

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 2016**

# **Alpha International**

## **Contents**

---

	<b>Page</b>
<b>Trustees' report</b>	<b>1-7</b>
<b>Independent Auditors' report</b>	<b>8-9</b>
<b>Statement of financial activities</b>	<b>10</b>
<b>Balance sheet</b>	<b>11</b>
<b>Cashflow statement</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13-22</b>

## **Alpha International (A charitable company limited by guarantee)**

### **Trustees' report for the year ended 31 December 2016**

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 2016. 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>	Revd. Nicky Gumbel
Mr Ken Costa (resigned on 24 Sep. 2016)	Miss Tricia Neill
The Right Revd. Sandy Millar	Mr John Mackay
Mr Chris Sadler	Dato' Hong Yeoh
Mr David Segel	Mrs Rebecca Stewart
Mr Michael Timmis	Mr Ramez Sousou (resigned on 24 Sep. 2016)
Revd Al Gordon (from 24 Sep. 2016)	Ms Jody Jonsson (from 18 May 2016)
Mr Bernard Mensah (from 18 May 2016)	Mr David Gardner (from 23 Sep. 2016)
<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>	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 notes 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, revitalisation of the Church and the transformation of society. Around the world, Alpha's presence continues to grow. Fifty-nine countries now have local Alpha offices, which work closely with the global team to grow Alpha in their context, train leaders and translate resources.

## **Letter from the Chairman of Alpha International**

We are very excited to report on two significant milestones of 2016: the launch of the Alpha Film Series and the first ever Global Alpha Campaign with Bear Grylls. The Alpha Film Series – a new model of presenting the Alpha talks for a younger generation – has had a significant impact on thousands of Alpha courses around the world and it is now being dubbed into 40 other languages. In 2016 alone, we have seen over 5,000 courses (primarily from the UK, Canada and the US) registered globally as using the Alpha Film Series. The Global Alpha Campaign was the first global Alpha advertising initiative and we are so grateful to Bear Grylls for all the time and energy he has given to it.

Looking forward, we are very encouraged by the Board's appointment of Mathew Neville, who has joined as the new CEO of Alpha International in January 2017. Mathew has worked at World Vision for the last nine years, most recently as global leader for strategic marketing. He has provided leadership and support to World Vision's fundraising and marketing efforts in 22 countries and across £2.2 billion of annual income. Before World Vision, Mathew worked eight years for Orange, initially in corporate finance and then in marketing.

Thanks to the generosity of you, our donors, together with our volunteers, staff and partners around the world, 2016 has been an amazing year. Your prayers, time, service, sacrifice and support make this global impact possible and we could not do this without you. We look forward to our continued partnership during 2017 and beyond.

With thanks and best wishes

Nicky Gumbel  
Chairman, Alpha International

## **Alpha International (A charitable company limited by guarantee)**

### **Trustees' report for the year ended 31 December 2016**

The Board meets formally six 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. Most recently, the Board has appointed Mathew Neville to be the new CEO of Alpha International, starting in January 2017. Mathew has worked at World Vision for the last nine years, most recently as global leader for strategic marketing, and before that at Orange, corporate finance and then in marketing.

The joint arrangement with Alpha Canada, which commenced in 2003, continues to enable the parties to carry on the activities carried out by Alpha International more effectively by pooling resources. The joint committee supervises, directs and manages the joint arrangement. The incoming resources provided by Alpha Canada to the joint arrangement for the year ended 31st December 2016 were £408,932 (2015, £218,683). 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, had commenced beyond its own parish boundaries. The rooting of Alpha within a church community is integral to the vision for Alpha and there is a significant amount of overlap and synergy between the activities of the church and Alpha International. 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 (Note1). 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 workplaces, universities, prisons, churches, homes, restaurants and other local venues.
- Building a better society by providing training tools to strengthen marriages and parenting skills.
- 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

### **Objectives and Activities**

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

- Equipping Alpha to run in local churches and other venues across the world.
- Training and coordinating a network of thousands of volunteers worldwide who are able to encourage and guide Alpha in existing locations and help with the setting up of Alpha in new locations.
- Supporting the network of Alpha offices throughout the world, bringing the global teams together for Alpha Global Week, Leadership Conference and similar key training events.
- Creating, distributing and translating core Alpha materials, which allows Alpha to be run to the highest standard with minimal effort. This releases the leadership of the local churches to focus on their guests.
- Promoting Alpha through an annual advertising campaign to ensure that the whole population knows that they have the opportunity to attend an Alpha in a church or venue near to their home.
- Fostering expertise in particular ministry areas where Alpha is most effective when suitably tailored, creating resources and training practitioners. This includes Alpha - Prisons, Alpha - Students, Alpha - Youth, Alpha in the Catholic context, and Alpha - Forces
- 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 ministry. Examples includes, The Marriage Courses (includes The Marriage Course, The Marriage Preparation Course and The Parenting Course), and the Bible in One Year.

