

Company Number: 4157379
Charity number: 1086179 (England)
SC042906 (Scotland)

Alpha International
(A charitable company limited by guarantee)
Trustees' report and
Financial statements
For the year ended 31 December 2019

Alpha International

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LETTER FROM THE CHAIR

It is wonderful to see Alpha continue to grow and flourish all around the world. We are amazed by the difference that Alpha is making and hugely encouraged by every story we hear of people encountering Jesus through the course.

This review highlights some of Alpha's global impact over the past year. It has been a really exciting twelve months and we are seeing significant growth. More and more churches are using Alpha, giving their communities the opportunity to explore the meaning of life in a relaxed and informal setting. God continues to do more than we could ever have imagined.

We remain committed to providing the best possible resources. We are excited to have just launched the new Marriage Course film series and now we are about to embark upon an updated version of the Alpha Film Series. We are dedicated to ensuring that all our products work in every country and context, for every guest, so that everyone can experience the gospel in a powerful and transformative way.

Our passion for unity continues to underpin all that we do. It is wonderful to see people encountering Jesus in so many different denominations and church networks.

We cannot thank you enough for your prayers and support which make all this possible. We are hugely grateful and really excited to see what God will do in the year ahead.

With very best wishes,

The Revd Nicky Gumbel

Chairman of Alpha International

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Trustees' report for the year ended 31 December 2019

The Trustees, who are also directors of Alpha International, are pleased to submit their annual report and audited financial statements for the year ended 31 December 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" Charities SORP (FRS 102), the Companies Act 2006 and applicable UK accounting standards in preparing the annual report and financial statements of the charity.

Reference and administrative information

<i>Full name of charity</i>	Alpha International
<i>Directors/Trustees</i>	The Revd Nicky Gumbel
Miss Tricia Neill	Mr Bernard Mensah
The Right Revd Sandy Millar	Mr John Mackay
Mr Chris Sadler	Dato' Hong Yeoh
Mrs Rebecca Stewart	The Revd Al Gordon
Mr Michael Timmis	Ms Jody Jonnson (resigned October 2019)
Mr David Segel (resigned October 2019)	Mr David Gardner
Mr Bobby Gruenewald (joined May 2019)	
<i>Secretary</i>	Mr Jon Shippen
<i>Company number</i>	4157379
<i>Charity number</i>	1086179 (England) SC042906 (Scotland)
<i>Registered office and address</i>	Holy Trinity Brompton, Brompton Road, London, SW7 1JA
<i>Bankers</i>	National Westminster Bank, 186 Brompton Road, Knightsbridge, SW3 1HL.
<i>Auditors</i>	Moore Kingston Smith LLP, Devonshire House 60 Goswell Road London, EC1M 7AD

STRUCTURE, GOVERNANCE AND MANAGEMENT

Alpha International is governed by its Memorandum and Articles of Association and is constituted as a company limited by guarantee (number 4157379) and a registered charity (number 1086179 (England); SC042906 (Scotland)).

There are six members of Alpha International who appoint new trustees on the recommendation of the existing trustees. New trustees are provided with guidance explaining their role and responsibilities as Trustees of the charity. All new trustees are fully briefed on the worldwide activities and vision of Alpha International and they pursue the independent interests of the charity notwithstanding their separate responsibilities in other organisations.

Alpha's vision is the re-evangelisation of the nations, the revitalisation of the church and the transformation of society. Alpha's 5-year goal, outlined in 2018, is to double the number of actively engaged churches running Alpha by 2022. Alpha International operates within a Federated Partnership. Over 50 countries have locally staffed offices called National Alpha Offices (NAOs). They work closely with their regional teams and the global team to grow Alpha in their context, train leaders, support hub churches and translate resources.

The Board meets formally four times per year to discuss and approve major strategic matters, including the annual budget. There is regular contact and consultation with trustees outside of board meetings on matters arising.

The joint arrangement with Alpha Canada, which commenced in 2003, continues to enable the parties to conduct activities effectively by pooling resources. The joint committee supervises, directs and manages this arrangement. The

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incoming resources provided by Alpha Canada for the year ended 31st December 2019 were £345,676 (2018, £944,111). Note 19 to the financial statements details this and other related party transactions.

Alpha International was created to carry on the charitable work that Holy Trinity Brompton (HTB), an Anglican Church in London, had commenced beyond its own parish boundaries. The rooting of Alpha within a church community is integral to the values of Alpha, which is always intended to be 'by the church, for the church and through the church'. HTB and Alpha International operate a shared services model for some of the support and back office functions, which is fully detailed in the accounting policies (Note 1). Further details relating to transactions with HTB and other related parties are shown in Note 19 to the financial statements.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The trustees believe that Alpha provides a benefit to the public by:

- Providing an opportunity for every member of society to explore the big questions of life free of charge in a wide variety of geographic locations in the UK and overseas in churches, prisons, workplaces, universities, homes and other local venues.
- Building a better society by providing training tools to strengthen marriages.
- Offering the Bible in One Year (BIOY) app as a key resource specifically for Alpha guests to deepen their Christian faith, and for every user of the app to grow in their knowledge of the scriptures.

The trustees are committed to maintaining the highest legal and ethical standards in the way the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any external fundraisers or commercial participators. AI is registered with the UK Fundraising Regulator and committed to abide by the Code of Fundraising Practice and to the Fundraising Promise

Alpha International takes precautions in our fundraising to ensure the protection of the public, including vulnerable persons from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. Our fundraising team take seriously any expression of dissatisfaction we receive regarding our fundraising practice and aim to resolve any complaints as quickly as possible. Our policy is to escalate the issue internally to the Alpha International Chief Executive Officer. In the event that the complaint cannot be resolved, it will be further escalated to the Chair of the board of trustees, who will nominate an independent trustee to consider the merits of the complaint and any resulting actions. If necessary, we will contact the Charity Commission for advice and guidance.

Alpha International is committed to ensuring the careful use of data in line with General Data Protection Regulations (GDPR) and monitors the use of data, particularly in regard to donor data for fundraising purposes. Our Privacy Policy covers how we use this data and gives donors the option to opt out of any contact or make a formal complaint. As a global organisation we monitor the relationships we have with donors across the world and seek to maintain a consistent standard of stewardship based on the guidance of the Code of Charity Commission and Fundraising Regulator Practice and the Fundraising Promise.

Objectives and Activities

Alpha International's activities include the Alpha course, The Marriage Courses, Leadership Conference and Bible in One Year. Internationally, the approach of Alpha and other related ministries includes:

- Serving and equipping six regions and the NAOs they represent as they serve and equip churches to run Alpha.
- Training and equipping a network of thousands of volunteers worldwide who run Alpha in existing locations and help establish Alpha in new locations.
- Supporting our regions and the network of NAOs throughout the world, bringing the global teams together for the Alpha Global Gathering, Leadership Conference and similar key training events.

Trustees' report for the year ended 31 December 2019

- Creating, distributing and translating core Alpha materials, which allows Alpha to be run to the highest standard with minimal effort. This releases local church leaders to focus on their guests.
- Offering churches promotional tools and resources to mobilise their congregation to invite guests to Alpha.
- Fostering expertise ministry areas where Alpha is most effective when suitably tailored, creating resources and training practitioners. This includes Alpha for Youth and Alpha in the Catholic context.
- Supporting other ministries in pursuit of the vision and training leaders, promoting those courses, creating resources and supporting a network of experienced advisors for those ministries. Examples include, The Marriage Courses and the Bible in One Year.

