

NOVI MOST

TURNING BOSNIA INTO A GOOD NEWS STORY

INTERNATIONAL

Novi Most International Financial Statements Year End 30 September 2004



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Company Registration No: 3006953
Registered Charity No: 1043501

NOVI MOST INTERNATIONAL

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2004

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NOVI MOST INTERNATIONAL

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2004

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 30 September 2004.

STATUS

Novi Most International is a company limited by guarantee and full details are shown in note 17 to the accounts.

PRINCIPAL ACTIVITIES

The company is a Christian charitable organisation which works with young people in Bosnia Herzegovina to help them overcome the effects of trauma, equip them to enter their futures with hope and confidence and empower them to become instruments of transformation in their communities.

REVIEW OF DEVELOPMENTS

NOVI MOST International (NMI) is continuing to adapt to the changing situation in the field. This year saw the formulation of our strategy and implementation plans for the next decade as we move from a crisis organisation to one of long term development.

ADVANCE!

Novi Most International is grateful to Tearfund for assisting in the development of its strategy for the next ten years (Advance!) through financial assistance and the support of Gary Swart, Tearfund Conflict Transformation & Peacebuilding Advisor: Balkans, who acted as facilitator/advisor for our strategy workshops.

A series of three strategy workshops with stakeholders (UK staff, BiH field team, trustees, Bosnian church pastors, Klub members, and local Christians) were held in BiH between February and April 2004, and much prayer and discussion was undertaken throughout the process, with additional consultation, as appropriate, at other times with other interested parties.

NMI has been called to this generation of young people – those who experienced the 1992-95 conflict - to bring them to a profound understanding that God is calling them to play a positive part in the shaping of their nation, and intercept the cycle of revenge and hatred which is at the root of the cause of conflict.

NMI believes that the most effective means of doing this is to train, equip and empower local Bosnians to lead and inspire their own. We are therefore proactively pursuing a strategy to hand over our vision and mission to local Bosnians within the next ten years, so that there is a permanent Christian youth-based ministry in the country, ensuring the work continues for future generations.

Two events have been planned in the UK to publicly launch Advance! for 6 November in Chesham and 20 November in Bradford. A launch event will take place in Bosnia Herzegovina in 2005.

NOVI MOST INTERNATIONAL

TRUSTEES ANNUAL REPORT (*continued*)

YEAR ENDED 30 SEPTEMBER 2004

SPRING HARVEST

After 10 years of ministry in Bosnia Herzegovina, and having our beginnings through a youth project at Spring Harvest in 1993, the Spring Harvest Executive invited us to take part in a brief presentation at their main event in each of the 7 weeks of their programme this year, and offered us the opportunity to have a stand at both Minehead and Skegness sites. We took advantage of this God-given opportunity, and the profile of the organisation was extended significantly.

OZIVI

Ozivi – which means Revive! – events, initially inspired by Team Leader Nick Wright, were held at Klub Novi Most at 6-weekly intervals throughout the year, to broaden young people's understanding of worship, and offer a creative platform for their expression. These events have encouraged local church pastors, as well as young Bosnian Christians.

YOUTH WEEKEND

Klub members and members of the youth group at the East Mostar Evangelical Church were taken on a residential youth weekend in April, and a longstanding Klub member made a commitment to Jesus Christ during this time; and another was clearly moved by God's Spirit, in addition to the on-going positive growth and spiritual development of those who participated.

BRIDGE OF HOPE

In celebration of the restoration of the Stari Most, NMI organised a nation-wide prayer event on 12 December 2003, and invited churches to contribute a piece of artwork on building bridges in their communities. Over 200 churches participated - entries were judged by the Bosnian Ambassador, the Chief Executive of Spring Harvest, and a Novi Most volunteer and artist, and presentations were made at a special reception hosted by the Bosnian Embassy in London (15 January 2003). Contributions (The Bridge of Hope Exhibition) were subsequently put on display throughout the month of May in Coventry Cathedral.

