

NEW CREATION MEDIA

Report and Accounts

Year ended 31 December 2011

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stewardship[®]

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NEW CREATION MEDIA

FOR THE YEAR ENDED 31 December 2011

COMPANY INFORMATION

Directors	Mr M D Harris Mr S Mousavi-Portolan (resigned 16 Jan 2011) Dr N Nicholson Mrs Somayeh Aghnianejad
Company Secretary	Dr N Nicholson
Governing Document	Memorandum and Articles of Association
Company Registration Number	6765123
Charity Registration Number	1128136
Registered Office	The Meridian 4 Copthall House Station Square Coventry CV1 2FL
Independent Examiner	Greg Webb AAIA P O Box 99 Loughton Essex IG10 3QJ
Bankers	HSBC 26-28 St Ann's Road Harrow HA1 1JU

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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 Persian speaking countries but over time this has enlarged and there is now a desire to include Arabic speaking countries too.

New Creation Media: Its Aims and Objectives

In many countries where Christians are a minority they are not free to practice their religion openly. Many times attendance at a church is almost impossible and access to Christian literature can be very restricted. At the same time the number of Christians in these countries (and in particular Iran) is growing dramatically and there is a pressing need for 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 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 2011

Overcoming Drug Addiction

This project addressed the issue of drug addiction which is a major social problem in Iran. The series was 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 included testimonies from other Christians who have overcome addiction and teaching on the subject from specialists and Christian leaders.

Filming for the series was completed in November 2010 with delivery of the edited programmes to Open Doors (the project sponsors) 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

In early 2011 the first drafts of the material had been produced and were with Open Doors for review. In the first quarter of 2011 the course material went through a process of review and modification. In parallel planning for the production phase began and it was during this planning stage that it became apparent that NCM would struggle to produce the programmes in the required format largely because of the lack of people who would be willing or able to be filmed taking the course. Sadly, for this reason, Open Doors decided not to go ahead with the production phase of the project and approximately £13,400 of the budget was returned to Open Doors.

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 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) continue to be received from churches and other Christian organisations in a number of countries who want to use the material in a classroom context. In response a number of CDs were sent out to locations where Internet access is limited or unacceptably slow, for example South Sudan and

Plans for 2012

The Identity of Christ

This project comprises a series of 13 half-hour programmes in Persian looking at some of the different names or titles attributed to Jesus in the Bible. The aim is to provide people from an Islamic background (and therefore who think of Jesus only as a prophet) with a better understanding of who Christ actually is.

To provide variety in the programmes each episode contains three worship songs in English, Arabic and Persian. As far as possible these songs relate to the subject being covered in each episode.

Preparation of the music for the series is scheduled to be completed by the end of February 2012 with filming of the music in April and teaching in May. Editing is due to be completed by the end of August when the series will be delivered to Mohabat to be broadcast.

Persecuted Church

In the Arab world over recent years Christians have come under increasing pressure as militant Islam has grown. In conjunction with Rev. Sameh Metry of Living Water Arabic Church a series of 13 half-hour programmes will be produced which will aim to provide encouragement for Christians who are facing often extreme pressure in their local communities.

The series will have a chat-show format with Rev. Metry discussing the issues with his wife. So that the programmes are not just talking, Rev. and Mrs. Metry will sing some songs with a piano accompaniment.

The programmes will be produced in Arabic and may be dubbed into Persian if Mohabat are interested in this proposal.

Training

At some point in 2012 (probably in the summer) it is intended to hold a two-day training day for members of Living Water church to teach a few individuals basic camera work with a view to them being able to film the church's Sunday services for broadcast on an Arabic satellite channel.

Regulatory Requirements

Financial Review

New Project Funding

To-date the bulk of the funding for projects has come from Open Doors but they are reducing their funding for media projects and cannot be relied on to provide funding for future projects

An application for project funding was made to the Strategic Resource Group (SRG) in the US but no response was forthcoming so again that does not seem to be a source for funding of future projects

Mohabat do not fund programme production but have promised to help find funding from other organisations if the Identity of Christ project is “successful”, i.e. it generates a good number of responses from viewers

Amir Arian, the presenter of the Identity of Christ project, has contacts in Northern Ireland who may be interested in funding some media projects and a fund-raising trip to Northern Ireland is planned for September

Use of Existing Funds

The bequest given to NCM in 2009 is being used to fund the Identity of Christ project and it is estimated something over £20,000 will remain when this project is completed. This would be sufficient to do one more project if new funding is not obtained

New Creation Media's Reserve Policy sets the level of reserves to be held as

- Three months full running costs of the charity

This level of reserves is designed to provide an orderly reduction in activity should income decline for any reason

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: 7th June 2012

and signed on its behalf by: *Martyn Harris*

Martyn Harris

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF**

NEW CREATION MEDIA

I have examined the accounts for the year ended 31 December 2011 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 144 of the Charities Act 2011 do not apply but that an independent examination is needed. I have been appointed to conduct an Independent Examination required by section 145 of the Charities Act 2011 and to report in accordance with the regulations made under section 145 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 145 of the Charities Act 2011,
- (2) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011,
- (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 145 of the Charities Act 2011, 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below

