

MEDITERRANEAN GOSPEL HOUSE LTD

REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2023

MEDITERRANEAN GOSPEL HOUSE LTD

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2023

CONTENTS

PAGE

Board of Directors and other officers	1
Management Report	2
Independent auditor's report	3 - 5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 20
Additional information to the statement of profit or loss and other comprehensive income	21 - 24

MEDITERRANEAN GOSPEL HOUSE LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors and Members:

Emanuel Estephan (President)
Ana-Maria Bourn (Treasurer)
Antoun Zogeiv (Secretary)
Despo Vagia Zogeip (Secretary)

Company Secretary:

Emanuel Estephan

Independent Auditors:

GAC Auditors Ltd
Certified Public Accountants and Registered Auditors

Registered office:

1 Apriliou, 121
FLAMINGO COURT, Flat 41
6035, Larnaca
Cyprus

Bankers:

Hellenic Bank Public Company Ltd

Registration number:

HE420976

MEDITERRANEAN GOSPEL HOUSE LTD

MANAGEMENT REPORT

The Board of Directors of Mediterranean Gospel House Ltd (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2023.

Principal activities and nature of operations of the Company

The Company is a non-profit organisation and its principal activities, which are unchanged from last period, are the provision of financial aid to people in need through donations and educating individuals by spreading the values of Christianity.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are as expected.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 7, 8 and 18 of the financial statements.

Existence of branches

The Company does not maintain any branches.

Results

The Company's results for the year are set out on page 6.

Dividends

The Board of Directors does not recommend the payment of a dividend.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 1. Details of changes in the Board of Directors and members are also shown on page 1.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Related party transactions

Disclosed in note 19 of the financial statements.

Independent Auditors

The Independent Auditors, GAC Auditors Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Emanuel Estephan
Director

Larnaka, 21 February 2025

Independent Auditor's Report

To the Members of Mediterranean Gospel House Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mediterranean Gospel House Ltd (the "Company"), which are presented in pages 6 to 20 and comprise the statement of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of profit or loss and other comprehensive income in pages 21 to 24, but does not include the financial statements and our auditor's report thereon.

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, 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.

Independent Auditor's Report (continued)

To the Members of Mediterranean Gospel House Ltd

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines 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 Board of Directors is responsible for assessing the Company'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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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.

As part of an audit in accordance with ISAs, 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 on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company'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 Company 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 a true and fair view.

Independent Auditor's Report (continued)

To the Members of Mediterranean Gospel House Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Board of Directors 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.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Michalis Lambrianides
Certified Public Accountant and Registered Auditor
for and on behalf of
GAC Auditors Ltd
Certified Public Accountants and Registered Auditors

Larnaka, 21 February 2025

MEDITERRANEAN GOSPEL HOUSE LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2023

	Note	2023 €	2022 €
Income	9	131.913	146.663
Operating and administration expenses	10	<u>(146.284)</u>	<u>(114.646)</u>
Operating (loss)/profit		(14.371)	32.017
Finance costs	12	<u>(2.698)</u>	<u>(2.994)</u>
(Loss)/profit before taxation		(17.069)	29.023
Taxation	13	<u>-</u>	<u>-</u>
Net (loss)/profit for the year		(17.069)	29.023
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (expense)/ income for the year		<u>(17.069)</u>	<u>29.023</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

MEDITERRANEAN GOSPEL HOUSE LTD

STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	<u>9.336</u>	<u>11.583</u>
		9.336	11.583
Current assets			
Receivables	15	<u>1.500</u>	<u>3.750</u>
Cash at bank	16	<u>12.437</u>	<u>23.965</u>
		13.937	27.715
Total assets		<u>23.273</u>	<u>39.298</u>
EQUITY AND LIABILITIES			
Equity			
Retained earnings		<u>20.283</u>	<u>37.352</u>
Total equity		<u>20.283</u>	<u>37.352</u>
Current liabilities			
Creditors and accruals	17	<u>2.990</u>	<u>1.946</u>
Total liabilities		<u>2.990</u>	<u>1.946</u>
Total equity and liabilities		<u>23.273</u>	<u>39.298</u>

On 21 February 2025 the Board of Directors of Mediterranean Gospel House Ltd authorised these financial statements for issue.