STARI MOST OPENING – 23 July 2004

This was a tremendous international occasion, and a poignant one for Novi Most (which means New Bridge), as we were named shortly after the Stari Most (Old Bridge) was blown up. We pray that the restoration of the Stari Most will herald a new beginning for Mostar and reconciliation in the city. Naomi Lawrence, on NMI sabbatical, took part in the ceremonies as a member of the Sarajevo Philharmonia – her last performance with them. NMI field workers and Klub members had the privilege of informally meeting Lord Paddy Ashdown, BiH's High Representative after the opening ceremony.

KLUB NOVI MOST: MOSTAR

Klub Novi Most continued to bring a Christian presence to the young people of Mostar; our small but highly committed team of workers offered a variety of activities and opportunities for them to develop and grow. Awards Evenings continue to encourage and acknowledge particular achievements and completion of courses. Klub has a membership of 360 young people, aged between 11-25 years.

Carol Stevens, Klub Director has inspired Klub members to raise funds for children in Sierra Leone, and is also developing links with the OSCE who are encouraging us in the development of our youth work.

NOVI MOST INTERNATIONAL

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2004

Short term mission teams were recruited and trained for NMI's summer programme of activities, and over 40 individuals participated this year. The programme included a dedicated week of prayer, refugee and community outreach, the third Mostar Sports Festival which was joined by the YFC Fly Basketball team and spanned the East/West Mostar divide, and the first young peoples Prayer Tour of the country. 3-fold, a band from the Nexus Academy of Music, played gigs in local café bars in Mostar, as well as in Klub, and assisted with outreach activities. This summer also saw the implementation of a pilot scheme for outdoor pursuits, headed up by volunteer Vernon Bayliss, and raft-making and abseiling in addition to archery and other wide games were offered to Mostar young people. Two camps were also organised by NMI workers over the summer (see below).

SUMMER CAMPS

This year the Evangelical Church of Bosnia Herzegovina summer camps had to be cancelled due to cattle disease. NMI field workers were able to organise two camps in different locations – a joint East/West one for 11-15 years, and a youth camp for Klub members, both attended by both believers and non-believers. It has been encouraging to see young Bosnian Christians get alongside the Novi Most team and share responsibilities, and grow in their faith, and see the young people grow in confidence and life skills.

HUMANITARIAN AID

Novi Most International continues to fund part of the Evangelical West and East churches aid outreach programmes.

PARTNERSHIPS

Tearfund

As a matter of policy, Tearfund withdrew from the Balkans in March 2004. We are sorry that this fruitful partnership has come to an end but grateful for their investment in our strategy development at such a crucial time (see notes above)..

Evangelical Church of Bosnia and Herzegovina

NMI continues to work closely with the Evangelical Church, and NMI field workers are fully involved with leading Sunday School, Youth meetings, Bible studies and Sunday worship in Brankovac Church in East Mostar; and maintain good relationships with Centar II Church in West Mostar.

Bosnian Embassy

We were delighted to have the continued support of the Bosnian Ambassador to the UK, Her Excellency Mrs Elvira Begovic. Not only did she host the Bridge of Hope reception, but she also invited Gill Rowell, NMI Director, to receptions held at the Embassy for Bosnian dignitaries; including the Bosnian Serb president, the Bosnian Federation president and the Bosnian Prime Minister, and personally introduced the Director to them.

Moorlands College

NMI has continued its partnership with Moorlands College, offering our GAP-year volunteers a theological basis for ministry together with hands-on practical training through the e-livate course. This is proving to be a valuable alliance, with good opportunity for development and input into the residential teaching programme, and a natural environment in which to network with other mission agencies.

NOVI MOST INTERNATIONAL

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2004

Global Connections

We continue to benefit from our partnership with Global Connections, and attend their Personnel and CEO forums in pursuit of best practice. Executive Director, Stanley Davies, retired this year and has been replaced by Martin Lee, who visited the Chesham offices in July.

Motiv8

Tim Stone and Gill Rowell attended the launch of Motiv8 at the EA head office on 29 June, a national initiative committed to motivating 10,000 UK young people in local and global mission every three years, and gave NMI's commitment to participate in it wholeheartedly and to the best of our ability.

Micah Network

Our membership of The Micah Network continues, and we are excited by The Micah Challenge, a campaign to put pressure on governments to meet Millenium Development Goals. Gill Rowell, NMI Director and Carol Stevens, Klub Director, attended the first Balkans Development Conference in Jahorina in October 2003.