## **Alpha International Remuneration Policy, Principles and Governance**

At Alpha International we are working resolutely to create a workplace that is safe, fun and engaging, and which allows all members of our staff and teams to flourish while delivering strongly against our mission, goals and commitments, seeking always to succeed and bless.

Our aim is to reward staff, irrespective of seniority, competitively with our peer organisations, informed by the following principles:

- **Fair:** We will not discriminate rewards for reasons of race, colour, faith, gender, sexual orientation, age, disability or any other legally protected characteristic.
- **Competitive:** Levels and types of reward will be determined by the size and scope of the role, and informed by comparisons with peer organisations in the church and charitable sectors.
- **Differentiated:** We will differentiate reward decisions on the basis of performance - a combination of what is achieved and the way in which it is done.
- **Compliant:** Our pay processes will account for the correct treatment of tax and national insurance, and reflect national guidance on minimum levels of earnings.
- **Affordable:** All reward decisions will be influenced by the extent to which we can afford them. This will include criteria such as income, expenditure and cash flow.
- **Total Reward:** Our rewards will balance pay, employee benefits, training, development, operating environment and staff well-being.

All recruitment and remuneration decisions are overseen by the People Governance Committee (PGC), in line with our agreed policy and delegated authorities. The PGC is comprised of 8 members:

- Sarah Jackson – Group Chief of Staff (staff member)
- Cathy Butcher – Chief Finance & Operations Officer (staff member)
- Mathew Neville – CEO of Alpha International (staff member)
- Simon Cook – Head of HR (staff member)
- Paul Cox – HR Advisor, Independent Adviser
- David Kay-Shuttleworth – HTB Treasurer, Independent Adviser
- Jody Jonsson – AI Trustee, Independent Adviser
- Bobby St John - Alpha International Treasurer, Independent Adviser

Any recruitment or salary decision of greater than £60,000 (including Key Management Personnel, as defined in note 8) requires the agreement of the full PGC. Recruitment and salary decisions below this level are delegated to the PGC staff members, who record and report any such decisions to the full PGC on a weekly basis. Guidance notes and sign-off of the annual salary review is approved by the full PGC. No senior staff participate in the setting of their own salary and staff members of the PGC are not present when their own salaries are discussed.

All our directly employed permanent staff are paid at least £9.75 per hour which is the current London Living Wage.

## **STRATEGIC REPORT**

### **Achievements and Performance**

2016 was a year with some key milestone achievements in the areas of product development, marketing and impact measurement. Highlights include:

#### **Innovation of Alpha**

Our principal initiative continues to be the innovation of Alpha which includes a series of projects aimed at providing churches and individuals across the world with the digital tools and training they need. Core innovation projects that were successful in incubation in the UK from 2014 - 2015 were rolled out globally to our 59 national offices in 2015 and 2016.

**Trustees' report for the year ended 31 December 2016**

These projects include:

1. Alpha Film Series, a joint project with Alpha Canada, successfully launched in April 2016 first in English, followed by other languages.
2. Launch of the Global Alpha Campaign across 63 countries in 29 languages, inviting the world to Try Alpha.
3. The global impact study of Alpha, conducted by Barna, an independent, third-party research company based in the US.
4. Scoping of The Marriage Courses re-filming, in order to revise and update The Marriage Course and Marriage Preparation Course products in 2017;
5. Launch of 45 global Squarespace websites from 2014 - 2016;
6. Alpha Builder 3.0 made available, and improvements on this continues to be top priority in 2017;
7. Global Training Strategy formulated, appointing a global consortium of expert Alpha advisors to develop our training methodology, best practice models and new resources;

**Alpha Film Series**

Alpha International and Alpha Canada, as part of a mutual project agreement, have launched an all-new, state of the art documentary-style presentation of Alpha, similar in format to the highly successful Alpha Youth Film Series. The series includes fifteen session series of 30-minute episodes covering the whole of the Alpha material in a visually-engaging, interactive and contemporary format that is global and diverse. The product has been translated into Mandarin Chinese, Spanish, Portuguese, Arabic, Hindi, Dutch, and over 30 more language translations are underway.

