

NOVI MOST INTERNATIONAL

**ACCOUNTS FOR THE YEAR
TO 30TH SEPTEMBER 1996**

**Jacob Cavenagh & Skeet
Chartered Accountants
6/8 Tudor Court
Brighton Road
Sutton, Surrey, SM2 5AE**

**Company No 3006953
Charity No 1043501**



NOVI MOST INTERNATIONAL

**ACCOUNTS FOR THE YEAR
TO 30TH SEPTEMBER 1996**

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NOVI MOST INTERNATIONAL

LIST OF TRUSTEES AND PROFESSIONAL ADVISERS

Trustees

D Birch
Miss W Beech
Rev T Stone
J Parkin

Solicitors

Anthony Collins Solicitors
Pearl Assurance House
4 Temple Row
Birmingham B2 5HG

Bankers

National Westminster Bank plc
1 Upper Market Square
Hanley
Stoke on Trent ST1 1QA

Registered auditor

Jacob Cavenagh & Skeet
6/8 Tudor Court
Brighton Road
Sutton
Surrey SM2 5AE

NOVI MOST INTERNATIONAL

TRUSTEES REPORT

The trustees present their report and the audited financial statements for the year to 30th September 1996.

Principal activities

The company is a Christian voluntary organisation which works with young people in areas of conflict to help them overcome the effects of trauma and to equip them to enter their futures with hope and confidence and with the skills and commitment necessary to enable them to become agents of reconciliation and positive community transformation.

Review of developments

The year from 1st October 1995 brought significant changes to the environment in which NOVI MOST International operates due, in large measure, to the signing of the Dayton Peace Accord which brought an end to forty months of bitter military conflict in Bosnia Herzegovina in December 1995.

Bosnia remains the focus of all the company's activities and the year was dominated by the transition from war to peace and the necessity to reposition the company to assist in the rebuilding of Bosnia's fragile community and the many young lives broken by the war. Whilst the absence of armed conflict has enabled us to support Bosnian nationals in undertaking some initiatives which were not possible before the factions laid down their weapons, the marked reduction in news media coverage of the Bosnian situation has resulted in a drop in voluntary income which was anticipated in the immediate aftermath of the war. The trustees expect that a larger amount of funding will be derived from charitable trusts and foundations and commercial organisations once confidence in the peace process has grown and long-term reconstruction becomes more feasible. It is also expected that governmental funding will be attracted into some of the company's developing child trauma programmes in Mostar and other cities.

NOVI MOST International continued through the year to fund the salaries and activities of Nikola and Sandra Skrinjaric who direct the company's operations in Bosnia. Further developments under their supervision have taken place in central Bosnia and Christian humanitarian work was started in Jajce and Drvar. Both these towns have also received shipments of emergency aid from the company's warehouse in Chesham, England.

By far the most significant of the projects in which the company participated during the year was the construction of facilities at the Evangelical Church Centre in East Mostar. The Centre, which is being built on the site of the ruins of an old church will eventually have an outdoor sports arena, residential training centre for Christian leadership and community development, a church meeting house, and non-residential facilities for the long-term treatment of traumatised children and young people. Early in the year a distribution depot for humanitarian aid was erected on the site and continues to serve the local community with emergency food and clothing, much of which is supplied direct by NOVI MOST International. The company has been privileged to be able to make financial grants to this project as well as sending volunteers to work on the site and introducing other organisations to the project in order for them to do likewise.

NOVI MOST INTERNATIONAL

TRUSTEES REPORT (continued)

Review of developments (continued)

Throughout the winter of 1995/96 a number of supporters formed an action group under the title 'Playground of Peace'. They undertook various fundraising events in order to pay for an adventure playground to be installed at the Peace Centre in Selce, Croatia. The Peace Centre is operated by our associate ministry in Croatia, The Life Centre, to provide residential care and assessment for traumatised children, mainly from Bosnia. NOVI MOST has helped to fund children using the Peace Centre, and the added facility of the playground, which was erected by the Playground of Peace team in the Spring, has greatly enhanced the enjoyment of children. As the team raised more than was needed for the original project, donors agreed that the surplus could be used for the playground/sports centre in East Mostar and for the employment costs of specialist trauma workers.

The NOVI MOST aid project has continued to develop and has been a vital source of life-essentials for a growing number of people at a time when many aid organisations have had to curtail their shipments due to the lack of media interest in Bosnia. The end of the military conflict has led to a short-term increase in the number of people needing emergency aid, due to the re-defining of ethnic boundaries and the return of refugees. However, the trustees are grateful to a small army of volunteers who have collected, sorted and packed aid worth an estimated £160,000 over the year. Our aid has been 'hallmarked' with quality, largely due to the diligence of these people and this has achieved much in restoring the dignity of those who receive it. The trustees are also grateful to those who donated the food, clothing, hygiene and medical items which were sent, the volunteer drivers who sacrificed their own comfort to enhance that of others, and to Component Assemblies Ltd who generously donated the use of the central warehouse in Chesham together with packing materials and forklift trucks.

