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NEW CREATION MEDIA

Report and Accounts

Year ended 31 December 2010

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stewardship[®]

PO Box 99, Loughton, Essex, IG10 3QJ
t 08452 26 26 27
e enquiries@stewardship.org.uk
w www.stewardship.org.uk

Trust Information

Status: A UK company limited by guarantee - no. 06765123
UK Registered charity - no. 1128136

Directors/Trustees: Martyn Harris
Nigel Nicholson
Somayeh Aghnianejad (appointed 1 July 2010)
Sam Mousavi-Portolan (resigned 16 Jan 2011)

Office Address: 46 Ravenswood Crescent
Harrow
HA2 9JN

Registered Address: The Meridian, 4 Copthall House
Station Square
Coventry
West Midlands
CV1 2FL

Independent Examiner: Stephen Mathews FCA
Stewardship
PO Box 99
Loughton
Essex, IG10 3QJ

Bankers: HSBC
26-28 St Ann's Road
Harrow
HA1 1JU

Objects

The Charity's objects are to advance the Christian faith particularly but not exclusively by the production of Christian television programmes and other Christian media in such parts of the World as the directors of the Charity may from time to time think fit. At inception the primary focus was, and it is anticipated will remain, Persian speaking countries.

New Creation Media: Its Aims and Objectives

In many countries (and the Persian speaking countries of Iran, Afghanistan and Tajikistan are no exception) Christians are not free to practice their religion openly. Attendance at a church is almost impossible and access to Christian literature is very restricted. At the same time the number of Christians in Iran is growing dramatically and there is a pressing need for these Christians to receive teaching in their new faith. This is where satellite television and the Internet are proving particularly effective in ensuring that teaching by experienced Persian speaking pastors reaches those who need to hear it.

One of the larger concentrations of Iranian Christians outside Iran is located in London and amongst this community are people who have talents in media; be that technical or artistic. The aims of New Creation Media (NCM) within this community are twofold:

- To produce Persian language Christian TV programmes and literature for broadcast and distribution on DVD or via web sites.
- To identify talented people and develop their skills in this general area of media production.

Operating Principles

All aspects of the operation of NCM are governed by the Management Team appointed by the Trustees and under their supervision in accordance with UK company/charity law.

Much of the work of NCM is project based so the duties of the Management Team typically include the following.

- Writing project proposals including budgets
- Application for project funding from sponsoring organisations
- Coordination of production activities including:
 - Pre-production planning (locations, participants, dates etc)
 - Purchase/hire of equipment
 - Filming
 - Editing and production of final programmes
- Delivery of programmes to broadcasters

The role of the many volunteers who freely give their time to take part in productions must also be noted at this point.

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in December 2008.

Activities in 2010

Questions of Life Series 2

In 2008 NCM was commissioned by Open Doors Holland to produce a series of 13 programmes addressing issues faced by Christians in their daily life. Each episode in the series was to contain a short drama highlighting a particular issue and then biblical teaching on the subject would be given by an experienced pastor presented in a chat-show format. This series was broadcast on the SAT-7 Pars channel¹ through June to August 2009.

Having obtained feedback on Series 1 Open Doors Holland commissioned a second series of Questions of Life. The filming for these 13 programmes began in September 2009 and was completed at the end of November 2009. The post-production for the series was completed in February 2010 and broadcasting began on SAT-7 Pars on April 3rd.

As with Series 1 the programmes were also made available on the Internet on a web site specifically constructed for the purpose (www.noktehayezendegi.com)

Calls from viewers enquiring about issues raised in the series received by phone or email were responded to. Most contacts were from individuals in Iran with a smaller number from Europe.

Revelation

The Book of Revelation is rarely addressed in Christian teaching given the prophetic and symbolic nature of the material. Milton Danil however has studied the book extensively with particular insights to the meaning of the imagery and numbers being obtained by his knowledge of the Assyrian language, which is derived from Biblical Aramaic.

A series of 33 one hour programmes presented by Milton was filmed in the first half of 2010 in Harrow International Christian Centre.