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



Greg Webb AAIA

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

// June 2012

NEW CREATION MEDIA
Statement of Financial Activities
FOR THE YEAR ENDED 31 December 2011
Summary Income and Expenditure Account

Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
INCOMING RESOURCES				
<i>Incoming resources from generated funds</i>				
Voluntary income 2	3,020	-	3,020	4,354
Investment income	29	-	29	25
<i>Incoming resources from charitable activities</i>				
Project Funding	48,123		48,123	15,361
Total Incoming Resources	51,172	-	51,172	19,740
RESOURCES EXPENDED				
Charitable activities 3	29,415	-	29,415	32,866
Governance costs 4	918	-	918	1,116
Total Resources Expended	30,333	-	30,333	33,982
Net Movement in Funds	20,839	-	20,839	(14,242)
Transfers between funds				
Fund balances at 1 January 2011	40,074	-	40,074	54,316
Fund balances at 31 December 2011	60,913	-	60,913	40,074

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 2011

	Note	Unrestricted Funds £	Restricted Funds £	2011 £	2010 £
FIXED ASSETS					
Tangible assets	6	2,426	-	2,426	2,780
CURRENT ASSETS					
Contract work in progress	8	12,968	-	12,968	17,080
Debtors	7	416	-	416	405
Cash at bank	8	46,004	-	46,004	71,756
CURRENT LIABILITIES					
Liabilities falling due within one year	9	900	-	900	51,946
Net Current Assets		58,487	-	58,487	37,294
NET ASSETS					
		60,913	-	60,913	40,074
FUND BALANCES					
Unrestricted funds					
Designated funds	10	2,614		2,614	10,723
General Funds	10	58,299		58,299	29,351
		60,913	-	60,913	40,074

For the year ended 31 December 2011, 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 145 of the Charities Act 2011 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 ²⁰¹² June 9/12 by

Matty Harris

M Harris

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 2011

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. Expenditure, where contractual project income is anticipated to be received after the year end that will cover the costs, is carried forward at the lower of its cost or net realisable value as 'contract work in progress'. 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 2011	Total 2010
	£	£	£	£
Gift Aid	295	-	295	729
General donations	2,725	-	2,725	3,625
	<u>3,020</u>	<u>-</u>	<u>3,020</u>	<u>4,354</u>

NEW CREATION MEDIA

Notes to the Accounts FOR THE YEAR ENDED 31 December 2011

3 Charitable activities

	Unrestricted Funds	Restricted Funds	Total 2011	Total 2010
	£	£	£	£
a Direct Charitable Costs				
Employment Related	8,956		8,956	16,584
Actors Fees	13,467		13,467	1,960
Equipment & materials	1,469		1,469	5,346
Promotion	324		324	2,610
Travel	671		671	845
Grants payable	1,000	-	1,000	1,705
	<u>25,887</u>	<u>-</u>	<u>25,887</u>	<u>29,050</u>
b Support & Administration				
Communication	736		736	733
Office costs	245	-	245	521
Depreciation	2,112	-	2,112	2,320
Sundry	435	-	435	242
	<u>3,528</u>	<u>-</u>	<u>3,528</u>	<u>3,816</u>
Combined charitable activity cost	<u>29,415</u>	<u>-</u>	<u>29,415</u>	<u>32,866</u>
c Grants	Individuals		2011	2010
	£		£	£
Missionary support	1,000		1,000	1,705
	<u>1,000</u>		<u>1,000</u>	<u>1,705</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 2011	Total 2010
	£	£	£	£
Accounts and examination	918	-	918	1,116
	<u>918</u>	<u>-</u>	<u>918</u>	<u>1,116</u>

NEW CREATION MEDIA

Notes to the Accounts FOR THE YEAR ENDED 31 December 2011

5 Staff & Trustees

The charity has 0.5 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 £7,092 (£5,436 in 2010) during the year.

No Trustee received reimbursed expenses.

6 Tangible Fixed Assets

	Unrestricted Funds	Total
	Computer & camera equipment	2011
Cost	£	
At 1 January 2011	5,537	5,537
Additions	1,758	1,758
At 31 December 2011	7,295	7,295
Accumulated Depreciation		
At 1 January 2011	2,757	2,757
Charge for the year	2,112	2,112
At 31 December 2011	4,869	4,869
Net book value		
At 31 December 2011	2,426	2,426
At 1 January 2011	2,780	2,780

8 Stock

	2011	2010
At Cost	£	£
Contract work in progress	12,968	17,080

7 Debtors and Prepayments

Other Debtors		-
Prepayments	416	405
	416	405

8 Cash at Bank and in Hand

	2011	2010
Bank operating accounts	45,998	71,654
Petty cash	5	102
	46,004	71,756

9 Creditors liabilities falling due within one year

Trade Creditors	-	-
Deferred Income	-	50,968
Accruals	900	978
	900	51,946

NEW CREATION MEDIA

Notes to the Accounts FOR THE YEAR ENDED 31 December 2011

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	3,158		(3,733)	2,759	2,184
Salary Fund	6,883		(8,955)	2,072	-
Goods News English	682		(252)		430
	10,723	0	(12,940)	4,831	2,614

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	2,426	43,390	12,484	58,299
Designated	-	2,614		2,614
	2,426	46,004	12,484	60,913