Apart from Jayce, Drvar and Mostar, already mentioned, the main destination for aid during the year was the northwest city of Bihac. NOVI MOST staff were the first outside aid workers to arrive in Bihac in August 1995 after a siege lasting more than three years was lifted. It has been good to be involved in the slow process of normalisation in the city and the aid sent has enabled the small team there to demonstrate unconditional love to the local community. British volunteer, Cath Marsh, who arrived in the city in January 1996 was able to undertake valuable work with many severely troubled young people in Bihac and in nearby Bosanska Krupa.

In Britain, apart from the ongoing fundraising work undertaken, and that of collecting material aid, our Prayer Initiative has been a major part of our operation. The NOVI MOST Bosnia Prayer Briefing, published weekly, has established itself as the leading prayer resource for those interceding on behalf of the Bosnian people. It continues to be mailed to individuals across Britain and is also sent to people in the USA, South Africa and Europe and is now available, along with a host of other information, on the Internet through the NOVI MOST Home Page. Prayer groups have been set up in many parts of the country, and special events were held throughout the year, the most notable being over 11th and 12th November 1995 when up to a quarter of a million Christians in churches around Britain used our materials as a prompt to pray for the peace talks then being conducted in Dayton, Ohio. By the end of that Remembrance weekend, the deadlock at the talks had broken and agreement on all major points had been reached, leading to the signing of the Accord the following month.

NOVI MOST INTERNATIONAL

TRUSTEES REPORT

(continued)

Review of developments (continued)

Lastly, the changing nature of the work of the company, coupled with altered personal circumstances of some of the founding trustees led to some changes on the Board. Lowell Sheppard, without whom it is doubtful that the company would have been formed, and who served as Chairman from the beginning, emigrated during the year and stood down at the AGM in March. Colin Saunders, David Stillman and Mike Morris, all of whom served as directors and trustees during the important period of establishing the company also stood down during the year and were replaced by Wendy Beech, Tim Stone and Jeremy Parkin, all of whom have had close involvement with the company's activities since its formation and have now committed themselves to the task of steering NOVI MOST International as it makes an increasing contribution to help the Bosnian people secure their peace.

Financial position

The company's net incoming resources for the year was £11,508 (1995; £9,202).

Trustees

The trustees who held office during the year were as follows:

D Birch	
C B Saunders	(resigned 6th March 1996)
P G Scott-Evans	(resigned 22nd November 1996)
L A R Sheppard	(resigned 31st March 1996)
D Stillman	(resigned 6th March 1996)
M Morris	(resigned 30th June 1996)
Miss W Beech	(appointed 27th March 1996)
Rev T Stone	(appointed 27th March 1996)
J Parkin	(appointed 3rd June 1996)

Trustees' responsibilities

Company Law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of its financial activities for that period. In preparing those financial statements the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

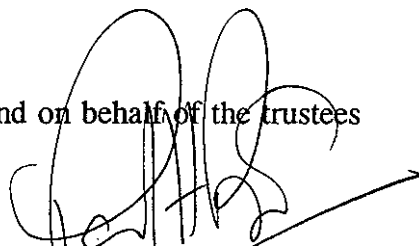
NOVI MOST INTERNATIONAL

TRUSTEES REPORT
(continued)

Auditors

Jacob Cavenagh & Skeet have expressed their willingness to continue in office as auditors. A resolution to re-appoint them as auditors will be put to the members at the annual general meeting.

For and on behalf of the trustees



R H BROOKS
Secretary

Registered office:

78 The Broadway
Chesham
Bucks HP5 1EG

13th February 1997

NOVI MOST INTERNATIONAL**REPORT OF THE AUDITORS**

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities

As described on page 3 the trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September 1996 and of its net operating surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Jacob Cavenagh & Skeet

JACOB CAVENAGH & SKEET
Chartered Accountants
and Registered Auditors

6/8 Tudor Court
Brighton Road
Sutton
Surrey SM2 5AE

13th February 1997

NOVI MOST INTERNATIONAL
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED
 30TH SEPTEMBER 1996

