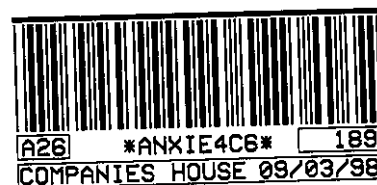


Regulation

**NOVI MOST INTERNATIONAL**  
**ACCOUNTS FOR THE YEAR ENDED**  
**30TH SEPTEMBER 1997**

**Company Number 3006953**  
**Charity Number 1043501**

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



**NOVI MOST INTERNATIONAL**

**ACCOUNTS FOR THE YEAR ENDED**

**30TH SEPTEMBER 1997**

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# **NOVI MOST INTERNATIONAL**

## **LIST OF TRUSTEES AND PROFESSIONAL ADVISERS**

<b>Trustees</b>	D Birch Miss W Beech Rev T Stone J Parkin R Egner
<b>Solicitors</b>	Anthony Collins Solicitors Pearl Assurance House 4 Temple Row Birmingham B2 5HG
<b>Bankers</b>	National Westminster Bank plc 1 Upper Market Square Hanley Stoke on Trent ST1 1QA
<b>Registered auditor</b>	Jacob Cavenagh & Skeet 6/8 Tudor Court Brighton Road Sutton Surrey SM2 5AE
<b>Other company information</b>	
<b>Company number</b>	3006953
<b>Charity number</b>	1043501
<b>E-mail</b>	100563.20@compuserve.com
<b>Telephone number</b>	01494 793242
<b>Fax number</b>	01494 793771

## NOVI MOST INTERNATIONAL

### TRUSTEES' REPORT

The trustees present their report and the audited financial statements for the year to 30th September 1997.

#### Status

NOVI MOST International is a company limited by guarantee and full details are shown in Note 1 to the accounts.

#### Principal activities

The company is a Christian charitable 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 the instruments of reconciliation and positive community change.

#### Review of developments

The company continued throughout the year to devote its resources to benefit the people of Bosnia-Herzegovina. Having endured a bitter and destructive forty-month war which ended with the signing of the Dayton Peace Accords in December 1995, the young people of that country continue to need ongoing material, emotional and spiritual support, to enable them to overcome the disabling effects of their wartime experiences, and the company has sought to provide a range of services to cope with the immediate needs of damaged young people and to help build a foundation for long-term support programmes.

NOVI MOST International has again continued to fund the ministry of Nikola and Sandra Skrinjaric who lead the company's activities in Bosnia and also exercise leadership within the Evangelical churches across Bosnia. Following serious disturbances in February 1997 between the rival factions in Mostar where the company maintains its base, it was considered unsafe for the couple to continue using their Croatian-registered minibus for travel in Muslim and Serb districts of the country, so an estate car, which was purchased in Germany and re-registered in England, was supplied to them. The British registration plates on this vehicle proved very helpful in ensuring uninterrupted travel in Bosnia as they are usually regarded as being non-aligned.

Mike Robinson, who has worked as an Associate Mission Worker with NOVI MOST since May 1994, was appointed as Director of Sports Ministry at the new NOVI MOST Sports Centre in East Mostar in June. Grants were provided by the company for the construction of the sports facilities and for a special sports camp in July 1997, which marked the official opening of the Centre. Young people from Serb, Muslim and Croat families engaged in competition over six days and were joined by their parents for a prize-giving and closing ceremony. One parent stated that he had witnessed a miracle as he had believed that the children of the different ethnic communities in the country would never be able to play together again.

The trustees were pleased to be able to authorise a grant to enable children and young people from Mostar, Tuzla, Sarajevo, Jajce and Bihac to attend Christian camps run by the Evangelical Church of Mostar on the Croatian coast in July. The company has been associated with these camps for five successive years and regards them as an integral part of its ministry, which depends for its success on maintaining close contact and open relationships with the young people it seeks to assist.