Remuneration Policy

At Alpha International we place great value on our highly talented, dedicated and passionate staff team, without whom we could not deliver against our vision, mission and goals. Our remuneration policy is aimed at ensuring that pay is competitive within our sector, rewards staff fairly and enables the staff team to feel valued.

Our Principle is to reward staff, irrespective of seniority, informed by the following:

- Fairness; without discrimination
- Differentiation; to reflect performance
- Compliance; with all legal requirements
- Affordability; with good stewardship
- In line with at least the London Living Wage for London-based staff and the Real Living Wage for UK regional-based staff

The HTB Group entities (HTB, Alpha International, the Church Revitalisation Trust and St Paul's Theological Centre) operate in close co-operation and within a shared operating model, including a harmonised pay and benefits structure for staff employed within the group entities. Whilst staff compensation is the responsibility of each entity board, authority is delegated to the Remuneration Committee (RemCo) to oversee group-wide remuneration. At least one representative of each entity sits on the RemCo. The purpose of the RemCo is to ensure that pay and benefits across the group are consistent, fair and aligned for equivalent roles.

STRATEGIC REPORT

Achievements and Performance

Alpha's achievements in 2019 include:

- Development of the Church Engagement Framework strategy
- Further global governance development
- Digital delivery
- The Alpha 2020 Programme
- Catholic context and partnership
- Completion of the new Marriage Courses series
- Life.Shared small group series
- AFS 2.0

Church Engagement Framework strategy

In 2019, Alpha International adopted the 'Church Engagement Framework' (CEF) as a tool to articulate the global strategy, align to the mission and bring the necessary focus to achieve the goal of doubling the number of churches running Alpha by the end of 2022. The CEF enables Alpha to identify the sets of activities, resources and people that are required to support a church as they progress from Exploring to Experiencing and then Extending Alpha. It also acts as the primary method of measurement built into digital systems. Originally developed and tested in the US, the

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framework helps to focus on practically engaging with churches and can be applied in a digital, in-person, and hybrid capacity.

This approach is integral to the global strategy because it moves Alpha from a posture of promoting general awareness of Alpha and churches running Alpha once, to supporting and championing churches as they engage with Alpha over the long-term, leading to higher quality Alphas and retention of churches year-on-year. Furthermore, it provides a shared global approach and common language that can be used across the organisation leading to increased opportunities for creativity, innovation and collaboration globally.

In 2019, a Church Engagement Framework team was formed, led by the Global Church Engagement Strategy Director and including the Global Leads for 'Explore', 'Experience', and 'Extend' as well as representation from the Digital and Impact teams. This team worked on a CEF strategy document that was approved by ExCo in June 2019 and launched to the regions over July and August so that it might shape 2020 strategies at a regional and national level. Core CEF assets were created and launched in English and events designed for strategic church leaders were hosted at HTB in September and October 2019 and January 2020.

Each region has now identified regional leads for Explore/Experience/Extend who join regular global calls, hosted by the Global E Leads. These calls are focussed on equipping the regions with frameworks, training and support as well as sharing best practice and resources between regions. The CEF impact measurement plan and Regional CEF dashboards (incorporating MyAlpha and Salesforce data) have also been shared with regional teams.

Global Governance

The Global Governance Gathering, in February 2019, brought all global Governance Leads together in order to further develop the Federated Partnership Framework and the Country Governance Requirements. After a collaborative process with Regions and some key NAOs, the Federated Partnership Framework was rolled out to National Alpha Offices and Alpha Offices worldwide for implementation and signature. The Global Impact team came under the Global Governance Director. The Governance Team began governance training for each Region in order to strengthen governance practices across the organisation.

Digital

MyAlpha Mobile App

In 2019, work began to prepare for the launch of a beta version of a mobile app for churches. This will allow Alpha to better serve churches, but specifically those in developing countries that rely on Smartphone apps to access the internet, and younger audiences that prefer using native mobile applications. This is also expected to drive accelerated growth in developing countries to take the gospel to every nation.

Roll-out of Alpha.org to NAOs

With the launch of the new alpha.org website, roll out has begun of a templated version to NAOs that will allow Alpha to serve church leaders more effectively around the globe, and equip each office with a more flexible website to suit their specific needs and contexts.

Salesforce Training Programme

An accelerated training programme to enhance the usage of Salesforce (Alpha's CRM) around the world began in 2019. The aim is to equip each region with the skills necessary to onboard all new staff in their use of Salesforce for day-to-day work supporting churches. We believe this will result in a significant enhancement of our offering to the church globally.

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BiOY

In 2019, we continued to expand the partnership with YouVersion. In 2020, Alpha plans to launch a custom app theme to enhance the experience for BiOY users on YouVersion, of which we have 1.2 million currently.

The Alpha 2020 Programme

In 2019, Alpha undertook a transformation programme branded 'The Alpha 2020 programme'. The programme's objective was to make it easier to 'get things done' across Alpha in alignment with the strategy. One of the primary objectives was to establish an operating model to support a truly global organisation. Significant changes included recruiting both a Finance and a Human Resources business partner and establishing an 'Enablement team' to ensure regions are supported in the areas of marketing, communications and digital. The programme also led to the refinement of the Church Engagement Framework (CEF, the formation of a 'CEF Forum' and the launch of the CEF investment fund to promote innovation globally.

Catholic Context and the Divine Renovation Ministry

In 2019, the Catholic Context team continued to support and equip regions in growing the number of Catholic Churches running Alpha globally, primarily through the implementation of a detailed framework within the Catholic Context. Alpha ensured the Catholic Context was adequately reflected within wider global strategic conversations.

In 2020, investment into Alpha's partnership with Divine Renovation Ministry will continue. Alpha will focus on promoting the ministry's latest book 'Unlocking your Parish: Making Disciples and Raising Leaders with Alpha' as well as the global DR20 Conference in Halifax in June. As part of the conference Alpha will host a 'Run Alpha' training day for parishes considering and new to running Alpha and a 'Grow Alpha' training day for parishes already running Alpha, to equip them in refining and improving their Alphas. Alpha continue to work closely with Divine Renovation Network parishes to develop them as Hub churches.

The Marriage Courses

Production was completed on the brand-new Marriage Course and Pre-Marriage Course series. The series was officially released in January 2020 with regional launches taking place over the course of 2020. The new series consists of a complete remake of 7 episodes of The Marriage Course, 5 episodes of The Pre-Marriage Course, journals and Leaders' Guides for both courses, new print and marketing assets and a brand-new Marriage Course builder platform.

Life.Shared Small Group Series and New Church Resources

Following research conducted by The Barna Group, Alpha discovered that the majority of guests attended Alpha through personal invitation and that congregants often feel ill-equipped to share their faith with people who they are currently sharing life with. In response to these findings, Alpha developed new messaging, small group materials, and marketing assets to help church leaders encourage their congregants to invite friends, family, neighbours, and co-workers to attend Alpha.

The Life.Shared Small Group Series was created which included a three-week video curriculum with leading Christian voices, stories of life transformation, and interactive discussion guides, new guest videos featuring the inviter and invitee and a new centrepiece video to inspire congregants. In addition, new guest invites, messaging for church leaders and new marketing assets were produced to be used by churches to reinforce the power of an invitation to their Alpha.

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AFS 2.0

In 2019, Alpha began the pre-development phase of the next Alpha Film Series (AFS) with a planned late 2021 release, which would be 5 years after AFS 1.0. The preliminary stage included conducting quantitative and qualitative analysis on impact and areas for further reach, as well as insight into localisation/contextualisation.