PERSONNEL

Tim Stone was appointed Assistant to the Director and joined the Chesham team in January 2004, for a period of 18 months. A review of Chesham staff responsibilities was carried out in June, and new job descriptions agreed.

Rachel Harris, who joined the field team in 2000 as administrator, returned to the UK in June 2003 having completed her three year term. Rachel's contribution to the team cannot be underestimated – she was highly motivated, organised, and hard working, and the team ran smoothly because of her input. Nick and Claire Wright, and their daughter Lucy, returned to the UK as planned in July 2003 after nearly 3 years. Thus, at the height of our summer programme, the team was greatly reduced - and felt the loss acutely. However, Carol Stevens, Claire Gingell, Anna Hedley, Becky Diskin and Leah Stone did an amazing job at organising two summer camps and the prayer tour, as well as hosting the summer teams, and we are grateful to God for his guidance, protection and leading.

Anna Hedley, Becky Diskin and Leah Stone completed their gap-year assignments through our 1YB scheme and returned to the UK in September. Becky and Anna were in Mostar and Leah joined them in April 2004, following 6 months assisting with administration in the Chesham office. We are delighted that Anna and Becky are extending their service with NMI for (at least) another year.

FUNDRAISING

NMI has a committed following of individuals and churches who support us prayerfully and financially, although we have observed a decrease in general giving. Standing order gifts have increased and provide some measure of stability, and we are seeking ways of further increasing regular giving.

We are also aware of the necessity for developing sustainability into our projects in the field, and are pursuing funding from Trusts, DFID and the EU.

NOVI MOST INTERNATIONAL

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2004

RESERVES POLICY

NMI continues to pursue its policy of working towards a flexible reserve equivalent to three months core expenditure, but the demands of ministry have so far meant that this has been unattainable.

GRANTS POLICY

It is our normal practice to apply available funds to projects initiated and run by NMI for the benefit of children and young people in Bosnia-Herzegovina. We do not welcome unsolicited applications and will not consider funding any project which falls outside our stated objectives in Bosnia Herzegovina.

ASSESSMENT OF RISKS

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operation and finances of the charity, and we are satisfied that systems are in place to mitigate exposure to the major risks.

LINKS TO OTHER CHARITIES

NMI is a member of The Evangelical Alliance of the UK, Global Connections, The Micah Network, a partner agency of Tearfund and partner with Moorlands College.

In Bosnia, we work closely with the Evangelical Church of Bosnia & Herzegovina and Agape, and seek to develop relationships with other agencies working in the country.

RESPONSIBILITIES OF THE TRUSTEES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

AUDITORS

A resolution to appoint ClarkBlair as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Bushell House
118-120 Broad Street
Chesham
Bucks
HP5 3ED

Signed by Order of the Trustees



Edith Ramsey
Company Secretary

Approved by the trustees on 3.3.05

NOVI MOST INTERNATIONAL

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

YEAR ENDED 30 SEPTEMBER 2004

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 7.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The responsibilities of the trustees (who also act as Directors for the charitable activities of the company) of the charity for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on pages 1 to 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We are not required to consider whether the statement in the Trustees' Annual Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT 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 in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 charity's state of affairs as at 30 September 2004 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Clive B. Jones
Registered Auditors


Date: 2005

Century House
19 High Street
Marlow
Buckinghamshire
SL7 1AU

NOVI MOST INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 SEPTEMBER 2004

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
INCOMING RESOURCES					
Donations	2	183,422	31,309	214,731	249,477
Gifts in kind	3	900	0	900	1,120
Activities in furtherance of the charities objects					
Grants receivable	4	0	21,170	21,170	0
Interest receivable	5	356	0	356	175
Other income		253	0	253	101
TOTAL INCOMING RESOURCES		<u>184,931</u>	<u>52,479</u>	<u>237,410</u>	<u>250,873</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising and publicity	6	21,576	0	21,576	22,732
Charitable expenditure:					
Costs in furtherance of charitable objects	7	157,465	56,752	214,217	201,143
Management and administration	8	9,851	0	9,851	11,723
TOTAL RESOURCES EXPENDED	9	<u>188,892</u>	<u>56,752</u>	<u>245,644</u>	<u>235,598</u>
NET INCOMING RESOURCES FOR THE YEAR	10	-3,961	-4,273	-8,234	15,275
Balances brought forward		9,034	20,596	29,630	14,355
Balances carried forward		<u>5,074</u>	<u>16,322</u>	<u>21,396</u>	<u>29,630</u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 9 to 15 form part of these financial statements.