## NOVI MOST INTERNATIONAL

## TRUSTEES' REPORT

(continued)

**Review of developments (continued)**

One of the most significant new developments in the year was the registration of NOVI MOST International by the authorities in the Serb republic of Bosnia, Republika Srpska, making the organisation one of the only Christian charities to enjoy recognition by both Bosnia's political entities. This registration, approved in July 1997, was immediately followed by the establishment of an office in Trebinje, led by Corrie Huyser and Dini Esterhuisen, two women from South Africa who have become Mission Workers with the company. They have made rapid headway in assessing the needs of the district and are devoting themselves to personal visitation of families in crisis to offer unconditional support within the limitations of the resources available. The initial needs audit of the region presents a huge challenge for future aid and development work to alleviate the chronic depression and poverty which has resulted from war. Alongside the practical, humanitarian work undertaken, many people have received significant spiritual support.

Other workers have also joined the NOVI MOST International team throughout the year, including Naomi Lawrence, who was initially based in Mostar to engage in music ministry with young people; Mark and Alison Padfield and Keith and Diane Hurd, who all arrived at the close of the year to work alongside the East Mostar Evangelical Church in youth work and humanitarian relief.

Although the war officially ended before this year commenced, it is apparent that there will be an ongoing need for emergency relief to be distributed for many years to come. In support of our field programmes, we continued to ship aid in the form of clothes, food, medical and hygiene products to Mostar, Bihac and Jajce, from our warehouse in Chesham. The trustees wish to record their appreciation to Component Assemblies Ltd, for the valuable donation of warehousing space and services; to dedicated teams of volunteer packers in Chesham, Oxfordshire, the West Midlands, Manchester and Kent and to the drivers who volunteered to undertake the 4,000 mile round trip. Aid with an estimated value of £105,000 was delivered during the year, most of which was donated as "gifts in kind".

Whilst most of the company's activities have been in Bosnia, we have continued to have an interest in The Peace Center, a centre for traumatised children from Bosnia, situated on the Croatian coast at Selce. In January 1997, Cath Marsh, who had been working as a NOVI MOST mission worker in Bihac, was appointed Director of the Peace Center and we have continued to support this ministry. A team of NOVI MOST volunteers also spent a number of weeks with the Peace Center's parent organisation, The Life Center, to help renovate a new facility to minister to traumatised adult refugees.

Most of the funding and support for the work outlined above is generated in Britain from loyal friends of the company, mainly individuals and churches. Income over the year was lower than the previous year and this was anticipated by the trustees who expected that the period immediately after the ending of the Bosnian war would see a marked reduction in media interest in the field. Over the year, the company has sought to start a period of re-education of its support-base and the public so as to be seen as a credible agency engaged in long-term mission work and development rather than as an organisation simply involved in immediate, crisis-led aid. This shift in emphasis will need to continue for a further year or so before the income begins to return to the levels seen during the war.

**NOVI MOST INTERNATIONAL****TRUSTEES' REPORT**  
(continued)**Review of developments (continued)**

Prayer has always been seen as a priority and we have continued to publish the weekly Bosnia Prayer Briefing throughout the year and to mobilise prayer through a number of other initiatives. An upturn in the number of mission workers and projects operating in the field has led to the appointment of two further members of the support team based in Britain. Gill Rowell was appointed as an Administrative Assistant and Tom Riley as Deputy Director. We are also pleased to have been able to recruit Ron Egner as a trustee and Honorary Treasurer.

It is our opinion that the grants made and the efforts of our staff, associates and volunteers over the year have made a valuable contribution to the peace process in Bosnia and to the work of the Kingdom of God. We are confident that we have also taken vital steps to lay firm foundations for increasingly effective work in the future and look forward to being part of the rebirth and renewal of the nation of Bosnia-Herzegovina.

**Financial position and resources**

The company's net incoming resources for the year was £2,345 (1996: £11,508).