Further contextualising the Alpha Film Series (AFS) and the Alpha Youth Series (AYS) continued.

The pre-development phase detailed in the 2019 report has been completed and a team has been established to drive forward a multi-project programme. Other objectives of the programme are:

- Establish a cycle of iterative development of the core AFS product that sets out a plan which will assume updates every 5 years.
- Build in a mechanism/process by which we analyse and invest in targeted contextualisation of the core product that demonstrably increases the number of churches running Alpha in a region. This will be done by an expanded ROI workstream.
- Document and codify the DNA of the Alpha talks. For example, every element of the script serves a purpose in building the theological points within the script will be documented explaining why and what each is meant to achieve. It is anticipated that this will set Alpha up well for the future as contextualisation rolls out and DNA is preserved as much as possible.

Future Plans

In 2020, Alpha will focus on:

- Alpha on the inside (The unique Alpha culture)
- Investment in regions
- Wide-spread implementation of the Church Engagement Framework
- Establishing the CEF Investment Fund
- Strengthening Global Governance
- Realising investment in Fund Development
- Launch of a new Staff Platform and continued Salesforce training
- AFS 2.0
- Further contextualising the current Alpha Film Series and Alpha Youth Series
- Catholic Context and partnerships

Financial Review

Results for the year

Alpha International closed the year with an operating deficit of £244,271 (2018: surplus of £1,070,807). This deficit was chiefly due to spend on the Marriage Courses film project which exceeded funds raised towards that project in the current year but is offset by donations towards the project received and recognised in previous years. Cash in hand at the end of the year amounted to £2,165,727, a decrease of £642,922 over 2018. The decrease in cash was also chiefly due to restricted funds received in 2018 but spent in 2019 on The Marriage Courses film project.

Income derived from voluntary donations for the year was £11,238,178 compared to £10,290,950 in 2018. Income from other sources (sales, conferences, royalties and interest receivable) was £1,297,330 compared to £1,192,699 in 2018. Expenditure increased by 23%, totalling £12,779,779 in 2019 compared to £10,412,842 in 2018. The increase in total expenditure was driven by an uplift of income in the year and the large spend on The Marriage Courses re-filming project as shown in Note 18-Restricted funds.

General Funds & Reserves Policy

The Trustees believe that Alpha International is reliant on God's provision for the financial resources that it needs to fund its work. Consequently, the policy of the charity is not to build up significant reserves; and wherever possible to expend income received during the course of each financial year on its purposes. However, in order to ensure that the charity is able to manage its operational cashflow needs, the Trustees aim to hold working capital sufficient to cover between one- and two-months' expenditure. Free reserves at 31 Dec 2019 were £1,568,930 (2018, £1,664,152) which represents roughly one and a half months' working capital requirement based on the 2020 budget.

Specified Funds

Specified funds (restricted funds) comprise donations given for the use of Alpha in a particular geographical area or for a particular ministry purpose. At 31 December 2019 these amounted to £816,573 (2018, £1,133,151).

Policy on grants

The board's policy is to pursue its charitable objects by making supportive grants to charities with similar objectives where that is the most effective approach. Most of these grants are sent to other National Alpha Offices around the world, who are ideally equipped to support and grow Alpha and the related ministries in their local contexts. Grants totalling £2,491,485 were made during the year (2018; £1,771,104).

Trustees' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity for that year. In preparing these accounts, the Trustees (who are also directors of the charity) are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems and procedures have been established to mitigate the risks that the charity faces. Procedures are in place to ensure compliance with health and safety of staff, volunteers and visitors. In 2019, our new governance team began working on a comprehensive risk management

Trustees' report for the year ended 31 December 2019

system which will be reviewed quarterly and will be managed at a global, regional and national level to help us ensure we are aware of risks and able to take effective action in a timely manner.

The trustees have considered the potential impact of the coronavirus, and the various measures taken to contain it, on the operations of the organisation in the near future. Clearly the decision to suspend all public gatherings has had a dramatic effect on the ability of churches to run Alpha in the usual way. Our response has been to adapt quickly by facilitating and promoting Alpha Online. Alongside this we have launched working groups to investigate a long-term platform solution for Alpha Online. The trustees are keeping the potential financial effect under constant review and steps have already been taken to reduce costs in order to mitigate against a drop in income.

The schedule of major risks and mitigations identified by the board is set out below.

1. Reputation of AI is damaged by actions of senior leadership or staff members.	<ul style="list-style-type: none">• Organisational values are clearly defined and regularly communicated, and oversight structures are in place for senior leaders and staff.• Implementation of two new committees (Prayer and Alpha on the inside/culture) across the organisation to help strengthen our core values, which will enable better accountability.
2. Inadequate plans for succession in relation to key roles jeopardise the future of the organisation and of Alpha.	<ul style="list-style-type: none">• The creation of two new management structures to help us identify clear lines of authority and spreads responsibility across a wider group within the organisation. These groups include an executive level group (ExCo) which meets monthly and an operational management group (OpCo) which also meets monthly.
3. Network around the world based heavily on relationships rather than legal frameworks with potential for poor brand and product control and risk of reputational damage.	<ul style="list-style-type: none">• In 2019 new framework partnership documents were released, which outline working relationships, based on both relational and legal frameworks. To date, over 95% of our offices have signed and we expect 100% participation by the end of Q1 2020.
4. AI Board governance is not properly managed resulting in poor decision-making, lack of compliance with regulatory requirements and reputational damage.	<ul style="list-style-type: none">• A board governance subcommittee oversees AI's board governance. In addition, the governance team is active in helping to put in place additional support for all of boards become more rigorous in self-monitoring.
5. Lack of adequate disaster recover planning exposes the organisation to risks from which it is unable to recover in the event of a disaster.	<ul style="list-style-type: none">• Key IT systems are set to fail over between head office and backup site in the event of disaster, with extra cold site available outside of London. Cloud-based systems will remain available as servers dispersed across the UK and Europe and reliant only on an internet connection.• Critical data and key systems subject to robust backup process and internal/external monitoring. Security in place to detect, report on, and eliminate threats.
6. Information or communications technology compromised, or critical data lost through cyber attack	<ul style="list-style-type: none">• Significant investment continues to be made in digital architecture and IT security to provide a robust and resilient platform. Cyber insurance is in place to cover us in the event of cyber-attack, cybercrime, data breach or loss of business income
7. Exposure to large fines and reputational damage due to data protection breaches	<ul style="list-style-type: none">• In addition to an organisation wide GDPR group, Alpha International has formed its own GDPR group to help manage global relationships and ensure compliance.• On-going training and upskilling of staff.

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	<ul style="list-style-type: none">• Solicitation of outside advice when necessary to ensure full understanding of the need for compliance as a global organisation.
8. Lack of sufficient income and/or inadequate cashflow results in an inability to meet salary and creditor payments.	<ul style="list-style-type: none">• Alpha holds 1-2 months' reserves to cover cashflow fluctuation.• The funding pipeline is closely monitored, and action taken where there are concerns that funding will not match expenditure during the year and we are seeking to diversify our funding sources.• In late 2019 we hired a new Chief Development Officer based in the US who has a global remit to help us grow and diversify our income base.
9. The coronavirus pandemic is causing significant operating challenges and could impact Alpha's income and/or cash flow and events.	<ul style="list-style-type: none">• Alpha has adapted quickly to the challenge by quickly moving to facilitate and promote Alpha Online.• All staff are working remotely.• Expenditure is being carefully controlled and income closely monitored.• All Alpha related in-person events have been cancelled for the foreseeable future

Auditors

Moore Kingston Smith LLP were appointed to carry out our audit for 2019.

