurred on designated funds (see analysis at note 8) is treated as direct charitable expenditure for charitable activities.

General fund expenditure is allocated to 5 broad headings of Administration, Promotions, Council Expenses, Eastern European Field and UK Home.

Administrative expenditure is treated as support costs for charitable expenditure whilst promotions costs are shown as costs of generating voluntary income as these relate to the production of promotional material.

Council expenses are the costs of holding regular council meetings including re-imbursing travelling expenses of the council members and these are included as governance costs. Governance costs also includes fees of the auditors to meet external scrutiny requirements.

Eastern European Field expenditure is treated activities undertaken directly for charitable activities.

UK Home expenditure is split between costs of generating voluntary income and activities undertaken directly for charitable activities as it includes the costs of representatives who also make trips to eastern Europe.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Buildings	Straight line over fifty years
Computer equipment	25% Reducing balance
Fixtures and fittings	15% Reducing balance
Motor vehicles	20% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

During the previous year, it was deemed appropriate that land be depreciated at 0%. 25% of the Land and Buildings value has been appropriated to land and the cumulative effect of the historic depreciation has been reversed. This is considered as a change of estimate, being a change in depreciation rate.

Tangible fixed assets are capitalised if they can be used for more than 1 year and cost at least £1,000.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any material unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.14 Loans issued

Loans are occasionally issued to supported projects in Eastern Europe. These funds are repayable over a set term and no interest is charged. The amounts recoverable are included as Receivables in the accounts.

If in the future the trustees decide not to request repayment of these amounts, they will be written off as grants paid under Direct Charitable Activities.

2 Critical accounting estimates and judgements

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

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

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds Designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Unrestricted funds Designated 2020 £	Total 2020 £
Donations and gifts	518,185	486,644	1,004,829	424,081	439,120	863,201
Legacies receivable	283,334	-	283,334	510,669	6,982	517,651
Government furlough grants	30,081	-	30,081	64,090	-	64,090
	<u>831,600</u>	<u>486,644</u>	<u>1,318,244</u>	<u>998,840</u>	<u>446,102</u>	<u>1,444,942</u>
Donations and gifts						
Donations and gifts	297,527	379,910	677,437	286,340	313,596	599,936
Donations from trusts	97,090	45,000	142,090	37,850	75,251	113,101
Gift aid recovered	28,289	37,197	65,486	28,025	33,335	61,360
Conference offerings	34,124	-	34,124	26,556	1,805	28,361
Donations to fulltime staff	58,249	21,788	80,037	42,548	14,282	56,830
Donations to voluntary representatives	1,200	-	1,200	2,762	851	3,613
Other	1,706	2,749	4,455	-	-	-
	<u>518,185</u>	<u>486,644</u>	<u>1,004,829</u>	<u>424,081</u>	<u>439,120</u>	<u>863,201</u>

Legacies which are expected but which do not meet the recognition criteria for Legacies Receivable are considered as Contingent Assets. As these amounts generally can't be valued with reasonable certainty, these are not separately disclosed.

4 Other trading activities

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Sale of books, CDs and cassettes	<u>7,493</u>	<u>4,949</u>

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	878	3,021

6 Other income

	Unrestricted funds general 2021 £	Total 2020 £
Other income	91	-

7 Activities for generating funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Costs of generating voluntary income</u>		
Conference expenses	109	5,656
Advertising	17,508	17,883
Support costs (see note 9)	22,082	14,884
Costs of generating voluntary income	39,699	38,423
<u>Costs of goods sold and conference expenses</u>		
Other trading activities	98	(396)
	39,797	38,027

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

8 Spreading the Gospel in eastern Europe

	Spreading the Gospel in eastern Europe 2021 £	Spreading the Gospel in eastern Europe 2020 £
Direct costs	1,025,151	599,631
Telephone	567	816
Printing, postage, stationery and computer costs	-	109
Motor	3,303	2,423
Sundry expenses	174	1,025
	<u>1,029,195</u>	<u>604,004</u>
Share of support costs (see note 9)	362,677	359,296
Share of governance costs (see note 9)	12,455	11,733
	<u>1,404,327</u>	<u>975,033</u>
Analysis by fund		
Unrestricted funds - general	379,175	375,404
Unrestricted funds - Designated	1,025,152	599,629
	<u>1,404,327</u>	<u>975,033</u>