In the opinion of the trustees, the company has sufficient resources to meet its obligations.

**Trustees**

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

D Birch  
Miss W Beech  
Rev T Stone  
J Parkin  
R Egner (appointed 17th May 1997)  
P G Scott-Evans (resigned 22nd November 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

**P H BROOKS**  
Secretary

**Registered office**

78 The Broadway  
Chesham  
Bucks  
HP5 1EG

19 Feb 1998

**NOVI MOST INTERNATIONAL****REPORT OF THE AUDITORS**

We have audited the financial statements on pages 6 to 12 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, who are directors of the company for the purposes of Company Law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on 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 charitable company's affairs at 30th September 1997 and of its incoming resources and application of resources, including its income and expenditure, in 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

19 Feb 1998 ✓



**NOVI MOST INTERNATIONAL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

<b>Income and Expenditure</b>	<i>Note</i>	<i>Unrestricted funds 1997 £</i>	<i>Restricted funds 1997 £</i>	<i>Total funds 1997 £</i>	<i>Total funds 1996 £</i>
<b>INCOMING RESOURCES</b>					
Donations and gifts		111,431	861	112,292	140,060
Gifts in kind		105,000	-	105,000	160,000
Surplus on book sales		558	-	558	1,172
Bank interest receivable		483	-	483	758
Other income		<u>1,471</u>	<u>-</u>	<u>1,471</u>	<u>123</u>
<b>Total incoming resources</b>		<b>218,943</b>	<b>861</b>	<b>219,804</b>	<b>302,113</b>
<b>RESOURCES EXPENDED</b>					
<b>Direct charitable expenditure</b>					
Approved grants and distributions	3	158,652	-	158,652	235,599
<b>Other expenditure</b>	4				
Fundraising and publicity		7,030	-	7,030	9,327
Management and administration		<u>51,777</u>	<u>-</u>	<u>51,777</u>	<u>45,679</u>
<b>Total resources expended</b>		<b>217,459</b>	<b>-</b>	<b>217,459</b>	<b>290,605</b>
<b>Net incoming resources for the year</b>	5	<b>1,484</b>	<b>861</b>	<b>2,345</b>	<b>11,508</b>
Transfer between funds		<u>11,939</u>	<u>( 11,939)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>13,423</b>	<b>( 11,078)</b>	<b>2,345</b>	<b>11,508</b>
Balances brought forward at 1st October 1996		<u>9,632</u>	<u>11,078</u>	<u>20,710</u>	<u>9,202</u>
Balances carried forward at 30th September 1997		<u>23,055</u>	<u>-</u>	<u>23,055</u>	<u>20,710</u>

The company has no recognised gains or losses other than the above reported movements. The whole of the movements arise from continuing activities.

## NOVI MOST INTERNATIONAL

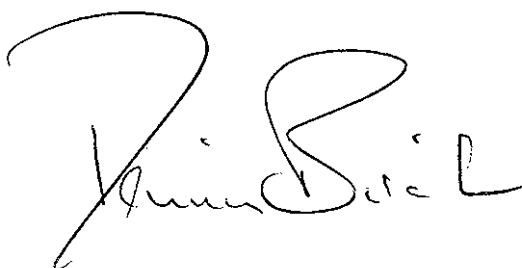
## BALANCE SHEET

AT 30TH SEPTEMBER 1997

	<i>Note</i>	<i>1997</i>	<i>1996</i>
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	6	10,026	2,499
<b>Current assets</b>			
Stock		2,785	2,840
Debtors	7	2,874	1,099
Cash at bank and in hand		<u>10,555</u>	<u>16,326</u>
		16,214	20,265
<b>Creditors: Amounts falling due within one year</b>	8	<u>3,185</u>	<u>2,054</u>
<b>Net current assets</b>		<u>13,029</u>	<u>18,211</u>
<b>Net assets</b>		<u>23,055</u>	<u>20,710</u>
<b>Funds</b>			
Unrestricted	9	23,055	9,632
Restricted	10	<u>-</u>	<u>11,078</u>
		<u>23,055</u>	<u>20,710</u>

Approved by the Trustees on 19 February 1998  
and signed on their behalf by:

D Birch  
Chairman



# NOVI MOST INTERNATIONAL

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1997

### 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 1997 there were 4 (1996: 4) members.

The company is registered with the Charity Commission as a charity (number 1043501) and is exempt from taxation in accordance with Section 505 of the Income and Corporation Taxes Act 1988.

