

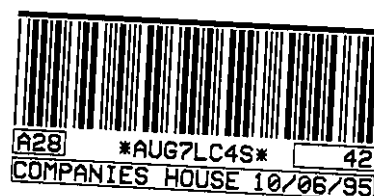
Company Registration No: 1375941

**THE FOUNDATION FOR
CHRISTIAN COMMUNICATION LIMITED**

REPORT AND ACCOUNTS

31st DECEMBER, 1994

REGISTERED CHARITY NUMBER 276286



THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

DIRECTORS

R. F. H. Cowen - Chairman

**The Hon. Mrs S. M. Cowen
V. A. L. Powell
C. R. H. Rank
J. R. Newton**

**B. A. Allcott
D. R. W. Silk
Mrs L. G. Fox**

Secretary J. A. Cowling

Registered Office : Hillside, Merry Hill Road, Bushey, Watford, WD2 1DR

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED
(THE ASSOCIATION)

REPORT OF THE COUNCIL

The members of the Council present to the members of the Association their report and accounts for the year ended 31st December, 1994. All of the members of the Council are also directors of the company.

Principal activities

The company is a registered charity and its principal activities are the production and distribution of television programmes and films, and the distribution of videos for Christian and educational purposes.

Statement of directors responsibilities

We are required under company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company, and of the income and expenditure of the company for that period.

In preparing these accounts we are required to:

- * select suitable accounting policies and apply them consistently
- * make reasonable and prudent judgements and estimates
- * state whether accounting standards have been followed, and give details of any departures
- * prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- * keeping proper accounting records
- * safeguarding the company's assets
- * taking reasonable steps for the prevention of fraud.

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED
(THE ASSOCIATION)

REPORT OF THE COUNCIL
(continued)

Members of the Council

In accordance with the articles of association the elected members of the Council, Mr R. F. H. Cowen, The Hon. Mrs S. M. Cowen, Mr V. A. L. Powell, Mr D. R. W. Silk, Mr J. R. Newton and Mrs L. G. Fox retire at the forthcoming Annual General Meeting and offer themselves for re-election.

Also in accordance with the articles of the association the appointed members of the Council, Messers. C. R. H. Rank and B. A. Allcott, will retire at the next meeting of the Council following the Annual General Meeting and offer themselves for re-election.

Surplus for the year

The surplus for the year is £ 24,935 (1993 deficit £ 215,702) which has been added to the general fund.

Tangible fixed assets

Additions to tangible fixed assets during the year amounted to £ 360,049 (1993 £ 229,045).

Investment in subsidiary undertaking

The company is exempt under Sections 248-249 of the Companies Act 1985 from preparing group accounts because it falls within the limits of a medium sized group.

Share capital

The company is limited by guarantee and has no share capital. The liability of members is limited to £1 each in the event of the company being wound up.

Auditors

The auditors, Kidsons Impey, are eligible for re-appointment.

On behalf of the board.



B. A. Allcott
Director

5th April, 1995

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

REGISTERED CHARITY NUMBER 276286

AUDITORS' REPORT

**Auditors' report to the members of
THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED
(THE ASSOCIATION)**

We have audited the accounts on pages 5 to 14 in accordance with Auditing Standards.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

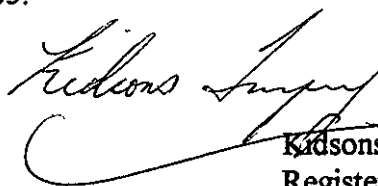
Opinion

In our opinion the Company is entitled for the year ended 31st December, 1994 to exemptions conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31st December, 1994 and of the surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