The Trustees' Annual Report is approved by the trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in company law of the Charity

By order of the Board



Rev. Nicky Gumbel (Chairman)

Date: 28/04/2020

Opinion

We have audited the financial statements of Alpha International ('the company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA INTERNATIONAL

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA INTERNATIONAL

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 4 May 2020

Alpha International

Statement of Financial Activities for the year ended 31 December 2019

	Note	Unrestricted funds	Restricted funds	Total	Total
		2019 £	2019 £	2019 £	2018 £
INCOME					
Donations and legacies					
Donations under gift aid	2a)	133,085	221,495	354,580	192,085
Other donations and similar income	2b)	4,982,386	5,901,212	10,883,598	10,098,865
		5,115,471	6,122,707	11,238,178	10,290,950
Charitable activities					
	2c), 6	1,269,581	-	1,269,581	1,164,624
Other income					
	2d)	27,749	-	27,749	28,075
Total income		6,412,801	6,122,707	12,535,508	11,483,649
EXPENDITURE					
Cost of Raising funds					
	3a)	337,314	417,737	755,051	577,000
Expenditure on charitable activities					
Strategic Leadership	3b), 18	1,230,188	697,602	1,927,790	1,091,143
UK Development	3c), 18	857,106	164,488	1,021,594	843,050
Digital, Media and Publications	3d), 18	1,041,886	2,412,139	3,454,025	2,909,896
International Development	3e), 18	1,545,816	2,410,336	3,956,152	3,119,469
Alpha Context Development	3f), 18	371,884	81,902	453,786	612,217
Other Ministries	3g), 18	80,810	-	80,810	137,808
Conferences	3h), 18	875,490	255,081	1,130,571	1,122,259
Total charitable expenditure		6,003,180	6,021,548	12,024,728	9,835,842
Total expenditure		6,340,494	6,439,285	12,779,779	10,412,842
Net income/(expenditure) before gains/(losses)		72,307	(316,578)	(244,271)	1,070,807
Other gains	2e)	52,642	-	52,642	53,533
Net income/(expenditure)		124,949	(316,578)	(191,629)	1,124,340
Funds brought forward at 1 January		8,603,117	1,133,151	9,736,268	8,611,928
Funds carried forward at 31 December		8,728,066	816,573	9,544,639	9,736,268

All amounts are derived from continuing operations. All recognised gains and losses are included in the Statement of Financial Activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

The notes on pages 16 to 29 form part of these financial statements.

Alpha International

Balance Sheet As at 31 December 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	9	9,028,396	9,182,802
Intangible assets	10	-	-
Total fixed assets		<u>9,028,396</u>	<u>9,182,802</u>
CURRENT ASSETS			
Stock	11	48,404	31,912
Debtors	12	2,335,637	1,358,348
Cash at bank and in hand	13	2,165,727	2,808,649
Total current assets		<u>4,549,768</u>	<u>4,198,909</u>
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(1,487,992)</u>	<u>(1,693,269)</u>
NET CURRENT ASSETS		<u>3,061,776</u>	<u>2,505,640</u>
LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	<u>(2,545,533)</u>	<u>(1,952,174)</u>
NET ASSETS		<u>9,544,639</u>	<u>9,736,268</u>
<u>FUNDS</u>			
Unrestricted:			
General	16	1,601,710	1,720,990
Designated	17	7,126,356	6,882,127
Restricted	18	816,573	1,133,151
		<u>9,544,639</u>	<u>9,736,268</u>

Approved by the Board on 28/04/2020 and signed on its behalf by:



Revd. Nicky Gumbel
Chairman

The notes on pages 16 to 29 form part of these accounts.

Alpha International

Statement of cashflows For the year ended 31 December 2019

	2019 £	2018 £
Net Cash (outflow)/ inflow from Operations (see note below)	(623,260)	712,306
Cash flows from Investing Activities		
Purchase of tangible fixed assets	(19,662)	(67,829)
Net (decrease)/ increase in cash & cash equivalents	(642,922)	644,477
(Decrease)/increase in cash and cash equivalents	(642,922)	644,477
Cash balance brought forward	2,808,649	2,164,172
Cash balance carried forward	2,165,727	2,808,649

Note to cash flow statement

	2019 £	2018 £
Cash flow from Operating activities		
Net operating (deficit)/surplus (per Statement of Financial Activities)	(244,271)	1,070,807
Other gains	52,642	53,533
Depreciation and amortisation charges	174,068	157,625
(Increase)/Decrease in stock	(16,492)	10,346
(Increase) in debtors	(977,289)	(501,379)
(Decrease)/ Increase in creditors due within one year	(205,277)	328,908
Increase/(Decrease) in creditors due after more than one year	593,359	(407,534)
Net Cash (outflow)/ inflow from Operations	(623,260)	712,306

NET DEBT RECONCILIATION

	Notes	1 January 2019	Cash flows	Other movements	31 December 2019
Cash at bank and in hand	13	2,808,649	(642,922)	-	2,165,727
Loans	15	(2,127,866)	(646,000)	-	(2,773,866)
Net debt		<u>680,783</u>	<u>(1,288,922)</u>	-	<u>(608,139)</u>

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the potential impact of a reduction in voluntary giving, which makes up a large proportion of the charity's revenue, as a result of the coronavirus pandemic.

While the coronavirus pandemic is causing significant operating challenges and uncertainties which could impact AI income, it also creates opportunities, especially with Alpha Online. After consideration, the trustees have decided upon an initial modest budget reduction in the AI 2020 Core budget (£1.15m reduction) and reallocated budget towards digital investment (£1m). This will be regularly reviewed, and further reductions could be made if necessary.

The trustees remain confident that the targets set out in the detailed forecast are achievable and have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Funds:

General funds represent the funds of the Charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the Charity. Funds designated for a particular purpose by the Charity are also unrestricted. The accounts include all transactions, assets and liabilities for which the Charity is responsible in law.

Restricted funds arise where the donor has specified which area of activity they wish to be supported by their gift. The Charity is not at liberty to utilise these funds to support other activity without the express permission of the donor.

The accounts include all transactions, assets and liabilities for which the Charity is responsible in law.

Income

Donations and Legacies

Donations, grants and legacies receivable are recognised only when the Charity is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the Charity is probable. Income tax recoverable on Gift Aid donations is recognised when the income is probable.

Income from investments

Interest entitlements on bank accounts are accounted for as they accrue.

Expenditure

Expenditure is charged to the statement of financial activities as it falls due, and is analysed according to its nature between the following categories:

- Costs of raising funds
- Expenditure on charitable activities

As reflected in note 19 (Related Parties), a strong partnership and working relationship exists between Holy Trinity Brompton, Alpha International, St Pauls' Theological Centre, and the Church Revitalisation Trust. Shared service costs (known as Central Services) are incurred by HTB and allocated to the other charities, using the most appropriate driver.

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

Grants

Grants are made to charitable organisations continuing activities which accord with the objects of Alpha International, and are accounted for when due. All grants are made at the discretion of the board.

Tangible Fixed assets

These assets are depreciated on a straight line basis over their estimated useful lives. The periods used are as follows:

Computer equipment	2 Years
Other equipment	3 Years
Furniture & fittings	3 Years
Fixtures	3 Years
Buildings	50 Years

Individual items with a purchase price of £1,000 or less are written off in the year of acquisition. Land is not depreciated.