Editing was started and completed for the first episode which was then sent to Mohabat for review. Mohabat have now provisionally agreed to broadcast the series in the second half of 2011. This schedule was at the request of NCM as editing had to be put on hold in favour of the Drug Addiction Project. Editing resumed in March 2011 after the Drug Addiction series had been delivered.

Overcoming Drug Addiction

This project addresses the issue of drug addiction which is a major social problem in Iran. The series is presented by Pastor Milton Danil, who is himself a recovered heroin addict, and shows how faith in Christ and the work of the Holy Spirit can help a person overcome addiction. The series also includes testimonies from other Christians who have overcome addiction and teaching on the subject from specialists and Christian leaders.

¹ SAT-7 Pars is a Christian organisation based in Cyprus which broadcasts on the Hotbird satellite the footprint of which covers Europe and Iran as well as western Afghanistan

Filming for the series was completed in November 2010 with delivery to Open Doors at the end of February 2011

The series was given the name, "The Broken Darkness" ("Shekaste Zolmat") and in addition to being broadcast is available on the Internet at www.shekastezolmat.com

Broadcasting of the series on the Mohabat Channel commenced on June 14th 2011

Marriage Course

The Alpha Marriage Course from Holy Trinity Brompton has proven to be a very useful tool in strengthening the marriages of Christians who have undertaken it. In part this has been by getting couples to talk about the issues raised in the course rather than just reading about them, or listening to (quickly forgotten) teaching. Recognising the need to support marriage in Middle Eastern countries, and with the success of the HTB course, Open Doors decided to produce similar courses in Arabic and Persian. In 2009 NCM undertook to partner with Open Doors in producing the Persian Course and throughout 2010 worked with Open Doors on the first phase of the project to produce culturally relevant teaching material for the course. The format of the HTB course was retained but the content was changed significantly. For example:

- To stress marriage as a covenant rather than a contract.
- Marriage in an extended family as opposed to a European nuclear family
- Arranged marriage
- Family honour.
- Financial issues.

By the end of 2010 the first drafts of the material had been produced and were with Open Doors for review. Planning for the production phase had also started.

Open Doors Easter Fundraising Campaign

In February 2010 NCM was commissioned by Open Doors UK to film some interviews between Eddie Lyle (The CEO) and Brother Andrew (the founder of Open Doors) for their Easter fundraising campaign. Following filming the material was edited and prepared for upload to the Open Doors UK web site. Open Doors subsequently provided links to the videos in fundraising emails sent out to their supporters.

Good News English

The Good News English Course is an online, teach-yourself English course for absolute beginners, both young and old based on material taken from the Bible and other Christian literature. The material on the web site (www.goodnewsenglish.com) is presented in a series of PDF format workbooks and accompanying MP3 sound files so students can hear the material with either British or American English pronunciation. The workbooks are available on the web site in 21 languages.

The course was originally created by a Christian English teacher called Guek Khor. During 2009 she contracted terminal lung cancer and asked NCM to take over the web site, which the trustees were more than happy to do. Having done so the existing web site was redesigned to make navigation

easier and the audio files, which at that time were in Real Audio format, were converted to MP3 as this is now a web standard.

The combination of explicitly Christian material being used to teach English provides people from other countries with useful new language skills whilst also familiarising them with the basics of the Christian Faith.

The web site continues to attract visitors from all over the world, but in particular Brazil. Requests via the web site have been received from churches and other Christian organisations in a number of countries who wanted to use the material in a classroom context. Those requests were granted and a number of CDs were sent out to locations where Internet access was limited or unacceptably slow.