### 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 on Accounting by Charities 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
Motor vehicles	- 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.

#### (e) Gifts in kind

Gifts in kind include food, clothing and medical supplies. The statement of financial activities includes gifts in kind as resources arising and expended when they were distributed in the field. In the balance sheet, no value has been placed on stocks of goods as yet undistributed.

Gifts in kind are valued at values appropriate to the charity, taking into account wholesale prices for food, insurance values and guidance received from the suppliers of medical equipment.

#### (f) Allocation of expenditure

Expenditure is allocated as follows:

##### **Charitable expenditure**

All direct expenditure in relation to the company's work with young people in areas of conflict.

##### **Fundraising and publicity**

All direct expenditure on marketing and advertising including costs of literature and mailing.

##### **Administration**

All other expenditure not directly allocated above, including financial expenses and professional fees.

## NOVI MOST INTERNATIONAL

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997  
(continued)

## 3 DIRECT CHARITABLE EXPENDITURE

	----- Unrestricted -----			Restricted		
	funds			funds		
			Other Bosnia			
			projects			
			(including Aid		1997	
	Mostar	Bihac	from Britain)		Total	1996
	£	£	£	£	£	£
Gifts in kind	-	-	105,000	-	105,000	160,000
Salaries and support	8,000	3,830	2,480	-	14,310	13,818
Vehicle running expenses	229	-	212	-	441	6,060
Vehicle hire expenses	-	-	2,278	-	2,278	443
Sundry expenses	808	15	70	-	893	565
Computer expenses	-	-	80	-	80	42
Insurance	972	969	69	-	2,010	1,932
Church materials	3,474	16	1,248	-	4,738	25,356
Church expenses	3,773	52	1,460	-	5,285	8,148
Venue hire expenses	-	-	-	-	-	653
Travel - general	1,721	417	7,088	-	9,226	14,612
Travel - to projects	4,054	-	-	-	4,054	3,970
Grants	3,719	-	3,771	-	7,490	-
Goods forward	-	-	2,847	-	2,847	-
	<u>26,750</u>	<u>5,299</u>	<u>126,603</u>	<u>-</u>	<u>158,652</u>	<u>235,599</u>

## NOVI MOST INTERNATIONAL

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997  
(continued)

## 4 OTHER EXPENDITURE

	----- Unrestricted ----- funds				Restricted funds		
	UK	Mostar	Bihac	Other Bosnia projects (including Aid from Britain)		1997 Total	1996
	£	£	£	£	£	£	£
Salaries and support	36,451	-	-	-	-	36,451	28,036
Photocopying, postage, printing and stationery	4,975	1	-	1	-	4,977	4,476
Marketing and advertising	5,565	65	-	-	-	5,630	4,870
Bank charges	152	58	78	120	-	408	265
Telephone	2,334	-	-	-	-	2,334	2,732
Repairs and renewals	2	-	-	-	-	2	179
Sundry	933	-	-	-	-	933	503
Computer maintenance	1,594	-	-	-	-	1,594	1,910
Professional charges	1,763	-	-	-	-	1,763	3,308
Church expenses	55	-	-	-	-	55	1,225
Venue hire expenses	244	-	-	-	-	244	267
Mailing lists	-	-	-	-	-	-	2,728
Travel	1,770	-	-	-	-	1,770	3,421
Depreciation	2,396	-	-	-	-	2,396	1,086
Grants	250	-	-	-	-	250	-
	<u>58,484</u>	<u>124</u>	<u>78</u>	<u>121</u>	<u>-</u>	<u>58,807</u>	<u>55,006</u>