	Unrestricted funds	Restricted funds	Total funds 1996	Total funds 1995
	£	£	£	£
INCOME AND EXPENDITURE				
Incoming resources				
Donations and gifts	111,362	28,698	140,060	185,279
Profit/(loss) on book sales	1,172	-	1,172	(619)
Bank interest received	758	-	758	539
Other income	<u>123</u>	<u>-</u>	<u>123</u>	<u>1,402</u>
Total incoming resources	113,415	28,698	142,113	186,601
RESOURCES USED				
Direct charitable expenditure				
Approved grants and distributions	58,051	17,548	75,599	123,279
Other expenditure				
Management and administration	<u>54,934</u>	<u>72</u>	<u>55,006</u>	<u>54,120</u>
	112,985	17,620	130,605	177,399
Net incoming resources for the year	430	11,078	11,508	9,202
Transfer between funds	(2,589)	<u>2,589</u>	<u>-</u>	<u>-</u>
Net incoming resources for the year	(2,159)	13,667	11,508	9,202
Balances brought forward at 1st October 1995	<u>11,791</u>	(2,589)	<u>9,202</u>	<u>-</u>
Balances carried forward at 30th September 1996	<u>9,632</u>	<u>11,078</u>	<u>20,710</u>	<u>9,202</u>

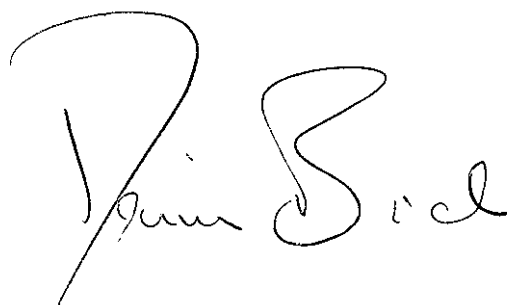
NOVI MOST INTERNATIONAL

BALANCE SHEET
AT 30TH SEPTEMBER 1996

	Note	1996		1995	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	6		2,499		2,272
CURRENT ASSETS					
Stock		2,840		914	
Debtors	7	1,099		3,748	
Cash at bank and in hand		<u>16,326</u>		<u>10,400</u>	
		20,265		15,062	
CREDITORS: Amounts falling due within one year	8	<u>2,054</u>		<u>8,132</u>	
			18,211		6,930
NET ASSETS			<u>20,710</u>		<u>9,202</u>
FUNDS					
Unrestricted	9		9,632		11,791
Restricted	10		<u>11,078</u>		(2,589)
			<u>20,710</u>		<u>9,202</u>

Approved by the Trustees on 13th February 1997 and signed on their behalf
by:

D BIRCH
Chairman



NOVI MOST INTERNATIONAL**NOTES TO THE ACCOUNTS
FOR THE YEAR TO
30TH SEPTEMBER 1996****1) STATUS**

NOVI MOST International is a company limited by guarantee and a registered charity. The liability of each member is limited to one pound. At 30th September 1996 there were 4 members.

2) ACCOUNTING POLICIES**a) Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice published by the Charity Commission in October 1995.

The company has relied on the exemption set out in Financial Reporting Standard 1 from the requirements to produce a cash flow statement on the grounds that it is a small company.

b) Depreciation

Depreciation is provided on all tangible assets over their estimated useful lives as follows:

Office equipment - 25% straight line

c) Stocks

Stocks are stated at the lower of cost and net realisable value.

d) Income

- i) All voluntary income is included as income on receipt.
- ii) Donations under gift aid, together with the associated income tax recovery are recognised as income when the donation is received.
- iii) Bank interest is credited to income when it is received.

NOVI MOST INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR TO
30TH SEPTEMBER 1996
(continued)

3) DIRECT CHARITABLE EXPENDITURE

	UNRESTRICTED FUNDS				RESTRICTED FUNDS		Total £	1995 £
	Mostar £	Bihac £	Other Bosnia projects £	Events £	Playground for peace £	Tim Butler £		
Salary and support	8,610	2,750	-	1,695	-	763	13,818	39,351
Vehicle running								
expenses	1,545	1,072	3,443	-	-	-	6,060	4,413
Vehicle hire expenses	43	-	-	-	400	-	443	-
Sundry expenses	76	-	32	119	338	-	565	1,300
Computer expenses	42	-	-	-	-	-	42	-
Insurance	86	371	1,008	80	387	-	1,932	-
Church materials	15,725	217	283	-	8,768	363	25,356	4,601
Church expenses	2,710	637	2,297	648	1,856	-	8,148	238
Venue hire expenses	-	-	-	610	-	43	653	-
Travel - general	349	1,587	7,949	97	1,697	2,933	14,612	1,349
Travel to projects	3,970	-	-	-	-	-	3,970	13,489
Telephone	-	-	-	-	-	-	-	2,130
Car purchases	-	-	-	-	-	-	-	10,200
Summer camps	-	-	-	-	-	-	-	9,245
Mostar gift	-	-	-	-	-	-	-	268
NB Tour	-	-	-	-	-	-	-	800
Architect's expenses	-	-	-	-	-	-	-	2,888
Aid expenses	-	-	-	-	-	-	-	14,517
Sports Ministry	-	-	-	-	-	-	-	1,506
Aid to safe areas	-	-	-	-	-	-	-	7,000
Site improvement	-	-	-	-	-	-	-	9,984
	<u>33,156</u>	<u>6,634</u>	<u>15,012</u>	<u>3,249</u>	<u>13,446</u>	<u>4,102</u>	<u>75,599</u>	<u>123,279</u>