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets

Software costs have been capitalised at historic cost and amortised on a straight line basis over 3 years.

Current Assets

Amounts owing to the Charity at 31 December are shown as debtors after providing for amounts that it is thought may prove uncollectable.

Stock

Stock is valued at the lower of cost and net realisable value, after making provision against obsolescence for slow moving stock items.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Pension scheme arrangements

The charity operates a defined contribution pension scheme and contributions payable are charged to the Statement of Financial Activities.

Operating lease

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12,14 and 15 for the debtor and creditor notes.

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

(i) Useful Economic Lives

The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed periodically and amended where necessary to reflect current circumstances.

(ii) Derivatives

As per FRS102 and the FRS102 charities SORP, Alpha International is required to reflect the current fair value of its derivative contract as a liability. We have received a valuation report from our bank NatWest for the year ended 2019 and the valuation was also assessed by a third party (see note 15 for details).

(iii) Support cost allocations

A strong partnership and working relationship is enjoyed between Holy Trinity Brompton, Alpha International, St Paul's Theological Centre, and the Church Revitalisation Trust. Shared service costs (known as Central Services) are borne by HTB and then recharged to the other charities using the most appropriate driver for each service cost type. These support costs are then allocated across charitable activities based on estimates of the resources employed by Central Services towards each of these activities.

2. INCOME

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
a) Gift Aid Donations				
Donations	30,460	170,804	201,264	109,816
Standing Orders	76,008	6,392	82,400	43,852
Income tax recovered	26,617	44,299	70,916	38,417
	<u>133,085</u>	<u>221,495</u>	<u>354,580</u>	<u>192,085</u>
b) Non Gift Aid Donations and similar income				
Donations	4,939,235	5,832,357	10,771,592	9,787,195
Standing orders and payroll giving	43,151	68,855	112,006	311,670
	<u>4,982,386</u>	<u>5,901,212</u>	<u>10,883,598</u>	<u>10,098,865</u>
c) Income from operating activities:				
Conference income	867,671	-	867,671	730,411
Resource sales	311,227	-	311,227	345,975
Royalties Income current year	90,683	-	90,683	88,238
	<u>1,269,581</u>	<u>-</u>	<u>1,269,581</u>	<u>1,164,624</u>
d) Investment Income				
Bank interest	<u>27,749</u>	<u>-</u>	<u>27,749</u>	<u>28,075</u>
e) Other gains/ (losses)				
Adjustment for fair value of derivative contract (refer to note 15)	<u>52,642</u>	<u>-</u>	<u>52,642</u>	<u>53,533</u>

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

3. EXPENDITURE

	Direct	Grants to	Allocated	Total	Total
	Costs	& Partner	Support	2019	2018
	£	£	£	£	£
a) Cost of raising funds	590,045	-	165,006	755,051	577,000
b) Strategic Leadership					
Global strategy	1,154,595	-	204,128	1,358,723	802,801
Partnerships & Governance	427,781	-	54,343	482,124	189,072
The Alpha Office	69,438	-	17,505	86,943	99,270
	1,651,814	-	275,976	1,927,790	1,091,143
c) UK Development					
UK Development and advisers	570,849	7,250	126,647	704,746	547,075
Alpha Invitation	32,472	-	-	32,472	84,859
Alpha Scotland	171,822	-	28,770	200,592	142,052
Alpha Northern Ireland	66,431	-	17,353	83,784	69,064
	841,574	7,250	172,770	1,021,594	843,050
d) Digital, Media and Publications					
Cost of sales, marketing and logistics	365,725	-	16,896	382,621	348,134
Resource development, web and communications	416,279	-	159,679	575,958	1,217,340
Digital	213,726	-	53,581	267,307	420,582
Chief Marketing Officer Office	130,827	-	-	130,827	-
Alpha Film Series	132,833	-	-	132,833	-
Marriage Courses Remake	1,626,693	-	74,283	1,700,976	888,762
The Innovation of Alpha	164,522	-	32,271	196,793	35,078
CEF Training	66,710	-	-	66,710	-
	3,117,315	-	336,710	3,454,025	2,909,896
e) International Development					
EMEA development	598,988	507,279	165,615	1,271,882	1,099,299
Latin America development	195,628	195,526	55,713	446,867	447,623
Asia Pacific development	411,831	1,716,430	109,142	2,237,403	1,572,547
	1,206,447	2,419,235	330,470	3,956,152	3,119,469
f) Alpha Context Development					
Alpha - Prisons	201,527	-	78,241	279,768	244,112
Alpha - Catholic Context	75,498	-	24,812	100,310	194,006
Alpha - Forces	58,171	-	12,178	70,349	73,422
Alpha - Youth	3,359	-	-	3,359	100,677
	338,555	-	115,231	453,786	612,217

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

3. EXPENDITURE continued

	Direct Costs	NAO's & Partner Organisations *	Allocated Support Costs	Total 2019	Total 2018
	£	£	£	£	£
g) Other Ministries					
Marriage Courses	10,939	-	4,871	15,810	87,808
Mission Giving	-	65,000	-	65,000	50,000
	<u>10,939</u>	<u>65,000</u>	<u>4,871</u>	<u>80,810</u>	<u>137,808</u>
h) Conferences					
Conference direct costs & Logistics	1,009,405	-	121,166	1,130,571	1,122,259
Alpha Global Week	-	-	-	-	-
	<u>1,009,405</u>	<u>-</u>	<u>121,166</u>	<u>1,130,571</u>	<u>1,122,259</u>
Total expenditure	8,766,094	2,491,485	1,522,200	12,779,779	10,412,842

* The activities noted above reflect certain grants that have been awarded to National Alpha Offices (NAO's) and other carefully selected third party entities in pursuit of the aims and objectives of Alpha International.

4. SUPPORT COSTS

The support costs associated with facilitating the work of the charity have been allocated across the categories of generating funds and charitable activities on the basis of staff numbers responsible for each of the relevant departments, projects and activities. The analysis of support costs is shown below.

ANALYSIS OF SUPPORT COSTS		Depreciation of fixed assets	Support costs	2019	2018
		£	£	£	£
Facilities & Desk Charge		-	176,414	176,414	184,048
IT		19,582	280,064	299,646	303,208
Digital Estate		-	21,307	21,307	91,181
Finance		-	269,050	269,050	305,408
HR		-	171,054	171,054	204,620
Operations		24,137	248,327	272,464	304,978
Legal		-	117,135	117,135	158,419
HQ Buildings Depreciation		130,349	-	130,349	130,349
(Gains)/losses on foreign exchange		-	64,785	64,781	(114,743)
		<u>174,068</u>	<u>1,348,136</u>	<u>1,522,200</u>	<u>1,567,468</u>
5. ANALYSIS OF EXPENDITURE		Staff costs	Other costs	Total 2019	Total 2018
		£	£	£	£
Cost of Raising funds		344,102	245,943	590,045	435,614
Charitable activities	Strategic Leadership	989,854	661,960	1,651,814	871,384
	UK Development	453,243	395,581	848,824	658,403
	Media and Publications	822,580	2,294,735	3,117,315	2,467,085
	International Development	374,385	3,251,298	3,625,683	2,795,161
	Alpha Context Development	275,239	63,316	338,555	496,695
	Other Ministries	9,856	66,083	75,939	103,324
	Conferences	225,527	783,877	1,009,404	1,017,708
Allocated Support Costs	Support Costs	893,687	628,513	1,522,200	1,567,468
		<u>4,388,473</u>	<u>8,391,306</u>	<u>12,779,779</u>	<u>10,412,842</u>

