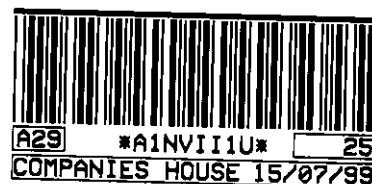


NEW SPRINGS UK
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998



NEW SPRINGS UK

COMPANY INFORMATION

LEGAL STATUS : A Company limited by guarantee not having a share capital. The governing instrument is the Company's Articles of Association.

DIRECTORS : Rev. P C Weaver (Chairman)(Appointed 2nd
AND TRUSTEES February 1998)
: Mr. G Gibbons (Appointed 2nd February 1998)
: Rev. G E Miller (Appointed 2nd February 1998)
: Mr. R Smith (Appointed 22nd April 1998)
: Mrs. H M S Weaver (Appointed 2nd February 1998)

SECRETARY : Mr. G E Miller (Appointed 2nd February 1998)

PASTORS : Rev. P C Weaver
: Rev. G E Miller

CHURCH EXECUTIVE : Rev. P C Weaver (Chairman)
BOARD : Mr. D Brook
: Mr. G Gibbons
: Rev. G E Miller
: Mrs. J E Miller
: Mrs. L Rose
: Mr. R Smith
: Mrs. H M S Weaver
: Mrs. K Wood

REGISTERED OFFICE : 11 Naseby Drive
AND PRINCIPAL : Loughborough
PLACE OF : Leicestershire
BUSINESS : LE11 4NU

REGISTERED CHARITY
NUMBER : 1068899

COMPANY
REGISTRATION : 3502355

BANKERS : Midland Bank PLC
: 41 Market Place
: Loughborough
: LE11 3EJ

NEW SPRINGS UK

DIRECTORS AND TRUSTEES REPORT

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

COMPANY INCORPORATION

The Company was incorporated on the 2nd February 1998. New Springs International Christian Church which was established in Loughborough in March 1997 became part of the company on that date. Assets with a book value of £1,553 were transferred to the company.

OBJECTIVES

The objectives of the Charity are :-

- i) to advance the Christian faith,
- ii) to relieve persons who are in need, in hardship, aged, sick, homeless, or in distress,
- iii) to advance education in accordance with Christian principles,
- iv) to promote social responsibilities and personal morality,
- v) to promote rehabilitation of persons affected by drugs, alcohol, and other substances.

PRINCIPAL ACTIVITIES

The principle activities of the Charity are :-

- i) the holding of Christian meetings to praise and worship the Lord, and for the teaching of Christianity,
- ii) to arrange meetings and events for fellowship, between Church Members, with Members of the community, and to outreach into the community.

DIRECTORS AND TRUSTEES.

The names of the Directors who currently hold office are shown on page 1 together with the dates of their appointments as Directors.

The Directors are the Trustees of the Charity.

The Directors are appointed by the Members of the Company, or by the Directors.

OPERATING METHODS

The day to day affairs of New Springs International Christian Church are arranged by the Church Executive Board. The Board is appointed by the Trustees.

Implementation of the arrangements are under the supervision of the Rev. Weaver and Rev. Miller. All other activities of the Charity are under the direct control and supervision of the Trustees. The Executive Board meets monthly and the Trustees twice monthly.

NEW SPRINGS UK

DIRECTORS AND TRUSTEES REPORT (continued)

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

INVESTMENT POWERS

The Charity may invest funds not immediately required in such investments, securities or property as thought fit subject to such conditions and consents as may for the time being be imposed by the law.

REVIEW OF ACTIVITIES

Regular Sunday meetings have been held for Church Members and for members of the public who wish to attend. Regular weekday meetings have been held for Church Members, meeting in small groups in member's homes. Other events have been held from time to time for Church Members and members of the public. A separate meeting is held during the Sunday meetings for the children.

A youth club for the 12 to 17 year olds is held weekly. In addition to various social events a youth Alpha course has been run for 35 young people.

Visits have been made to those who are in hospital, or ill at home, and those in need.

There were 34 Church members at 31st December 1998. Approximately 70 people attend the Sunday meetings.

REVIEW OF THE FINANCIAL STATEMENTS

The total income of the company during the period 2nd February to 31st December 1998 amounted to £41,570 and the total expenditure to £41,214 resulting in a surplus of £356. The unrestricted fund has a deficit at the end of the period of £3,177 which is financed by a bank loan of which £5,777 was outstanding at 31st December 1998. Repayment of the loan is secured by joint and several guarantees given by each of the Trustees.

The charitable expenditure of £38,179 is 91.8% of the income.

FUTURE PLANS

It is proposed to lease premises in the centre of Loughborough as and when suitable accommodation can be identified and acquired. These premises will be used for Church meetings and to increase the outreach into the community.

ADEQUACY OF FUNDS

On a fund by fund basis assets are available to fulfil the obligations of each fund without causing any delay or shortfall on realisation of any asset.