NOVI MOST INTERNATIONAL

BALANCE SHEET

30th SEPTEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	11	11,401	3,337
CURRENT ASSETS			
Stocks		444	444
Debtors	12	5,810	7,766
Cash at bank and in hand		<u>14,565</u>	<u>25,033</u>
		20,819	33,243
CREDITORS: Amounts falling due within one year	13	<u>-10,824</u>	<u>-6,950</u>
NET CURRENT ASSETS		<u>9,995</u>	<u>26,293</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,396</u>	<u>29,630</u>
NET ASSETS		<u>21,396</u>	<u>29,630</u>
FUNDS			
Restricted	15	16,322	20,596
Unrestricted	16	5,074	9,034
TOTAL FUNDS		<u>21,396</u>	<u>29,630</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the trustees on the 3/3/05 and are signed on their behalf by:



MR S EVANS
Treasurer

The notes on pages 9 to 15 form part of these financial statements.

NOVI MOST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985, subject to the departures referred to below.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Income

All voluntary income is included as income on receipt.

Donations under gift aid, together with the associated income tax recovery are recognised as income when the donation is received.

Bank interest is credited to income when it is received.

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 are 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.

Allocation of expenditure

Expenditure is allocated as follows

Charitable expenditure

All direct expenditure in relation to the charity'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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 25% Straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOVI MOST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2004

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Fund accounting

Funds held by the Trust are either:

- Unrestricted income funds: these are funds which can be used in accordance with the charitable objects at the discretion of the directors;
- Designated funds: these are funds set aside by the directors out of unrestricted income funds for specific future purposes or projects; or
- Restricted funds: these are funds which can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

2 DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Donations and Gifts	183,172	31,309	214,481	247,057
Project income	250	0	250	2,420
	<u>183,422</u>	<u>31,309</u>	<u>214,731</u>	<u>249,477</u>

3 GIFTS IN KIND

	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Gifts in kind	900	0	900	1,120

4 GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Grants receivable	0	21,170	21,170	0

NOVI MOST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2004

5 INTEREST RECEIVABLE

	2004	2003
	£	£
Bank interest receivable	<u>356</u>	<u>175</u>

6 FUNDRAISING AND PUBLICITY

	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Salaries	8,058	0	8,058	7,637
Marketing & advertising	3,220	0	3,220	2,659
Rent, rates, light & heat	1,089	0	1,089	1,099
Postage, printing & stationery	9,031	0	9,031	11,054
Telephone	178	0	178	283
	<u>21,576</u>	<u>0</u>	<u>21,576</u>	<u>22,732</u>

7 COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Provision of charitable services:				
Travel & vehicle costs	20,021	6,615	26,636	19,700
Office costs	23,018	0	23,018	30,427
Salaries	78,273	2,717	80,990	72,337
Project costs	30,022	2,643	32,665	31,919
Training	2,695	0	2,695	5,253
Ministry expenses	0	0	0	100
Grants & volunteers support	0	44,735	44,735	39,328
Sundry expenses	3,436	42	3,478	2,079
	<u>157,465</u>	<u>56,752</u>	<u>214,217</u>	<u>201,143</u>

Analysis of provision of charitable services:

	Total 2004 £	Total 2003 £
Volunteer funding	47,528	39,495
Grants	0	500
Aid	3,117	2,584
Klub Novi Most	33,996	48,503
Mostar Office	27,923	10,437
Field Visits	5,206	8,366
Prayer	4,050	3,605
Support costs	92,397	87,653
	<u>214,217</u>	<u>201,143</u>

NOVI MOST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2004

8 MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Salaries	3,681	0	3,681	4,413
Office costs	2,645	0	2,645	4,443
Audit fees	2,200	0	2,200	2,200
Professional charges	1,096	0	1,096	482
Costs of trustees' meetings	229	0	229	185
	<u>9,851</u>	<u>0</u>	<u>9,851</u>	<u>11,723</u>