.....
Emanuel Estephan
Director


.....
Ana-Maria Bourn
Director

The notes on pages 10 to 20 form an integral part of these financial statements.

MEDITERRANEAN GOSPEL HOUSE LTD

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Retained earnings €	Total €
Balance at 1 January 2022	8.329	8.329
Comprehensive income		
Net profit for the year	<u>29.023</u>	<u>29.023</u>
Balance at 31 December 2022	<u>37.352</u>	<u>37.352</u>
Balance at 1 January 2023	37.352	37.352
Comprehensive expense		
Net loss for the year	<u>(17.069)</u>	<u>(17.069)</u>
Balance at 31 December 2023	<u>20.283</u>	<u>20.283</u>

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 10 to 20 form an integral part of these financial statements.

MEDITERRANEAN GOSPEL HOUSE LTD

STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	2023	2022
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(17.069)	29.023
Adjustments for:		
Depreciation of property, plant and equipment	14 <u>2.248</u>	2.248
	(14.821)	31.271
Changes in working capital:		
Decrease in receivables	2.250	-
Increase/(Decrease) in creditors and accruals	<u>1.043</u>	(349)
Cash (used in)/generated from operations	<u>(11.528)</u>	<u>30.922</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	14 <u>-</u>	(7.000)
Net cash used in investing activities	<u>-</u>	<u>(7.000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(11.528)	23.922
Cash and cash equivalents at beginning of the year	<u>23.965</u>	43
Cash and cash equivalents at end of the year	<u>12.437</u>	<u>23.965</u>

The cash and cash equivalents include the following:

	2023	2022
	€	€
Cash at bank (Note 16)	<u>12.437</u>	23.965
	<u>12.437</u>	<u>23.965</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. Incorporation and principal activities

Country of incorporation

Mediterranean Gospel House Ltd (the "Company") was incorporated in Cyprus on 26 April 2021 as a limited company by guarantee without share capital, under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 1 Apriliou, 121, FLAMINGO COURT, Flat 41, 6035, Larnaca, Cyprus.

Principal activities

The Company is a non-profit organisation and its principal activities, which are unchanged from last period, are the provision of financial aid to people in need through donations and educating individuals by spreading the values of Christianity.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

3. Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Company.

4. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022.

5. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Income

- **Donations received**

Donations income is recognised when a donor offers money to the Company.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Taxation

Income tax expense represents the sum of the taxation currently payable and any deferred tax.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5. Significant accounting policies (continued)

Taxation (continued)

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Signs	10
Motor vehicles	20
Furniture, fixtures and office equipment	10
Computer hardware	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5. Significant accounting policies (continued)

Leases

The Company as lessee

Short-term leases and leases of low-value assets

The Company has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

6. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

7. Financial risk management

Financial risk factors

The Company is exposed to credit risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

7.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of 'C'.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

These policies enable the Company to reduce its credit risk significantly.

7.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

31 December 2023	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Creditors and accruals	2.990	2.990	-	2.990	-	-
	2.990	2.990	-	2.990	-	-

31 December 2022	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Creditors and accruals	1.946	1.946	-	1.946	-	-
	1.946	1.946	-	1.946	-	-

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

8. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

8. Critical accounting estimates and judgments (continued)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

9. Income

Donations received	€	€
	<u>131.913</u>	146.663
	<u>131.913</u>	<u>146.663</u>

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10. Operating and administration expenses