NEW SPRINGS UK

DIRECTORS AND TRUSTEES REPORT (continued)

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

CLOSE COMPANY PROVISION

So far as the Directors are aware, the company was at the end of the accounting period a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDIT REQUIREMENTS

Under section 249A(1) the company is totally exempt from the requirements to have the accounts audited. No notice has been served on the company under section 249B(2) requiring that an audit is carried out. Directors have accordingly taken advantage of the provisions of section 249(A) of the Companies Act 1985 and no audit has been undertaken.

DIRECTORS' RESPONSIBILITY

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of the affairs of the Company and to the Income and Expenditure of the Company for that period. In preparing those Financial Statements, the Directors are required to :-

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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 and other irregularities.

VOLUNTARY HELPERS AND SUPPORTERS

There is a dedicated voluntary team of Church Members and Supporters who carry out the greater part of the Charity and Church work. Without their support little would be achieved. Our grateful thanks are expressed to all these voluntary workers.

APPROVAL

This report was approved by the Board on 13th July 1999 taking into account the exemptions available to Small Companies.

By Order of the Board

P C Weaver  Chairman

13th July 1999

NEW SPRINGS UK

INCOME AND EXPENDITURE ACCOUNT
(INCORPORATING THE STATEMENT OF FINANCIAL ACTIVITIES)

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

	NOTES	UNRESTRICTED FUND £	RESTRICTED FUNDS £	TOTAL FUNDS £
Incoming Resources				
Donations and Gifts	1(b)	29,440	7,389	36,829
Fund Raising		-	2,089	2,089
Church Events		1,020	-	1,020
Other Operating Income	2	391	1,241	1,632
		-----	-----	-----
Total Incoming Resources		30,851	10,719	41,570
		-----	-----	-----
Resources Expended				
Direct Charitable Expenditure	1(c) & 5	25,009	13,170	38,179
Fund Raising and Publicity	1(d) & 6	1,371	200	1,571
Management and Administration	1(e) & 7	1,254	210	1,464
		-----	-----	-----
Total Resources Expended		27,634	13,580	41,214
		-----	-----	-----
Net Incoming/(Outgoing) Resources Before Transfers		3,217	(2,861)	356
Transfer Between Funds		(6,394)	6,394	-
		-----	-----	-----
Balance Carried Forward at 31st December 1998		(3,177)	3,533	356
		=====	=====	=====

There are no comparative figures for a previous period.

There were no gains or losses recognised in these Financial Statements other than through the Statement of Financial Activities.

The notes on pages 8 to 12 form an integral part of these financial statements.

NEW SPRINGS UK

BALANCE SHEET AT 31st DECEMBER 1998

	NOTES	£	1998 £
Fixed Assets			
Tangible Fixed Assets	8		3,112
Current Assets			
Debtors	9	735	
Cash at Bank and in Hand		4,516	

		5,251	
Liabilities			
Amounts falling due within one year	10	1,545	

Net Current Assets			3,706

Total Assets Less Current Liabilities			6,818
Liabilities			
Amounts falling due after more than 1 year	11		6,462

			356
			=====
Funds			
Unrestricted Fund			(3,177)
Restricted Funds			3,533

			356
			=====

The Directors have relied upon the special exemptions available under the Companies Act 1985 not to have the accounts audited on the grounds that the company is a charitable company and is totally exempt from the audit requirements under section 249A(1).

No notice has been served on the company under section 249B(2) of the Companies Act 1985 requiring an audit to be carried out.

The Directors acknowledge that they are responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.

NEW SPRINGS UK


BALANCE SHEET AT 31st DECEMBER 1998 (continued)

The Directors also acknowledge that they are responsible for preparing accounts which give a true and fair view of the company and of its Income and Expenditure and Surplus for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to this company.

The Directors have relied on the special exemptions available to Small Companies on the grounds that the Company qualifies as a Small Company by virtue of section 247 of the Companies Act 1985.

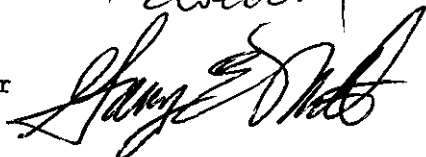
The Financial Statements were approved by the Board on 13th July 1999 and signed on its behalf.

P C Weaver



Chairman

G E Miller



Director

The notes on pages 8 to 12 form an integral part of these financial statements.