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

6. REGIONAL ANALYSIS OF SALES

	2019	2018
	£	£
Income from Media resources and Conferences can be analysed as follows:		
United Kingdom	1,150,072	1,007,990
North America and Canada	47,097	69,359
Asia Pacific	26,226	5,126.00
Europe, Africa, Middle East	46,186	82,149
	<u>1,269,581</u>	<u>1,164,624</u>

7. AUDIT COSTS AND DEPRECIATION

	2019	2018
	£	£
Net incoming/(outgoing) resources are stated after charging		
Auditor's remuneration: current year	10,125	10,125
Audit remuneration under accrual for prior year	4	-
Auditor's remuneration - other services	2,792	-
Depreciation (see note 9)	174,068	157,625
	<u>186,989</u>	<u>167,750</u>

8. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	3,809,182	3,551,044
Social security costs	386,038	333,755
Pension costs	193,253	180,548
	<u>4,388,473</u>	<u>4,065,347</u>

Analysis of Staff Costs and the Costs of Key Management Personnel

As disclosed in note 19 (Related Parties), there is a close working relationship between HTB, AI, SPTC, and CRT. The Central Service staff who support all of the charities with operational functions are employed by HTB, and their costs (together with the costs of their departments) are allocated across the entities using the most appropriate basis for each support service. The staff costs and information in this note includes the proportionate share of these Central Service staff, as well as the relevant share of ministry staff who split their time across the charities due to the nature of their roles.

The average monthly number of full time equivalent employees was 103 (2018: 103)

The number of employees whose total benefits (excluding pension and NI) were greater than £60K was 6 (2018:5), as follows:

£60K-£70K bracket - 1
£70K-£80K bracket - 1
£80K-£90K bracket - 0
£90K-£100K bracket - 2
£100K-£120K bracket - 1
£150K-£160K bracket - 1

Central Service staff are on the HTB payroll but serve HTB, AI, SPTC, and CRT- each of which bear a portion of their costs. Relevant details of their remuneration can be found in the 'Staff costs' note in the HTB financial statements.

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

8. STAFF COSTS continued

Key Management Personnel

The key management personnel of Alpha International comprise of President the Alpha International, Global Chief Executive Officer, and the Chief Operating Officer. The total employee benefits (including pension and Employer NIC) of the key management personnel of the charity were £450,438 (2018: £360,479).

The key management personnel of the Central Service functions which serves HTB, AI, SPTC, and CRT2 comprise the Group Director of People , and the HTB Group Chief Operating Officer. The total employee benefits (including pension and Employer NIC) of these key management personnel were £174,821 (2018: £96,751); but Alpha only bore a portion of these costs. (£74,797)

Redundancy/termination payments

These totalled £18,709 for the year (2018: £29,313), and include statutory payments as well as ex-gratia amounts where these were considered appropriate.

9. TANGIBLE FIXED ASSETS	Land and Buildings £	Computer Equipment £	Other Equipment £	Furniture and fittings £	Total £
Cost					
Opening balance 1st January 2019	10,517,457	99,435	129,646	10,209	10,756,747
Additions	-	6,192	13,471	-	19,663
Disposals	-	(10,433)	(6,004)	-	(16,437)
Closing balance 31st December 2019	10,517,457	95,194	137,113	10,209	10,759,973
Depreciation					
Opening balance 1st January 2019	1,391,493	78,635	96,905	6,913	1,573,945
Charge for 2019	130,349	19,582	23,039	1,098	174,068
Disposals	-	(10,433)	(6,004)	-	(16,437)
Closing balance 31st December 2019	1,521,842	87,784	113,940	8,011	1,731,576
Net Book Value					
At 31st December 2018	9,125,964	20,800	32,741	3,296	9,182,802
At 31st December 2019	8,995,615	7,410	23,173	2,198	9,028,396

10. INTANGIBLE FIXED ASSETS

	Intellectual Property	Total
Cost		
Opening balance 1st January 2019	200,000	200,000
Closing balance 31st December 2019	200,000	200,000
Amortisation		
Opening balance 1st January 2019	200,000	200,000
Charge for 2019	-	-
Closing balance 31st December 2019	200,000	200,000
Net Book Value		
At 31st December 2018	-	-
At 31st December 2019	-	-

On 31 December 2009 Alpha International contracted to buy the rights to a number of key Alpha publications. The cost of this has been amortised over a five year period with effect from 2010.

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

11. STOCK

	2019 £	2018 £
Stocks of books, DVD'S and other resources for resale	48,404	31,912

12. DEBTORS

	2019 £	2018 £
Trade Debtors	88,201	121,816
Prepayments	214,196	282,408
Sundry Debtors	1,704,254	879,525
Deferred Expenditure	80,460	50,660
Amount due from CRT2 (see note 19)	-	23,939
Amount due to HTB (see note 19)	243,712	-
Other Debtors	4,814	-
	<u>2,335,637</u>	<u>1,358,348</u>

13. CASH AT BANK AND IN HAND

	2019 £	2018 £
Balance attributable to restricted fund	149,753	1,133,151
Balance at bank and in hand	2,015,974	1,675,498
	<u>2,165,727</u>	<u>2,808,649</u>

14. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Creditors for goods and services	250,728	238,093
Amount due to HTB (see note 19)	-	103,816
Deferred income*	391,959	386,670
Accruals	329,209	228,379
Taxation and Social Security	68,755	61,782
Other creditors	36,581	256,610
Mortgage finance	354,000	354,000
Financial derivative liability	56,760	56,760
	<u>1,487,992</u>	<u>1,693,269</u>

*Deferred Income

Deferred income comprises donations, grants & earned income received for future financial periods.

	2019 £	2018 £
Balance at 1 January	386,670	271,484
Amount released to income	(386,670)	(271,484)
Amount deferred in year	391,959	386,670
Balance at 31 December	<u>391,959</u>	<u>386,670</u>

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

15. LIABILITIES: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2019 £	2018 £
Mortgage finance	1,419,866	1,773,866
Financial derivative liability	125,667	178,308
Loan	1,000,000	-
	<u>2,545,533</u>	<u>1,952,174</u>

In September 2011 the mortgage with National Westminster Bank plc was paid off, and a new loan of £4,605,866 was received from Trinidad Limited. This mortgage is secured on the property 5-7 Cromwell Road, and has a thirteen year term from January 2012, with the final payment due in January 2025. The amount due to be repaid in 2020, £354,000, is disclosed in note 14. The remaining balance, due to be repaid after the end of 2020, is disclosed above. No interest was payable on this mortgage for the first five years, and thereafter the lender has the option to charge interest at a rate equivalent to 1% above the base rate of National Westminster Bank plc but has opted not to do so. Further details about Trinidad Limited can be found in note 19.

In August 2019, a second £1m loan was received from Trinidad Limited to support the working capital requirements of Alpha International and has a seven-year term from August 2019, with a repayment of £250,000 plus accrued interest (if any) at the fourth, fifth and sixth anniversaries of the date of the Agreement. The loan is fully outstanding at 31st December 2019 and disclosed above.