9 TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Grants & other costs £	Total Funds 2004 £	Total Funds 2003 £
Direct charitable expenditure	80,990	0	133,227	214,217	201,143
Fundraising and publicity	8,058	0	13,518	21,576	22,732
Management and administration	3,681	1,930	4,240	9,851	11,723
	<u>92,729</u>	<u>1,930</u>	<u>150,985</u>	<u>245,644</u>	<u>235,598</u>

The aggregate payroll costs were:

	2004 £	2003 £
Wages and salaries	83,080	76,190
Social security costs	7,688	6,389
Other pension costs	1,961	1,808
	<u>92,729</u>	<u>84,387</u>

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2004	2003
Direct charitable workers	2	2
Administration	2	2
Fundraising & publicity	1	1
	<u>5</u>	<u>5</u>

NOVI MOST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2004

	2004	2003
	£	£
Other costs:		
Premises	21,416	20,182
Legal and professional	3,296	2,682
Other	126,273	125,116
	<u>150,985</u>	<u>147,980</u>

10 OPERATING ASSETS

Operating profit is stated after charging:

	2004	2003
	£	£
Staff pension contributions	1,961	1,808
Depreciation	2,748	3,231
Auditors' fees	<u>2,200</u>	<u>2,200</u>

11 TANGIBLE FIXED ASSETS

	Vehicles £	Fixtures & Fittings £	Total £
COST			
At 1 October 2003	0	20,871	20,871
Additions	9820	992	10,812
Disposals	<u>0</u>	<u>800</u>	<u>800</u>
At 30th September 2004	<u>9,820</u>	<u>21,063</u>	<u>30,883</u>
DEPRECIATION			
At 1 October 2003	0	17,534	17,534
Charge for the year	818	1,930	2,748
On disposals	<u>0</u>	<u>800</u>	<u>800</u>
At 30th September 2004	<u>818</u>	<u>18,664</u>	<u>19,482</u>
NET BOOK VALUE			
At 30th September 2004	<u>9,002</u>	<u>2,399</u>	<u>11,401</u>
At 30 September 2003	<u>0</u>	<u>3,337</u>	<u>3,337</u>

All assets are used in the management and administration of the charity.

NOVI MOST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2004

12 DEBTORS

	2004	2003
	£	£
Trade debtors	100	0
Income tax recoverable	3,138	5,366
Other debtors	405	400
Prepayments	2,167	2,000
	<u>5,810</u>	<u>7,766</u>

13 CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Loans	2,200	0
PAYE and social security	2,215	1,923
Other creditors	4,978	3,528
Accruals	1,431	1,499
	<u>10,824</u>	<u>6,950</u>

14 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2004 the charity had annual commitments under non-cancellable operating leases as set out below.

	2004		2003	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	-	8,250	472
Within 2 to 5 years	8,750	-	-	-
	<u>8,750</u>	<u>0</u>	<u>8,250</u>	<u>472</u>

NOVI MOST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 SEPTEMBER 2004

15 RESTRICTED FUNDS

Movement in resources:

Balance at	1 Oct 2003 £	Incoming £	Outgoing & Transfers £	Balance at 30 Sep 2004 £
Project Workers	20,596	30,662	46,185	5,073
Other restricted funds	0	21,816	10,567	11,249
	<u>20,596</u>	<u>52,479</u>	<u>56,753</u>	<u>16,322</u>

The Project Workers fund represents money received for the support of workers in Bosnia.

Other restricted funds include the minibus fund (£11,600) - to buy and run a minibus in Mostar and £1,700 set aside for the relocation of Klub Novi Most.

16 ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible fixed assets £	Other net assets £	Total £
Project Workers	-	5,073	5,073
Grants	<u>9002</u>	<u>2,247</u>	<u>11,249</u>
Restricted Funds	9,002	7,320	16,322
Unrestricted funds	<u>2,399</u>	<u>2,675</u>	<u>5,074</u>
	<u>11,401</u>	<u>9,995</u>	<u>21,396</u>

17 COMPANY LIMITED BY GUARANTEE

Novi Most International is a company limited by guarantee and a registered charity. The liability of each member is limited to one pound. At 30 September 2004 there were 6 members (2003: 7 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.