**Global Advertising Campaign ("GAC")**

To go alongside the Alpha Film Series, we launched our first ever global campaign featuring adventurer and celebrity Bear Grylls. The campaign commenced in September 2016 and will run until December 2017 simultaneously in over 63 countries and in 29 languages. Bear Grylls has 1.6 billion viewers and was in the unique position of having more than six new shows released globally between 2015-2016. His global recognition and influence as a respected spokesman has never been stronger. The GAC is targeting potential guests to invite them to Try Alpha and potential church leaders to Run Alpha.

**Alpha's Global Impact Study**

In 2016, Alpha International commissioned the Barna Group, a US-based research company, to conduct a global study on the impact of Alpha. The research was carried out in 11 countries (Argentina, Australia, Egypt, France, Ghana, India, Malaysia, Mexico, South Africa, UK and US), where online surveys were completed by church leaders, course administrators, hosts and helpers, and guests at the end of their course. Over 200 churches across all major denominations participated in this study including Anglican, Baptist, Catholic, Independent, Pentecostal and Presbyterian. After a review of the results, Barna has produced a comprehensive report to demonstrate the impact that Alpha has been making around the world.

**The Marriage Courses**

Over 1 million people in 127 countries have done The Marriage Course and The Marriage Preparation Course. In 2015, we re-branded The Marriage Courses to sit alongside the innovative Alpha brand and engage with the next generation. The brand guidelines and logos have been shared globally and the new website launched. Guest manuals for The Marriage Course and The Marriage Preparation Course have also been updated. In 2016, we began to scope the re-filming of The Marriage Course and The Marriage Preparation Course in preparation for remaking both products in 2017-2018 in order to effectively reach young couples who are married or considering marriage.

**Future Plans**

In 2017, further projects will be positioned for global adoption including:

- Continued roll-out of the Alpha Film Series in multiple languages
- The continued roll-out and promotion of the Global Alpha Campaign with Bear Grylls until December 2017.

**Trustees' report for the year ended 31 December 2016**

- Scoping and pre-production for The Marriage Course re-film.
- Alpha Builder 4.0
- Release of the refreshed and updated Alpha Youth Series digitally in October, 2017.
- Invitation to the Leadership Conference and Alpha Global Gathering in London at the Royal Albert Hall, which is aimed at envisioning and equipping church leaders and young leaders for Alpha.
- Experience Alpha events, hosted at Holy Trinity Brompton Church in London, gathering influential church pastors to be envisioned and trained to run Alpha.

A more detailed description of selected projects based on the above:

**Alpha Film Series**

Having successfully launched the Alpha Film Series in April 2016, we will continue our global roll out as we translate the product into multiple languages and our goal for the Alpha Film Series to be available in more than 40 languages by the end of 2017. We are also planning a series of edits and enhancements to add to the AFS throughout 2017.

**Global Advertising Campaign with Bear Grylls ("GAC")**

From January 2017, we continued to extend the reach of the GAC through outdoor and online advertising. Four more countries have now joined us in participating in the campaign, bringing the total number to 68 countries. In 2017, we will also be creating a suite of new media assets to continue to provide churches with high quality materials that will help them promote Alpha. We will also be analysing the global impact of the campaign to identify key learnings that will shape our future plans for 2018 and beyond. We will be working closely with all of our offices to seek feedback from their churches as well as conducting market research to understand the impact of the campaign.

**Alpha Builder 4.0**

To enhance the user experience of churches that are running Alpha or considering running Alpha, we have engaged Sift Digital, a digital agency based in the UK, to conduct user experience research. The research began in November 2016 with a comprehensive review of our website analytics as well as in-depth interviews with church leaders in different countries to understand how we can best enhance the overall user experience. We expect to have final results from this study by March 2017 along with recommendations on redesigning the user journey of the website to ensure we have a simple and user-friendly interface.