Plans for 2011

Marriage Course

At the start of the year it was anticipated that Phase 2 (the production phase) of the Marriage Course would occupy both staff members throughout the year and hence no other projects would be undertaken. In practice Phase 2 is not now going ahead as, during the pre-production planning, it became evident that NCM may not be able to get a suitably experienced team together for what would have been a very much larger and more complex project than any of those undertaken previously. Filming abroad may have been necessary and there was potentially a requirement for a substantial number of "extras" to form an audience for the series. The latter was of particular concern to Open Doors

New Projects

Having seen the Drug Addiction Project programmes The Mohabat Channel are now very keen that NCM should produce more programmes for them. This is of course subject to funding being available and Mohabat have agreed to assist in obtaining funding on behalf of NCM. A meeting to discuss future projects was held in May 2011 with a number of proposals being submitted by NCM. Of these a leadership training series called "Maximum Impact" was selected for further consideration. This is based on the teaching material of John C. Maxwell and if it goes ahead will be written and presented by Babak Sayar of Capture the Future Ministries

Regulatory Requirements

Financial Review

The graduate employed at the end of 2009 resigned in September 2010 to take up a full-time editing post with a secular broadcaster. Milton Danil resigned in April 2011 to take up employment with his church. NCM therefore now has one employee working 2 days per week as a producer.

The bulk of the donation of £50,000 given to NCM in 2009 remains though some £7,500 was used to finance the Revelation Project in 2010 and £3,500 has been set aside from this sum to complete the project in 2011.

The fact that NCM are not now going to be doing Phase 2 of the Marriage Course means that new projects (and funding for them) are needed.

Open Doors are not able to help with funding for projects this year as it is too late for their budgeting process and, as they are cutting down on funding media projects, they cannot be assumed to be a source of funds for 2012 either

SRG

The Strategic Resource Group (SRG) is an organisation that exists to act as an intermediary between individual and corporate donors in the United States and organisations working (mainly in the Middle East) which need funds for projects

NCM was introduced to SRG by Open Doors early in 2010 and following a meeting in May 2010 an application to be affiliated to SRG was submitted in August 2010. A meeting was held with SRG in May 2011 to discuss potential projects and the progress of the partnership application. SRG expressed an interest in the "Maximum Impact" proposal and also made a request for the 2010 accounts as well as letters of endorsement from field partners. The application for partnership is therefore still in progress but there is cause for optimism that it will be successful in due course.

Risk Management

All major insurable risks are subject to normal employers' and public liability insurance. Contractual risks are reviewed before being entered into to assess that they could not significantly impact upon NCM's ability to fulfil its objectives. An annual review of all areas of risk is undertaken by the Trustees in conjunction with the management team

Statement of Trustees Responsibilities

Charity law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the profit and loss of the Charity for that period. In preparing these accounts, the trustees are required to.

- Select suitable accounting policies and then apply them consistently.
- Make adjustments and estimates that are reasonable and prudent.
- Prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts 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. The trustees confirm that the accounts comply with current statutory requirements and those of the Charity's trust deed

Approved by the Board of Trustees on: 9 July 2011

and signed on its behalf by: 

Martyn Harris

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

NEW CREATION MEDIA

I have examined the accounts for the year ended 31 December 2010 on pages 8 to 13 following which have been prepared on the basis of the accounting policies set out on page 10

Respective Responsibilities of Directors/Trustees and Examiner

The directors/trustees of the company are responsible for the preparation of accounts, they consider that the audit requirements under section 43(2) of the Charities Act 1993 do not apply but that an independent examination is needed. I have been appointed to conduct an Independent Examination required by section 43 of the Charities Act, 1993 and to report in accordance with the regulations made under section 44 of that Act. It is my responsibility to examine the accounts, *without performing an audit*, and to report to the trustees

Having satisfied myself that the company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- (1) examine the accounts under section 43 of the Charities Act 1993,
- (2) follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the Charities Act 1993,
- (3) state whether particular matters have come to my attention

Basis of Examiner's Statement

This report is in respect of an examination carried out under section 43 of the Charities Act 1993, and in accordance with the general directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity, and a comparison of the accounts presented with those records. It also includes a review of the accounts and making such enquiries as are necessary for the purpose of this report. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts

Examiner's Statement

Based on my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect, accounting records have not been kept in accordance with section 386 of the Companies Act 2006, or that the accounts presented do not accord with those records, or comply with the accounting requirements of section 396 of the Companies Act 2006. No matter has come to my notice in connection with my examination to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts



Stephen Mathews FCA

For and on behalf of
Stewardship
PO Box 99
Loughton
Essex IG10 3QJ

18 July 2011

NEW CREATION MEDIA
Statement of Financial Activities
FOR THE YEAR ENDED 31 December 2010
Summary Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	4,354	-	4,354	52,525
Investment income		25	-	25	12
<i>Incoming resources from charitable activities</i>					
Project Funding		15,361		15,361	39,294
Total Incoming Resources		19,740	-	19,740	91,831
RESOURCES EXPENDED					
Costs of generating voluntary income					
Charitable activities	3	32,865	-	32,865	36,865
Governance costs	4	1,116	-	1,116	650
Total Resources Expended		33,982	-	33,982	37,515
Net Movement In Funds		(14,242)	-	(14,242)	54,316
Transfers between funds					
Fund balances at 1 January 2010		54,316	-	54,316	-
Fund balances at 31 December 2010		40,074	-	40,074	54,316

Movements on reserves and all recognised gains and losses are shown above

The notes on page 10-13 form part of these accounts

NEW CREATION MEDIA
BALANCE SHEET
AS AT 31 December 2010

	Note	Unrestricted Funds £	Restricted Funds £	2010 £	2009 £
FIXED ASSETS					
Tangible assets	6	2,780	-	2,780	5,100
CURRENT ASSETS					
Contract work in progress	8	17,080	-	17,080	-
Debtors	7	405	-	405	405
Cash at bank	8	71,756	-	71,756	51,174
CURRENT LIABILITIES					
Liabilities falling due within one year	9	51,946	-	51,946	1,957
Net Current Assets		37,294	-	37,294	49,217
NET ASSETS		40,074	-	40,074	54,316
FUND BALANCES					
Unrestricted funds					
Designated funds	10	10,723		10,723	-
General Funds	10	29,351		29,351	54,316
		40,074	-	40,074	54,316

For the year ended 31 December 2010, the company was entitled to the exemption from audit under Section 477 of the Companies Act 2006 relating to small companies

Responsibilities of directors/trustees

a

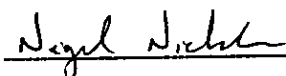
The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act – however, in accordance with Section 43 of the Charities Act 1993 the accounts have been examined by an independent examiner whose report forms part of this document

b *The directors/trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts*

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Directors and signed on their behalf on the

7th July 2011 by



Nigel Nicholson

Company number 6765123

Charity number 1128136

The notes on page 10-13 form part of these accounts

NEW CREATION MEDIA

Notes to the Accounts FOR THE YEAR ENDED 31 December 2010

1 Accounting Policies

The accounts have been prepared under the historic cost convention, in accordance with applicable accounting standards and follow the Statement of Recommended Practice Accounting by Charities 2005. The following are the accounting policies which have been applied in dealing with material items -

a) Donated and grant income

Donated income and grants receivable are taken into account when received by the charity. Income received in circumstances where a claim for repayment of tax has been or will be made to HM Revenue & Customs is grossed up for the tax recoverable. Any amount of tax reclaimed from HM Revenue & Customs but not yet received is shown within the charity's debtors.

b) Other income and expenditure

Project income is recognised as income in the accounts when the work is completed, except in situations when payment has been made in advance when income is recognised to the extent that the work has been completed.

Investment income is taken into account when receivable.

Expenditure, including irrecoverable VAT, is taken into account when incurred by the charity, regardless of when payment is made. Grants payable are taken into account at the earlier of when they are paid or become constructive obligations.

c) Funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without specified purpose and are available for purposes as directed by the trustees. Restricted funds are amounts received where the donor has specified the purpose for which it should be used.

d) Fixed assets and depreciation

Fixed assets acquired for use by the charity are capitalised and depreciated over their estimated useful life unless they cost less than £500 when they are written off on purchase.