	2023	2022
	€	€
Staff costs	33,321	27,576
Donations contributed	44,559	35,289
Licenses and taxes	510	630
Annual levy	350	350
Electricity	976	1,538
Water supply and cleaning	154	199
Repairs and maintenance	306	821
Sundry expenses	23	15
Telephone and postage	1,554	1,802
Courier expenses	-	9
Stationery and printing	27,478	17,160
Staff uniforms	190	-
Sundry staff costs	295	591
Computer supplies and maintenance	119	516
Auditors' remuneration - current year	1,547	1,428
Auditors' remuneration - prior years	169	-
Accounting fees	1,190	1,190
Legal and professional	2,954	3,045
Fines	-	142
Inland travelling and accommodation	1,228	-
Entertaining	1,586	768
Motor vehicle running costs	910	6,483
Private motor vehicle expenses	11,264	-
Advertising expenses	2,463	3,846
Graphic design	1,440	-
Right of use of space	9,450	9,000
Depreciation	2,248	2,248
	<u>146,284</u>	<u>114,646</u>

11. Staff costs

	2023	2022
	€	€
Salaries	29,000	24,000
Social security costs	2,900	2,400
GHS contribution	841	696
Social cohesion fund	580	480
	<u>33,321</u>	<u>27,576</u>

12. Finance costs

	2023	2022
	€	€
Sundry finance expenses	2,698	2,994
Finance costs	<u>2,698</u>	<u>2,994</u>

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13. Taxation

The taxation on the Company's results before taxation differs from theoretical amount that would arise using the applicable tax rates as follows:

	2023	2022
	€	€
(Loss)/profit before taxation	<u>(17,069)</u>	<u>29,023</u>
Taxation calculated at the applicable tax rates	(2,134)	3,628
Tax effect of expenses not deductible for taxation purposes	18,623	14,705
Tax effect of allowances and income not subject to taxation	<u>(16,489)</u>	<u>(18,333)</u>
Tax charge	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

14. Property, plant and equipment

	Signs	Motor vehicles	Furniture, Computer fixtures and hardware office equipment	Total
	€	€	€	€
Cost				
Balance at 1 January 2022	1,400	-	5,480	7,799
Additions	-	7,000	-	7,000
Balance at 31 December 2022	<u>1,400</u>	<u>7,000</u>	<u>5,480</u>	<u>14,679</u>
Balance at 1 January 2023	<u>1,400</u>	<u>7,000</u>	<u>5,480</u>	<u>14,679</u>
Balance at 31 December 2023	<u>1,400</u>	<u>7,000</u>	<u>5,480</u>	<u>799</u>
Depreciation				
Balance at 1 January 2022	140	-	548	848
Charge for the year	140	1,400	548	2,248
Balance at 31 December 2022	<u>280</u>	<u>1,400</u>	<u>1,096</u>	<u>3,096</u>
Balance at 1 January 2023	<u>280</u>	<u>1,400</u>	<u>1,096</u>	<u>3,096</u>
Charge for the year	140	1,400	548	2,247
Balance at 31 December 2023	<u>420</u>	<u>2,800</u>	<u>1,644</u>	<u>479</u>
Net book amount				
Balance at 31 December 2023	<u>980</u>	<u>4,200</u>	<u>3,836</u>	<u>320</u>
Balance at 31 December 2022	<u>1,120</u>	<u>5,600</u>	<u>4,384</u>	<u>479</u>

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

15. Receivables

	2023	2022
	€	€
Deposits and prepayments	1.500	1.500
Deferred expenses	-	2.250
	<u>1.500</u>	<u>3.750</u>

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 7 of the financial statements.

16. Cash at bank

	2023	2022
	€	€
Cash in hand	6.937	4.160
Cash at bank	5.500	19.805
	<u>12.437</u>	<u>23.965</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the financial statements.

17. Creditors and accruals

	2023	2022
	€	€
Accruals	2.841	1.946
Other creditors	149	-
	<u>2.990</u>	<u>1.946</u>

18. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18. Operating Environment of the Company (continued)

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2023 as it is considered as a non-adjusting event.