## 5 NET INCOMING RESOURCES

	1997 £	1996 £
This is stated after charging:		
Staff costs (see note 11)	36,451	41,712
Auditor's remuneration	1,763	1,704
Depreciation	<u>2,396</u>	<u>1,086</u>

## NOVI MOST INTERNATIONAL

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

(continued)

6	TANGIBLE FIXED ASSETS	<i>Motor vehicles</i>	<i>Fixtures and fittings</i>	<i>Total</i>
		£	£	£
	<b>Cost</b>			
	At 1st October 1996	-	4,343	4,343
	Additions	<u>7,375</u>	<u>2,548</u>	<u>9,923</u>
	At 30th September 1997	<u>7,375</u>	<u>6,891</u>	<u>14,266</u>
	<b>Depreciation</b>			
	At 1st October 1996	-	1,844	1,844
	Charge for the year	<u>924</u>	<u>1,472</u>	<u>2,396</u>
	At 30th September 1997	<u>924</u>	<u>3,316</u>	<u>4,240</u>
	<b>Net book value</b>			
	At 30th September 1997	<u>6,451</u>	<u>3,575</u>	<u>10,026</u>
	At 30th September 1996	<u>-</u>	<u>2,499</u>	<u>2,499</u>
7	DEBTORS		<i>1997</i>	<i>1996</i>
			£	£
	Trade debtors		49	60
	Other debtors		240	-
	Income tax recoverable		1,971	545
	Prepayments		<u>614</u>	<u>494</u>
			<u>2,874</u>	<u>1,099</u>
8	CREDITORS: Amounts falling due within one year		<i>1997</i>	<i>1996</i>
			£	£
	Other taxes and social security costs		834	-
	Other creditors		451	-
	Accruals		<u>1,900</u>	<u>2,054</u>
			<u>3,185</u>	<u>2,054</u>

## NOVI MOST INTERNATIONAL

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997  
(continued)

9 UNRESTRICTED FUNDS	<i>Balance at 1.10.96 £</i>	<i>Income £</i>	<i>Expend- iture £</i>	<i>Transfer between funds £</i>	<i>Balance at 30.9.97 £</i>
General fund	<u>9,632</u>	<u>113,943</u>	<u>112,459</u>	<u>11,939</u>	<u>23,055</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 projects:

	<i>Balance at 1.10.96 £</i>	<i>Income £</i>	<i>Expend- iture £</i>	<i>Transfer between funds £</i>	<i>Balance at 30.9.97 £</i>
Playground for Peace	7,800	861	-	( 8,661)	-
Tim Butler	<u>3,278</u>	<u>-</u>	<u>-</u>	<u>( 3,278)</u>	<u>-</u>
	<u>11,078</u>	<u>861</u>	<u>-</u>	<u>(11,939)</u>	<u>-</u>

The Playground for Peace project was set up to raise funds for an adventure playground to be installed in the Peace Centre in Selce, Croatia. The Tim Butler project involved fund-raising to enable Tim Butler to carry out youth work in the camps in Mostar in Bosnia.

## 11 STAFF COSTS

	<i>1997 £</i>	<i>1996 £</i>
Wages and salaries	33,611	39,242
Social security costs	<u>2,840</u>	<u>2,470</u>
	<u>36,451</u>	<u>41,712</u>

The average number of staff during the year was:

	<i>No</i>	<i>No</i>
Administration	1	1
Other	<u>2</u>	<u>1</u>
	<u>3</u>	<u>2</u>

## 12 EMOLUMENTS OF TRUSTEES

No remuneration was paid to any trustees in respect of such office, nor were any meeting expenses reimbursed.