5th April, 1995



**Kidsons Impey
Registered Auditors
Chartered Accountants**

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st December, 1994

	Note	1994 £	1993 £
Income			
Grants received		1,955,000	1,735,000
Hire of studios and facilities		835,644	661,938
Work in progress transferred to productions		586,796	249,539
Production revenue		28,000	23,150
Broadcast fees		132,024	195,980
Sale of videos		36,185	41,830
Management charge to subsidiary undertaking		38,798	30,913
Investment income		15,454	9,480
Sundry income		6,010	6,468
Income received from subsidiary undertaking under Deed of Covenant		60,260	39,645
		<u>3,694,171</u>	<u>2,993,943</u>
Expenditure			
Direct costs (including freelance salaries)	3	621,526	337,945
Movement in stocks		3,202	(2,322)
Work in progress written off		30,952	18,735
Amortisation of productions		504,265	455,249
Staff costs	4	1,713,869	1,635,830
Depreciation of fixed assets		280,755	271,913
Other operating charges		514,667	492,295
		<u>3,669,236</u>	<u>3,209,645</u>
Surplus / deficit transferred to general fund	13	<u>24,935</u>	<u>(215,702)</u>

All activities are classed as continuing. There were no acquisitions during the year.

A separate statement of total recognised gains and losses has not been prepared as there are no recognised gains and losses other than the surplus for the year.

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

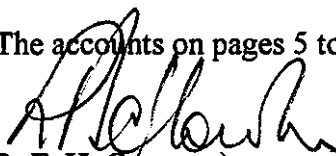
BALANCE SHEET

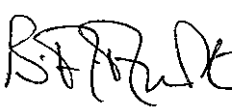
At 31st December, 1994

	Note	1994 £	1994 £	1993 £	1993 £
Fixed Assets					
Tangible assets	6		723,359		649,797
Share in subsidiary undertaking	8		100		100
			<u>723,459</u>		<u>649,897</u>
Current Assets					
Stocks	9	739,378		580,644	
Debtors	10	363,068		340,034	
Cash at bank and in hand		321,729		204,259	
		<u>1,424,175</u>		<u>1,124,937</u>	
Creditors: Amounts falling due within one year	11	<u>503,989</u>		<u>207,510</u>	
Net Current Assets			<u>920,186</u>		<u>917,427</u>
Total Assets Less Current Liabilities			1,643,645		1,567,324
Creditors: Amounts falling due over one year	12		<u>349,257</u>		<u>297,871</u>
			<u>1,294,388</u>		<u>1,269,453</u>
General Fund	13		<u>1,294,388</u>		<u>1,269,453</u>

The company is limited by guarantee not having a share capital.

The accounts on pages 5 to 14 were approved by the board of directors on 5th April, 1995.


R. F. H. Cowen)

 Directors
B. A. Allcott)

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

CASH FLOW STATEMENT

For the year ended 31st December, 1994

	Note	1994 £	1994 £	1993 £	1993 £
Net cash inflow from operating activities	A		392,164		224,326
Returns on investment and servicing of finance					
Interest received		15,454		9,480	
Deed of Covenant from subsidiary undertaking		45,195		29,734	
Tax deducted at source received		<u>9,911</u>		<u>9,506</u>	
Net cash inflow from returns on investments and servicing of finance			70,560		48,720
Investing activities					
Payments to acquire :					
Tangible fixed assets		(354,895)		(224,698)	
Receipts from sale :					
Plant, Equipment, Furniture, Fittings and Motor vehicles		<u>9,641</u>		<u>9,386</u>	
Net cash outflow from investing activities			(345,254)		(215,312)
Increase in cash and cash equivalents	B		<u>117,470</u>		<u>57,734</u>

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

NOTES ON CASH FLOW STATEMENT

31st December, 1994

A. Reconciliation of operating deficit to net cash inflow from operating activities

	1994 £	1993 £
Operating deficit	(50,779)	(264,827)
Depreciation	280,755	271,913
Profit / loss on sale of fixed assets	(3,909)	2,790
Increase / decrease in stocks	(158,734)	121,764
Increase / decrease in debtors	(23,034)	45,634
Increase in creditors	347,865	47,052
Net cash inflow from operating activities	<u>392,164</u>	<u>224,326</u>

B. Analysis of change in cash and cash equivalents during the year

	1994 £	1993 £
Balance at 31st December, 1993	204,259	146,525
Net cash inflow	117,470	57,734
Balance at 31st December, 1994	<u>321,729</u>	<u>204,259</u>

C. Analysis of balances of cash and cash equivalents as shown in the balance sheet

	1994 £	1993 £	Change in Year £
Cash at bank and in hand	<u>321,729</u>	<u>204,259</u>	<u>117,470</u>

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

NOTES ON ACCOUNTS

31st December, 1994

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost accounting rules and are in accordance with applicable accounting standards.