In November 2009 Alpha International entered into a derivative contract with Royal Bank of Scotland plc to cap the interest on a mortgage at 3% on the full outstanding balance to full term. Instalments of £14,190 are paid quarterly commencing 31 December 2009 and ending on 31 March 2023. The trustees took the view that this was a prudent commitment in the best interests of the charity and that it provided a guaranteed low cost interest rate over the life of the loan. This mortgage has now been paid off and replaced with a different loan, but due to prevailing low interest rates in the UK market, it would not currently be beneficial to dispose of the derivative contract, and the intention is to retain it until conditions are more favourable. A total of £56,760 is due to be paid on this contract within one year. Arising from this contract, National Westminster Bank plc has a deed of priority for £600,000 secured on the property and associated assets. As per FRS102 and the FRS102 charities SORP, Alpha International is required to reflect the current fair value of its derivative contract as a liability. As at 31 December 2019 the liability is valued at £182,426 (of which £56,760 is short term liability).

16. ANALYSIS OF NET ASSETS BY FUND	General funds £	Designated funds £	Restricted funds £	Total 2019 £	Total 2018 £
Fixed assets	32,780	8,995,616	-	9,028,396	9,093,006
Stock and debtors	2,384,041	-	-	2,384,041	1,390,260
Cash at bank and in hand	1,262,121	87,033	816,573	2,165,727	2,808,649
Current liabilities	(1,077,232)	(354,000)	-	(1,431,232)	(1,636,509)
Long term liabilities	(1,000,000)	(1,419,866)	-	(2,419,866)	(1,773,866)
Financial derivative liability	-	(182,427)	-	(182,427)	(235,068)
Fund balance	<u>1,601,710</u>	<u>7,126,356</u>	<u>816,573</u>	<u>9,544,639</u>	<u>9,646,472</u>

17. DESIGNATED FUNDS

	2019 Opening Balance £	Mortgage Repayment £	Property Depreciation £	Transfer from General Reserve £	2019 Closing Balance £
5-7 Cromwell Road Fund	6,763,030	354,000	(130,349)	52,642	7,039,323
Future Depreciation - Central Service Assets	119,097	-	(67,617)	35,553	87,033
	<u>6,882,127</u>	<u>354,000</u>	<u>(197,966)</u>	<u>88,195</u>	<u>7,126,356</u>

5-7 Cromwell Road: The work on the HQ building at 5-7 Cromwell Road was completed in March 2009 and satisfied the specification of the donations given for the purchase of the property. A designated fund was established at the time in order to preserve a fund to offset the amortisation of the property and the repayment of the mortgage.

Future depreciation-Central Service Assets - as outlined in the accounting policies, HTB makes an annual charge to AI for shared staff and the use of shared facilities and service departments. Part of this charge is the depreciation on assets purchased by HTB but used across HTB, AI, SPTC and CRT as part of the Central Services support function. A designated fund was established to recognise the future value of depreciation on these assets which will be charged to AI in 2020 and beyond. This designated fund is adjusted annually to reflect the value of future years' depreciation calculated at the end of each financial year.

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

	Opening Balance	Income	Expenditure	Closing Balance
	2019	2019	2019	2019
	£	£	£	£
18. RESTRICTED FUNDS 2019				
<u>Strategic Leadership</u>				
Alpha Global -Int Dev	-	69,696	(69,696)	-
President Office	-	191,054	(191,054)	-
Executive Office	-	203,277	(203,277)	-
Governance Office	-	233,575	(233,575)	-
	-	697,602	(697,602)	-
<u>UK Development</u>				
Alpha Scotland	11,000	23,318	(34,318)	-
Alpha Northern Ireland	-	46,841	(46,841)	-
UK Development Fund	-	83,329	(83,329)	-
	11,000	153,488	(164,488)	
<u>Media and Publications</u>				
Digital & Training	-	290,415	(290,415)	-
Alpha Innovation/Creative	-	159,000	(159,000)	-
Global Comms	-	203,503	(203,503)	-
Alpha Film Series	-	799,652	(132,832)	666,820
Marriage Course Refilm	997,669	628,720	(1,626,389)	-
	997,669	2,081,290	(2,412,139)	666,820
<u>International Development</u>				
Africa Development Fund	4,224	271,268	(270,942)	4,550
Asia Pacific Development Fund	116,927	1,751,907	(1,755,827)	113,007
EME Development Fund	3,010	284,219	(255,354)	31,875
Latin America Development Fund	321	128,213	(128,213)	321
	124,482	2,435,607	(2,410,336)	149,753
<u>Alpha Context Development</u>				
Alpha - Prisons	-	1,285	(1,285)	-
Alpha - Youth	-	5,000	(5,000)	-
Alpha Forces	-	120	(120)	-
Alpha in a Catholic Context	-	75,497	(75,497)	-
	-	81,902	(81,902)	-
<u>Other Ministries</u>				
Marriage Courses	-	-	-	-
	-	-	-	-
<u>Conferences</u>				
Leadership Conference	-	255,081	(255,081)	-
	-	255,081	(255,081)	-
<u>Fundraising & Support Cost</u>				
Cost of Raising funds	-	417,737	(417,737)	-
	1,133,151	6,122,707	(6,439,285)	816,573

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

18. RESTRICTED FUNDS 2019 continued

	Opening Balance	Income	Expenditure	Closing Balance
RESTRICTED FUNDS 2018	2018	2018	2018	2018
	£	£	£	£
<u>Strategic Leadership</u>				
Alpha Global -Int Dev	-	148,488	(148,488)	-
President Office	-	-	-	-
Executive Office	-	-	-	-
	-	148,488	(148,488)	-
<u>UK Development</u>				
Alpha Scotland	-	31,455	(20,455)	11,000
Alpha Northern Ireland	11,735	37,398	(49,133)	-
UK Development Fund	-	524	(524)	-
Global Invitation	-	-	-	-
	11,735	69,377	(70,112)	11,000
<u>Media and Publications</u>				
Resource Development	-	2,692	(2,692)	-
Digital & Training	-	-	-	-
Marriage Course Refilm	137,792	1,784,594	(924,717)	997,669
	137,792	1,787,286	(927,409)	997,669
<u>International Development</u>				
Africa Development Fund	2,662	163,865	(162,303)	4,224
Asia Pacific Development Fund	115,677	1,423,702	(1,422,452)	116,927
EME Development Fund	2,065	96,911	(95,966)	3,010
Latin America Development Fund	7,906	40,764	(48,349)	321
	128,310	1,725,242	(1,729,070)	124,482
<u>Alpha Context Development</u>				
Alpha - Prisons	868	2,093	(2,961)	-
Alpha - Youth	-	45,000	(45,000)	-
Alpha Forces	-	120	(120)	-
Alpha in a Catholic Context	-	138,631	(138,631)	-
	868	185,844	(186,712)	-
<u>Other Ministries</u>				
Marriage Courses	-	5,000	(5,000)	-
	-	5,000	(5,000)	-
<u>Conferences</u>				
Leadership Conference	-	157,087	(157,087)	-
Alpha Global Gathering	-	-	-	-
	-	157,087	(157,087)	-
<u>Fundraising</u>				
Capacity Building & other Expenditures	-	251,379	(251,379)	-
	278,705	4,329,703	(3,475,257)	1,133,151

The funds relate to donations which have been given specifically for the work of Alpha in a particular country or region, or for a specific ministry or project being undertaken by Alpha International.

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

19. RELATED PARTIES

Trustee remuneration:

Under the terms of the Memorandum and Articles of Association of Alpha International, three of the trustees received remuneration for services as employees or consultants during the year. None of the trustees received remuneration for services provided to the charity as trustees.

The following trustees or key management personnel were directors or members of related entities or were connected to people or organisations in receipt of payments from Alpha International.