NOVI MOST INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR TO
30TH SEPTEMBER 1996
(continued)

4) OTHER EXPENDITURE

	UNRESTRICTED FUNDS					RESTRICTED FUNDS		Total £	1995 £
	UK £	Mostar £	Bihac £	Other Bosnia projects £	Events £	Playground for peace £	Tim Butler £		
Salary and supprt	28,036	-	-	-	-	-	-	28,036	16,004
Photocopying, postage, stataionery, printing, advertising	9,081	23	-	2	220	18	2	9,346	17,489
Bank charges	40	162	18	18	-	18	9	265	958
Loan interest	-	-	-	-	-	-	-	-	141
Telephone	2,732	-	-	-	-	-	-	2,732	4,827
Repairs & renewals	179	-	-	-	-	-	-	179	-
Sundry	478	-	-	-	-	-	25	503	4,593
Computer maintenance	1,910	-	-	-	-	-	-	1,910	2,406
Professional charges	3,308	-	-	-	-	-	-	3,308	1,723
Insurance	-	-	-	-	-	-	-	-	505
Church expenses	1,225	-	-	-	-	-	-	1,225	-
Venue hire expenses	267	-	-	-	-	-	-	267	74
Mailing lists	2,728	-	-	-	-	-	-	2,728	987
Travel - general	3,421	-	-	-	-	-	-	3,421	2,439
Depreciation	1,086	-	-	-	-	-	-	1,086	758
Harringtons on account	-	-	-	-	-	-	-	-	428
Ground Level Trust Settlement	-	-	-	-	-	-	-	-	788
	<u>54,491</u>	<u>185</u>	<u>18</u>	<u>20</u>	<u>220</u>	<u>36</u>	<u>36</u>	<u>55,006</u>	<u>54,120</u>

5) OPERATING SURPLUS

	1996 £	1995 £
Staff costs (see note 12)	41,712	52,385
Auditor's remuneration	1,410	1,293
Depreciation	<u>1,086</u>	<u>758</u>

NOVI MOST INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR TO
30TH SEPTEMBER 1996
(continued)

6) TANGIBLE FIXED ASSETS

Fixtures
and fittings
£

Cost

At 1st October 1995

3,030

Additions

1,313

At 30th September 1996

4,343**Depreciation**

At 1st October 1995

758

Charge for the year

1,086

At 30th September 1996

1,844**Net book value**

At 30th September 1996

2,499

At 30th September 1995

2,272

7) DEBTORS

1996
£

1995
£

Trade debtors

60

-

Income tax recoverable

545

3,254

Prepayments

4944941,0993,7488) CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

1996
£

1995
£

Other taxes and social security costs

-

5,671

Other creditors

-

2,097

Accruals

2,0543642,0548,132

NOVI MOST INTERNATIONAL

NOTES TO THE ACCOUNTS
FOR THE YEAR TO
30TH SEPTEMBER 1996
(continued)

9) UNRESTRICTED FUNDS

	Balance 1.10.95 £	Income £	Expenditure £	Transfer between funds £	Balance 30.9.96 £
General fund	<u>11,791</u>	<u>113,415</u>	<u>112,985</u>	<u>(2,589)</u>	<u>9,632</u>

10) RESTRICTED FUNDS

The income of the company includes restricted funds comprising the following unexpended balances of donations held on trusts to be applied for specific purposes:

	Balance 1.10.95 £	Income £	Expenditure £	Transfer between funds £	Balance 30.9.96 £
Mount Ucka Fund	(2,589)	-	-	2,589	-
Playground for peace	-	21,282	13,482	-	7,800
Tim Butler	-	<u>7,416</u>	<u>4,138</u>	-	<u>3,278</u>
	<u>(2,589)</u>	<u>28,698</u>	<u>17,620</u>	<u>2,589</u>	<u>11,078</u>

11) STAFF COSTS

	1996 £	1995 £
Wages and salaries	39,242	48,163
Social security costs	<u>2,470</u>	<u>4,222</u>
	<u>41,712</u>	<u>52,385</u>
The average number of staff during the year was:	No	No
Administration	1	1
Other	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

12) EMOLUMENTS OF COUNCIL MEMBERS

No remuneration was paid to any council members in respect of such office.