Depreciation periods are as follows:

Freehold land	Not depreciated
Freehold buildings	Over 50 years
Equipment	Between 3 and 7 years

e) Taxation

The company is a registered charity and is exempt from taxation under the Income & Corporation Taxes Acts.

f) Cashflow statement

The company has taken advantage of the exemption provided by the Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

2 Voluntary Income

	Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
	£	£	£	£
Gift Aid	729	-	729	2,063
General donations	3,625	-	3,625	50,462
	<u>4,354</u>	<u>-</u>	<u>4,354</u>	<u>52,525</u>

NEW CREATION MEDIA

Notes to the Accounts FOR THE YEAR ENDED 31 December 2010

3 Charitable activities

	Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
	£	£	£	£
a Direct Charitable Costs				
Employment Related	16,585		16,585	21,991
Actors Fees	1,960		1,960	3,240
Equipment & materials	5,346		5,346	4,294
Promotion	2,610		2,610	-
Travel	845		845	469
Sundry			-	1,667
Grants payable	1,705	-	1,705	2,100
	<u>29,050</u>	<u>-</u>	<u>29,050</u>	<u>33,761</u>
b Support & Administration	£	£	£	£
Communication	734		734	689
Insurance		-	-	727
Office costs	521	-	521	111
Depreciation	2,320	-	2,320	437
Sundry	242	-	242	1,139
	<u>3,816</u>	<u>-</u>	<u>3,816</u>	<u>3,103</u>
Combined charitable activity cost	<u>32,865</u>	<u>-</u>	<u>32,865</u>	<u>36,864</u>
c Grants	Individuals		2010	2009
	£		£	£
Missionary support	1,705		1,705	2,100
	<u>1,705</u>		<u>1,705</u>	<u>2,100</u>

The main features of the grants were to support missionaries working with Christian converts from Islam in the UK and abroad

4 Governance costs

	Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
	£	£	£	£
Accounts and examination	1,116	-	1,116	650
	<u>1,116</u>	<u>-</u>	<u>1,116</u>	<u>650</u>

NEW CREATION MEDIA

Notes to the Accounts FOR THE YEAR ENDED 31 December 2010

5 Staff & Trustees

The charity has 15 full time equivalent employed staff. Its activities are generally carried out by volunteers. No staff received salaries at a rate of more than £60,000 per annum.

Mrs P Nicholson, wife of the Trustee Mr N Nicholson, was paid £5,436 during the year.

Travel costs include those of a trustee travelling around London to view & supervise the activities and programmes of the charity. This amount would not have exceeded £750 in the year. Otherwise, no Trustee received reimbursed expenses.

6 Tangible Fixed Assets

	Unrestricted Funds	Total
	Computer & camera equipment	2010
	£	
Cost		
At 1 January 2010	5,537	5,537
Additions		-
At 31 December 2010	5,537	5,537
Accumulated Depreciation		
At 1 January 2010	437	437
Charge for the year	2,320	2,320
At 31 December 2010	2,757	2,757
Net book value		
At 31 December 2010	2,780	2,780
At 1 January 2010	5,100	5,100

8 Stock

	2010	2009
	£	£
At Cost		
Contract work in progress	17,080	-

7 Debtors and Prepayments

	2010	2009
Other Debtors	405	-
Prepayments	405	-

8 Cash at Bank and in Hand

	2010	2009
Bank operating accounts	71,654	50,955
Petty cash	102	219
	71,756	51,174

9 Creditors: liabilities falling due within one year

	2010	2009
Trade Creditors	50,968	1,307
Deferred Income	978	650
Accruals	51,946	1,957

NEW CREATION MEDIA

Notes to the Accounts FOR THE YEAR ENDED 31 December 2010

10 Funds

The designated funds are unrestricted funds designated by the Trustees to allow for future expenditure for specific purposes

The designated funds and the movements in the year are as follows

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers from general funds £	Closing balance £
Production Equipment			(2,275)	5,433	3,158
Salary Fund			(6,157)	13,040	6,883
Goods News English			(218)	900	682
	0	0	(8,650)	19,373	10,723

Production Equipment Fund	Monies set aside for the purchase of new equipment.
Salary Fund	Monies set aside for the payment of staff
Good News English Fund	Monies set aside to support the development of a website

The assets and liabilities represented by the various funds are as follows

	Fixed Assets £	Bank & cash balances £	Other net assets £	Total £
Unrestricted funds	2,780	61,033	(34,461)	29,351
Designated	-	10,723		10,723
	2,780	71,756	(34,461)	40,074