Trustee & Members	Related Trusteeship	Remuneration for non-trustee services	Related Party payment	
Miss Tricia Neill	St Pauls' Theological Centre & the Church Revitalisation Trust (CRT)	£128,392(2018:£106,681)	NIL (2018-NIL)	
Mrs Rebecca Stewart	Holy Trinity Brompton & St Pauls' Theological Centre (resigned on 26 March 2019)	NIL (2018:NIL),	NIL (2018-NIL)	
Right Revd Sandy Millar	None	£17,964 (2018:£17,952),	NIL (2018-NIL)	
Mr Chris Sadler	Beijing Family Life	£30,000 (2018: £30,000)	NIL (2018-NIL)	
Dato Hong Yeoh	Trinidad Limited	NIL (2018-NIL)	NIL (2018-NIL)	
	MAD SQUARED (Wife of Trustee, Kathleen, is a director)	NIL (2018-NIL)	NIL (2018-NIL)	
	Alpha Malaysia (Wife of Trustee, Kathleen, is a director)	NIL (2018-NIL)	NIL (2018-NIL)	
Revd. Nicky Gumbel	Holy Trinity Brompton, St Pauls' Theological Centre & the Church Revitalisation Trust (CRT)	NIL (2018-NIL)		
John D. L. Mackay	Alpha USA & Alpha Canada	NIL (2018-NIL)	In 2018 Alpha International received a personal short term loan of £240,962 from John Mackay with no interest payable. This loan was repaid fully in 2019.	
Ms Jody Jonsson	Alpha USA	NIL (2018-NIL)	NIL (2018-NIL)	
Mr Bernard Mensah	Wife is on PCC of HTB and is Church Warden	NIL (2018-NIL)	NIL (2018-NIL)	
	Wife is a trustee of Alpha Ghana	NIL (2018-NIL)	NIL (2018-NIL)	
Mr David Gardner	Wife is on PCC of HTB	NIL (2018-NIL)	NIL (2018-NIL)	

Trustee Donations: Alpha International has received a total of £4,179,484 (2018: £3,914,318) in donations from Trustees and their related parties in the year. The donors did not attach any conditions to their gifts which require the charity significantly to alter the nature of its existing activities

Royalties. Royalties accrued to trustees of Alpha International from worldwide sales in the previous year of resources written by them. These royalties were waived by the trustees and the funds retained in the charity.

Revd. Nicky Gumbel - £34,912

Right Revd John (Sandy) Millar - £41.25

Alpha International enjoys a shared vision and close working relationship with National Alpha Offices (NAOs). Over 50 countries have these locally staffed NAOs who work closely with the global team to grow Alpha in their context, train leaders and translate resources. The Alpha Offices are independently constituted and are not directed or controlled by Alpha International. Where one or more directors of Alpha International are minority members of a National Alpha Office board, and where Alpha International has had transactions with that office during the year, details are provided in the table below.

Alpha International

Notes to the financial statements, continued
For the year ended 31 December 2019

19. RELATED PARTIES continued

National Alpha Office & Related companies	Income	Expenditure	Balance owing at year end	Notes
Beijing Family Life	NIL (2018- NIL)	Grant- £201,276 (2018- £187,720)	NIL (2018-NIL)	
Alpha Malaysia	NIL (2018- NIL)	Grant - for staff costs £406,487 (2018, £200,756)	NIL (2018-NIL)	
Alpha USA	Royalties received of £16,265 (2018- £22,222).	Sundry expenses including staff costs £204,814 (2018- £96,150)	£29,443 due from Alpha USA (2018, owed to £3,059)	
Alpha Australia	Royalties received of £12,803 (2018- £28,305).	NIL (2018-NIL)	NIL (2018-NIL)	
St John Hackney	NIL (2018- NIL)	NIL (2018-£2,500)	NIL (2018-NIL)	
ST Mellitus College Trust (SMC)	NIL (2018- NIL)	£15k Financial Support for SMC Students to attend Leadership Conference 2019	NIL (2018-NIL)	Rebecca Stewart (a trustee of Alpha International) is a trustee of SMC
Alpha Ghana	NIL (2018- NIL)	Grant: NIL (2018-£8,172)		
Trinidad Limited	NIL (2018- NIL)	Loan repayment £354,000 (2018: £354,000)	Loan outstanding £2,773,866 including the a second £1m loan received in August 2019 (2018: £2,127,866) see note 15 for details.	Dato' S H Yeoh (a trustee of Alpha International) and his wife Kathleen are directors and majority shareholders in Trinidad Limited
HTB	Donations totalling £417,837 (2018, £500,000) and members of the HTB congregation gave £658,926 (2018, £769,800)	N/A	£243,712 due from HTB (2018: £103,816 due to HTB)	One of the HTB clergy occupies a property owned by Tricia Neil, in respect of which HTB pays rent at a market tested rate
SPTC	NIL (2018- NIL)	N/A	NIL (2018- NIL)	
CRT	NIL (2018- NIL)	N/A	NIL (2018-£23,939 due from CRT)	
MAD SQUARED	NIL (2018- NIL)	Charges to Alpha International for media services £88,304 (2018:£54,313)	NIL (2018-NIL)	Wife of Dato' Hong Yeoh (a trustee of AI), Kathleen, is a director of Mad Squared
Alpha Canada	Joint venture income £345,676 (2018-£944,111) Grants for other projects totalling NIL (2018- £199,465)	Joint venture expenditure £405,019 (2018: £879,602), Grants for other projects including staff costs totalling £1,672 (2018- £305,608)	NIL (2018-Owed to £64,246)	Alpha International is party to a joint arrangement with Alpha Canada, which commenced in 2003, and which enables both parties to carry out their objects more effectively by pooling resources. The joint committee (comprising the trustees of Alpha International) supervises, directs and manages the joint arrangement. The incoming resources provided by Alpha Canada to the joint arrangement and the related expenditure, is not reflected in these financial statements, but in the financial statements of the joint arrangement.

Alpha International

Notes to the financial statements, continued For the year ended 31 December 2019

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

The following table analyses 2018's income and expenditure between unrestricted and restricted funds.

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
INCOME				
Donations and legacies				
Donations under gift aid	2a)	100,305	91,780	192,085
Other donations and similar income	2b)	5,860,942	4,237,923	10,098,865
		5,961,247	4,329,703	10,290,950
Charitable activities	2c), 6	1,164,624	-	1,164,624
Other income	2d)	28,075	-	28,075
Total income		7,153,946	4,329,703	11,483,649
EXPENDITURE				
Fundraising expenditure	3a)	325,621	251,379	577,000
Expenditure on charitable activities				
Strategic Leadership	3b), 18	942,655	148,488	1,091,143
UK Development	3c), 18	772,938	70,112	843,050
Media and Publications	3d), 18	1,982,487	927,409	2,909,896
International Development	3e), 18	1,390,399	1,729,070	3,119,469
Alpha Context Development	3f), 18	425,505	186,712	612,217
Other Ministries	3g), 18	132,808	5,000	137,808
Conferences	3h), 18	965,172	157,087	1,122,259
Total charitable expenditure		6,611,964	3,223,878	9,835,842
Total expenditure		6,937,585	3,475,257	10,412,842
Net income/(expenditure) before gains/(losses)		216,361	854,446	1,070,807
Other gains/(losses)		53,533	-	53,533
Net income/(expenditure)		269,894	854,446	1,124,340
Funds brought forward at 1 January		8,333,223	278,705	8,611,928
Funds carried forward at 31 December		8,603,117	1,133,151	9,736,268

All amounts are derived from continuing operations. All recognised gains and losses are included in the Statement of Financial Activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.