Depreciation

Depreciation of fixed assets is calculated by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The annual rates used are:

Plant and equipment	20% on cost
Motor vehicles	25% on cost
Fixtures and fittings	
Technical	15% on cost
Office	15% on cost
Dining room	20% on cost
Garden equipment	20% on cost

Stock

Stock including work in progress is valued at the lower of cost and net realisable value taking into account a provision for depreciation and technical obsolescence as appropriate. Expenditure on Own and Co-productions is upheld at cost and, subject to obsolescence written off over a period of three years, being the estimated average active life of productions.

Pensions

The pensions charge to the income and expenditure account is based on the cost of providing pensions on a systematic basis over the periods benefiting from the scheme members' services. Any difference between the charge to the income and expenditure account and the contributions paid to the scheme is included, in the balance sheet, as an asset or liability.

Operating leases

The costs of operating leases are charged in the income and expenditure account over the period of the lease.

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

NOTES ON ACCOUNTS

31st December, 1994

(continued)

	1994 £	1993 £
2. SURPLUS / DEFICIT ON OPERATIONS		
The surplus / deficit is stated after charging:		
Depreciation of tangible fixed assets	<u>280,755</u>	<u>271,913</u>
Hire of equipment	<u>12,388</u>	<u>20,473</u>
Directors' emoluments		
As directors	NIL	NIL
As executives	<u>80,311</u>	<u>71,990</u>
Auditors' remuneration	<u>12,000</u>	<u>12,000</u>
and after crediting:		
Profit / loss on disposal of fixed assets	<u>3,909</u>	<u>(2,790)</u>
3. PRODUCTION AND FACILITY COSTS		
Studio and location production costs	570,495	248,918
Broadcast fee commission	29,785	65,978
Video expenses	<u>21,246</u>	<u>23,049</u>
	<u>621,526</u>	<u>337,945</u>
4. DIRECTORS AND EMPLOYEES		
Average number employed including executive director		
	No	No
Production	44	44
Marketing and distribution	3	5
Administration	<u>11</u>	<u>12</u>
Total number of employees	<u>58</u>	<u>61</u>
Staff costs including directors emoluments		
	£	£
Wages and salaries	1,449,489	1,394,581
Social security costs	127,145	121,127
Other pension costs	<u>137,235</u>	<u>120,122</u>
	<u>1,713,869</u>	<u>1,635,830</u>

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

NOTES ON ACCOUNTS

31st December, 1994

(continued)

4. DIRECTORS AND EMPLOYEES (continued)

	1994	1993
	£	£
Directors Emoluments		
Salary	63,558	59,479
Other emoluments	16,753	12,511
	<u>80,311</u>	<u>71,990</u>
 Emoluments excluding pension scheme contributions		
Chairman	NIL	NIL
Highest paid director	<u>69,435</u>	<u>64,175</u>
 Other directors	Number	Number
£ 0 - £ 5000	<u>6</u>	<u>6</u>

5. PENSIONS

The company operates two pension schemes. The principal scheme covers 87% of the company's employees and is of the "defined benefit" type.

The pension cost relating to the principal scheme is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of this scheme was at the 30th September, 1994. The most important actuarial assumptions used were that the annual return on investments exceeded the annual general pensionable earnings by 2%. The funds are invested in a with profit group deferred annuity contract with Eagle Star Life Assurance Company Limited.

At 30th September, 1994 the market value of the assets of the principal scheme was £ 2,641,200 and the actuarial value of the assets was sufficient to cover 140% of the accrued benefits allowing for expected future salary increases up to normal pension date.