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures throughout the year.

The objective of these public policy measures was to contain the spread of COVID-19 outbreak and have resulted in significant operational disruption for the Company.

In parallel, governments, including the Republic of Cyprus, introduced various financial support schemes in response to the economic impacts of the COVID-19 coronavirus pandemic. The Company has applied for such government assistance. The details of all the arrangements that might be available to the Company and the period throughout which they will remain available are continuing to evolve and remain subject to uncertainty. The Company is continuing to assess the implications for its business when these arrangements are no longer available and has reflected their impact in its stress-scenarios for going concern purposes.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management's current expectations and estimates could differ from actual results.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event did not have an immediate material impact on the business operations.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

19. Related party transactions

The following transactions were carried out with related parties:

19.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2023	2022
	€	€
Directors' remuneration	<u>12.000</u>	24.000
	<u>12.000</u>	<u>24.000</u>

20. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023.

MEDITERRANEAN GOSPEL HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21. Commitments

The Company had no capital or other commitments as at 31 December 2023.

22. Events after the reporting period

As explained in note 18 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 to 5

MEDITERRANEAN GOSPEL HOUSE LTD

DETAILED INCOME STATEMENT

Year ended 31 December 2023

	Page	2023 €	2022 €
Income			
Donations received		131.913	146.663
Operating and administration expenses			
Operating and administration expenses	22	<u>(146.284)</u>	<u>(114.646)</u>
Operating (loss)/profit		(14.371)	32.017
Finance costs	23	<u>(2.698)</u>	<u>(2.994)</u>
Net (loss)/profit for the year before taxation		<u>(17.069)</u>	<u>29.023</u>

MEDITERRANEAN GOSPEL HOUSE LTD

OPERATING AND ADMINISTRATION EXPENSES

Year ended 31 December 2023

	2023	2022
	€	€
Operating and administration expenses		
Directors' remuneration	12.000	24.000
Staff salaries	17.000	-
Social insurance	2.900	2.400
GHS contribution	841	696
Social cohesion fund	580	480
Donations contributed	44.559	35.289
Licenses and taxes	510	630
Annual levy	350	350
Electricity	976	1.538
Water supply and cleaning	154	199
Repairs and maintenance	306	821
Sundry expenses	23	15
Telephone and postage	1.554	1.802
Courier expenses	-	9
Stationery and printing	27.478	17.160
Staff uniforms	190	-
Sundry staff costs	295	591
Computer supplies and maintenance	119	516
Auditors' remuneration - current year	1.547	1.428
Auditors' remuneration - prior years	169	-
Accounting fees	1.190	1.190
Legal and professional	2.954	3.045
Fines	-	142
Inland travelling and accommodation	1.228	-
Entertaining	1.586	768
Motor vehicle running costs	910	6.483
Private motor vehicle expenses	11.264	-
Advertising expenses	2.463	3.846
Graphic design	1.440	-
Right of use of space	9.450	9.000
Depreciation	2.248	2.248
	<u>146.284</u>	<u>114.646</u>

MEDITERRANEAN GOSPEL HOUSE LTD

FINANCE COSTS

Year ended 31 December 2023

	2023 €	2022 €
Finance costs		
Sundry finance expenses		
Bank charges	<u>2.698</u>	<u>2.994</u>
	<u>2.698</u>	<u>2.994</u>

MEDITERRANEAN GOSPEL HOUSE LTD

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2023

	Page	€	€
Net loss per income statement	21		(17.069)
<u>Add:</u>			
Depreciation		2.248	
Entertaining		1.586	
Annual levy		350	
Salaries		29.000	
Social insurance and other funds		4.321	
Donations contributed		44.559	
Municipality taxes		510	
Administration expenses		<u>66.408</u>	
			<u>148.982</u>
			131.913
<u>Less:</u>			
Donations received		<u>131.913</u>	
			<u>(131.913)</u>
Chargeable income for the year			<u><u>-</u></u>