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	326,038	-	326,038	326,599	-	326,599
Depreciation	5,876	-	5,876	7,726	-	7,726
Direct costs	1,033	-	1,033	534	-	534
Rent and rates	1,072	-	1,072	1,315	-	1,315
Insurance	2,644	-	2,644	2,652	-	2,652
Light and heat	1,167	-	1,167	1,020	-	1,020
Repairs and maintenance	172	-	172	144	-	144
Telephone	3,070	-	3,070	1,645	-	1,645
Printing, postage, stationery and computer costs	29,410	-	29,410	20,179	-	20,179
Motor and travel	8,492	-	8,492	8,207	-	8,207
Sundry expenses	5,785	-	5,785	4,159	-	4,159
Audit fees	-	6,960	6,960	-	6,481	6,481
Accountancy	-	5,160	5,160	-	5,252	5,252
Trustees' meeting costs	-	335	335	-	-	-
	<u>384,759</u>	<u>12,455</u>	<u>397,214</u>	<u>374,180</u>	<u>11,733</u>	<u>385,913</u>
Analysed between						
Fundraising	22,082	-	22,082	14,884	-	14,884
Charitable activities	362,677	12,455	375,132	359,296	11,733	371,029
	<u>384,759</u>	<u>12,455</u>	<u>397,214</u>	<u>374,180</u>	<u>11,733</u>	<u>385,913</u>

During the year payments were made to the auditor of £6,960 (2020: £6,481) for audit services and £5,160 (2020: £5,252) for non-audit services.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and during the year 2 trustees were reimbursed for expenses totalling £141 (2020 - none were reimbursed for expenses) to cover travelling expenses incurred on charity business.

Total donations received from directors, key management personnel and their related parties, amounted to £16,505 (2020: £21,745).

There are no other related party transactions requiring disclosure.

The charity was under the control of the directors throughout the year.

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

11 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Mission team members/Field workers	7	7
Administration and promotion	3	3
	<u> </u>	<u> </u>
Total	10	10
	<u> </u>	<u> </u>

Employment costs	2021	2020
	£	£
Wages and salaries	271,797	272,879
Social security costs	23,854	24,012
Other pension costs	30,387	29,708
	<u> </u>	<u> </u>
	326,038	326,599
	<u> </u>	<u> </u>

The total remuneration paid to key management personnel was £35,082 (2020: £37,576).

There were no employees whose annual remuneration was more than £60,000.

12 Other gains or losses

	Unrestricted funds	Unrestricted funds	Total	Unrestricted funds	Unrestricted funds	Total
	general	Designated		general	Designated	
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Foreign exchange gains	953	1,319	2,272	(1,889)	(2,416)	(4,305)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

13 Property, plant and equipment

	Buildings	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	151,498	6,713	48,797	68,763	275,771
Additions	-	469	-	-	469
At 31 December 2021	151,498	7,182	48,797	68,763	276,240
Depreciation and impairment					
At 1 January 2021	15,907	2,937	48,217	56,486	123,547
Depreciation charged in the year	2,272	1,061	87	2,456	5,876
At 31 December 2021	18,179	3,998	48,304	58,942	129,423
Carrying amount					
At 31 December 2021	133,319	3,184	493	9,821	146,817
At 31 December 2020	135,591	3,776	580	12,277	152,224

All tangible fixed assets are for charitable use other than a small quantity of office equipment used in administration.

14 Inventories

	2021 £	2020 £
Finished goods and goods for resale	6,004	4,555

15 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	90,954	64,854
Other receivables	16,720	16,835
Prepayments and accrued income	7,332	7,446
	115,006	89,135
Amounts falling due after more than one year:		
Other receivables	38,868	61,882
Total debtors	153,874	151,017

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

16 Current liabilities

	2021	2020
	£	£
Other taxation and social security	985	-
Trade payables	1,234	638
Accruals and deferred income	10,206	9,690
	<u>12,425</u>	<u>10,328</u>

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £30,387 (2020: £29,708).