The pension charge for the period was £ 137,235 (1993 £ 120,122). This included a credit of £ 36,151 (1993 £ 28,856) in respect of the amortization of experience surpluses, as referred to in the preceding paragraph, that are being recognised over 13 years, the average remaining service lives of employees.

The second scheme is a "defined contribution" scheme.

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

NOTES ON ACCOUNTS

**31st December, 1994
(continued)**

6. TANGIBLE FIXED ASSETS

	As at 1st January 94 £	Additions £	Disposals £	As at 31st December 94 £
Cost				
Plant and equipment	2,288,032	313,433	(13,966)	2,587,499
Progress payment	-	2,202	-	2,202
Furniture and fittings	378,177	26,343	(2,208)	402,312
Motor vehicles	132,243	18,071	(16,863)	133,451
	<u>2,798,452</u>	<u>360,049</u>	<u>(33,037)</u>	<u>3,125,464</u>
	As at 1st January 94 £	Charged for the year £	Disposals £	As at 31st December 94 £
Depreciation				
Plant and equipment	1,838,636	217,381	(12,151)	2,043,866
Furniture and fittings	255,908	34,585	(2,208)	288,285
Motor vehicles	54,111	28,789	(12,946)	69,954
	<u>2,148,655</u>	<u>280,755</u>	<u>(27,305)</u>	<u>2,402,105</u>
Net Book Value	<u>649,797</u>			<u>723,359</u>

7. FUTURE CAPITAL EXPENDITURE

	1994 £	1993 £
Contracted for	<u>10,228</u>	<u>47,153</u>
Authorised by the directors but not contracted for	<u>338,772</u>	<u>147,847</u>

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

NOTES ON ACCOUNTS

31st December, 1994

(continued)

8. SHARES IN SUBSIDIARY UNDERTAKING

The subsidiary undertaking is Hillside Studios Limited, a company incorporated in Great Britain and operating in England. The company is registered in England.

The investment consists of 100 ordinary shares of £ 1 each being the whole of the issued equity share capital of that company.

At cost as at 1st January, 1994 and 31st December, 1994	<u>£ 100</u>
Capital at 31st December, 1994	<u>£ 100</u>
Profit for the year ended 31st December, 1994	<u>£ 60,260</u>

All the profits of the company were paid to The Foundation For Christian Communication Limited under a Deed of Covenant.

9. STOCK

	Opening Balance £	Additions \ Movements in the year £	Transfers £	Amortisation \ Technical Obsolescence £	Closing Balance £
Stock	61,380	(3,202)	-	-	58,178
Work in progress					
Productions	75,728	727,264	(586,796)	(30,952)	185,244
Facilities	63,834	(30,111)	-	-	33,723
Productions	379,702	-	586,796	(504,265)	462,233
	<u>580,644</u>	<u>693,951</u>	<u>NIL</u>	<u>(535,217)</u>	<u>739,378</u>

THE FOUNDATION FOR CHRISTIAN COMMUNICATION LIMITED

NOTES ON ACCOUNTS

**31st December, 1994
(continued)**

	1994 £	1993 £
10. DEBTORS		
Trade debtors	169,528	115,483
Amount due from subsidiary undertaking	83,346	127,928
Prepayments and accrued income	95,129	86,712
Other debtors	15,065	9,911
	<u>363,068</u>	<u>340,034</u>
11. CREDITORS: amounts falling due within one year		
Trade creditors	112,753	51,298
Other taxation and social security	45,557	44,513
Accruals and deferred income	342,826	108,461
Other creditors	2,853	3,238
	<u>503,989</u>	<u>207,510</u>
12. CREDITORS: amounts falling due over one year		
Accruals and deferred income	<u>349,257</u>	<u>297,871</u>
13. GENERAL FUND		
At 1st January, 1994	1,269,453	
Surplus for the year	24,935	
At 31st December, 1994	<u>1,294,388</u>	

14. The company is limited by guarantee not having a share capital.