NEW SPRINGS UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

1. ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the Company :-

a) Accounting conventions and standards

The financial statement have been prepared under the historical cost convention in accordance with the accounting standards and in accordance with the statement of recommended practice "Accounting for Charities" issued in May 1995.

b) Income

Income from donations and gifts are brought into account only when the income is received. Equipment transferred to the Charity by New Springs International Christian Church has been capitalised at its net written down book value at the date of transfer and is written off over the remaining useful life of the equipment.

c) Charitable Expenditure

Charitable expenditure includes all costs relating to the activities of the Church including the associated personnel and travel costs.

d) Fund Raising and Publicity

Fund Raising is the direct costs incurred by the Charity in raising funds. Publicity is the cost of advertising Church meetings.

e) Management and Administration

Management and Administration includes the overhead costs which are not directly associated with the Church activities.

f) Depreciation

Tangible assets are depreciated at annual rates to write off the cost of the assets over their estimated useful lives. The rate of depreciation is 20 per cent on a straight line basis.

g) Finance Leases

Assets obtained under finance leases and hire purchase are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental is charged to the Income and Expenditure account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

NEW SPRINGS UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

2. OTHER OPERATING INCOME

	£
Assets received from New Springs International Christian Church	1,553
Interest Income	79

	1,632
	=====

3. OPERATING SURPLUS

The operating surplus is stated after charging	£
Trustee Monetary Support	20,027
Trustees Expenses	3,069
Depreciation	851
	=====

Two Trustees have been reimbursed for the travelling expenses they have incurred on behalf of the Charity. Rev. Weaver has received monetary support, of which specific gifts amounting to £5,600 were received from outside the Church.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	£
Hire purchase charge	210
Loan Interest	466
Overdraft Interest and Bank Charges	187
	===

5. DIRECT CHARITABLE EXPENDITURE

	UNRESTRICTED FUND	RESTRICTED FUNDS	TOTAL FUNDS
	£	£	£
Church Meetings and related costs	19,123		19,123
Other Church Events	2,878		2,878
Travel and related costs	3,008		3,008
Beneficial Gifts		12,318	12,318
Equipment Costs		852	852
	-----	-----	-----
	25,009	13,170	38,179
	=====	=====	=====

NEW SPRINGS UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

6. FUND RAISING AND PUBLICITY

	UNRESTRICTED FUND £	RESTRICTED FUNDS £	TOTAL FUNDS £
Fund Raising		200	200
Publicity (Advertising Church Meetings)	1,371		1,371
	-----	-----	-----
	1,371	200	1,571
	=====	=====	=====

7. MANAGEMENT AND ADMINISTRATION

	UNRESTRICTED FUND £	RESTRICTED FUNDS £	TOTAL FUNDS £
Administration	601	-	601
Interest Paid and Finance Charges	468	210	678
Bank Charges	185	-	185
	-----	-----	-----
	1,254	210	1,464
	=====	=====	=====

8. TANGIBLE FIXED ASSETS

	CHURCH EQUIPMENT £
Cost	
Assets transferred from New Springs International Christian Church	1,172
Additions	2,791

Total Cost	3,963
Accumulated Depreciation	
Charge for period	851

Net Book Value at 31st December 1998	3,112
	=====

9. DEBTORS

	£
Income Tax Recoverable	735
	=====

NEW SPRINGS UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

10. CREDITORS Liabilities falling due within one year

	£
Trade Creditors	518
Bank Loan (see note 12)	620
Hire Purchase Finance	269
Accruals	138

	1,545
	=====

11. CREDITORS Liabilities falling due after
more than one year

	£
Bank Loan (see note 12)	5,157
Hire Purchase Finance	1,305

	6,462
	=====

12. BANK LOAN

The Loan was granted by Midland Bank PLC on 2nd July 1998 for a term of 3 years. Interest is charges at an APR of 15.4%. Each of the Trustees have given the bank a joint and several guarantee. The loan was repaid on 26th March 1999.

13. RESTRICTED FUNDS BY FUNDS

	MOVEMENT IN RESOURCES		BALANCE
	INCOMING	OUTGOING	31.12.98
	£	£	£
Building Fabric and Equipment Fund	4,794	1,261	3,533
Benevolent Fund	12,319	12,319	-
	-----	-----	-----
	17,113	13,580	3,533
	=====	=====	=====

NEW SPRINGS UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 2nd FEBRUARY 1998 TO 31st DECEMBER 1998

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	TANGIBLE FIXED ASSETS £	NET CURRENT ASSETS £	TOTAL £
Restricted Funds			
Building Fabric and Equipment Fund	3,112	421	3,533
Unrestricted Funds	-	(3,177)	(3,177)
	-----	-----	-----
	3,112	(2,756)	356
	=====	=====	=====

15. EMPLOYEES

There were no employees during the period ended 31st December 1998.

16. CONTINGENT LIABILITY.

From the date of the first Church meeting held in March 1997 to the end of 1998, Rev. Weaver has received a rate of monetary support which is less than would normally be provided for a Pastor of his experience and standing. Although part of this period is prior to the date of registration of the Charity, the Trustees have resolved that additional payments will be made to Rev. Weaver to compensate him as and when the financial position of the Company enables this. The contingent liability at 31st December 1998 was £11,600.

17. CAPITAL COMMITMENTS

There were no capital commitments and no capital commitments authorised but not contracted for at 31st December 1998.