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Property, plant and equipment	-	146,817	146,817	-	152,224	152,224
Current assets/ (liabilities)	581,643	1,113,443	1,695,086	449,197	1,360,172	1,809,369
	<u>581,643</u>	<u>1,260,260</u>	<u>1,841,903</u>	<u>449,197</u>	<u>1,512,396</u>	<u>1,961,593</u>

SLAVIC GOSPEL ASSOCIATION (BRITISH SECTION) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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19 Designated funds

The income funds of the charity include the following project funds which have been partly funded by specified donations and partly by monies set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021	Receipts	Movement in funds			Balance at 31 December 2021
			Payments	Fund Revaluations, transfers	gains and losses	
	£	£	£	£	£	£
Support of East European Ministries	54,170	18,742	(19,648)	-	(1,319)	51,945
Support of Mission Schools	51,777	14,291	(54,121)	6,189	-	18,136
East European Leadership Support	401,730	258,840	(417,964)	84,322	-	326,928
Phoebe Projects	-	13,334	(23,000)	16,104	-	6,438
Literature Ministries	43,158	19,062	(130,604)	79,336	-	10,952
Radio Ministries	28,969	35,200	(38,170)	10,000	-	35,999
Vehicles for Eastern Europe	38,925	4,458	(24,149)	(630)	-	18,604
Kindergarten Ministries	-	-	(500)	500	-	-
Widows Project	38,264	46,891	(94,088)	8,933	-	-
Special Projects	398,049	75,826	(222,908)	87,710	-	338,677
Media/Website	10,080	-	-	-	-	10,080
Loans issued	150,000	-	-	-	-	150,000
	1,215,122	486,644	(1,025,152)	292,464	(1,319)	967,759

The Project Fund payments as shown in this note include monthly contributions to General Funds for management and administration costs directly attributable to the work. These are provided at a maximum of 15% (9% admin. plus 6% publicity) on all gifts. The total transferred in this way is shown in notes 7 and 9 above.

Transfers between the project and emergency funds represent monies which have been utilised from General funds to cover the work carried out towards these individual projects.

Each of the items listed above represents an area of activities that the charity supports within Eastern Europe. Together these funds for the "Project Funds" which the charity operates. These are as a result of donations given for use towards a particular project, but for which the charity retains ultimate discretion as to its application. The transfers into these funds represent monies from General Funds to cover deficits on individual funds, as well as additional monies set aside by the trustees for use towards these projects.

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SLAVIC GOSPEL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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19 Designated funds **(Continued)**

Other Designated Funds

Emergency fund	145,049	-	-	635	-	145,684
Tangible fixed assets	152,225	-	-	(5,408)	-	146,817
	<u>1,512,396</u>	<u>486,644</u>	<u>(1,025,152)</u>	<u>287,691</u>	<u>(1,319)</u>	<u>1,260,260</u>

In order to increase the accuracy of the presentation of the financial status shown in the accounts, it has been decided by the Trustees to designate funds to the value of the tangible fixed assets. This is to reflect the restrictions that the assets impose upon the funds held; the money tied up in the property is not free to be spent without the assets being sold to realise these funds.

Monies have also been designated to retain sufficient funds to meet the charity's obligations should further funds not become available. The justification of this amount is as follows:

- To avoid the necessity of realising fixed assets held for the charity's use (see details above);
- To cover one year's administration, fund-raising and support costs;
- To provide a pool equal to 10% of the average charitable expenditure over the preceding two years from which the funds can be designated to specific projects.

Transfers to/from the Fixed asset fund represent the net movements on the tangible fixed assets during the year.

20 Cash generated from operations	2021	2020
	£	£
(Deficit)/surplus for the year	(117,418)	439,852
Adjustments for:		
Investment income recognised in statement of financial activities	(878)	(3,021)
Foreign exchange differences	(2,272)	4,305
Depreciation and impairment of property, plant and equipment	5,876	7,726
Movements in working capital:		
(Increase) in inventories	(1,449)	(1,346)
(Increase)/decrease in trade and other receivables	(2,857)	5,808
Increase/(decrease) in trade and other payables	2,097	(1,437)
Cash (absorbed by)/generated from operations	<u>(116,901)</u>	<u>451,887</u>

21 Analysis of changes in net funds

The charity had no debt during the year.