**Marriage Courses Re-filming**

Our desire is to re-film each course (The Marriage Course and The Marriage Preparation Course) to create contemporary, visually-engaging digital products that will equip churches around the world to reach the next generation of young couples. We anticipate that the courses will be re-filmed for release in 2017/2018. As a critical first step, in 2016/2017, we are scoping the re-filming of The Marriage Courses to ensure that we can create a dynamic, world-class, cost-effective product that will have a powerful impact across several global contexts. By equipping churches worldwide to engage the next generation with The Marriage Courses, we hope to see marriages, family life and society transformed around the world.

**Alpha Youth Series**

Given the success of the Alpha Youth Film Series, we are planning to produce and launch a new and re-imagined version of the Alpha Youth Series (AYS) by autumn 2017. The current series was filmed around four years ago. In a fast-moving, media-driven youth culture, what is relatable in one year, is easily dated a few years later. Launching the new version will ensure that teens continue to be excited to bring their unchurched friends to be part of Alpha. We will incorporate feedback from youth workers across the world, to ensure we communicate ideas and content in the most effective way. The series will be specifically designed to engage a global audience, with increased sensitivity to cultural nuances.

## **Alpha International (A charitable company limited by guarantee)**

### **Trustees' report for the year ended 31 December 2016**

#### **Financial Review**

##### *Results for the year*

Alpha International closed the year with an operating surplus of £501,834 (2015: £1,099,090). This surplus was achieved through careful cost control during the year. Cash in hand at the end of the year amounted to £2,772,713 an increase of £377,211 over 2015.

Income derived from voluntary donations for the year was £8,856,228 compared to £9,044,287 in 2015. Income deriving from other sources (sales, conferences, royalties and interest receivable) reduced from £1,344,329 to £421,992 – largely because there was no Leadership Conference income in 2016. Expenditure decreased by 5.5%, totalling £8,776,386 in 2016 compared to £9,289,526 in 2015 chiefly because there was no Leadership Conference in 2016.

#### **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 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 2016 were £1,622,930 (2015, £1,468,595) which represents 2 months' working capital requirement based on the 2017 budget.

#### **Specified Funds**

Specified funds comprise donations given for the use of Alpha in a particular geographical area or for a particular ministry purpose. At 31 December 2016 these amounted to £484,518 (2015, £596,321).

#### **Policy on grants**

The board's policy is to pursue its charitable objects by making supportive grants to charities with similar objects 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 £1,870,617 were made during the year (2015, £1,746,539).

#### **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.

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

### Major Risks and Uncertainties

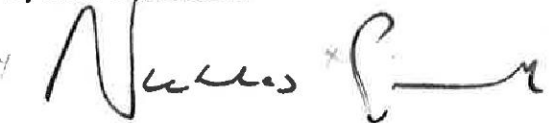
	Potential Risk	Mitigation
1.	Reputational damage due to the behaviour of senior leadership or staff members	Organisational values are clearly defined and regularly communicated and oversight structures are in place for senior leaders.
2.	Future of the organisation jeopardised due to lack of adequate succession planning for key senior roles.	Succession planning is taking place for key senior roles in the organisation.
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.	Signed Branding Document, Publishing Contracts and Office Memorandum of Understandings are in place and AI appoints a trustee to each National Alpha Office board. Work is underway to strengthen our governance framework.
4.	Harm comes to visitors or staff due to lack of appropriate and compliant Health & Safety procedures	AI has robust Health & Safety processes, training and monitoring to ensure that our visitors and staff are kept safe.
5.	Information or communications technology compromised or critical data lost through cyber attack	Our digital and technology systems, alongside data management processes are kept under review and improvements implemented where necessary.
6.	A shortfall on income and/or inadequate cashflow results in an inability to meet salary and creditor payments.	Strong budgetary and financial controls are in place and spend is carefully managed in line with budgetary constraints.

### Auditors

Kingston Smith LLP were appointed to carry out our audit for 2016.

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



Revd. Nicky Gumbel (Chairman)

Date

05/05/2017

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA INTERNATIONAL**

We have audited the financial statements of Alpha International for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 charity'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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2016 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 Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and 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.

*Kingston Smith LLP*

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

*10 May 2017*

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# Alpha International

## Statement of Financial Activities for the year ended 31 December 2016

	Note	Unrestricted funds	Restricted funds	Total	Total
		2016 £	2016 £	2016 £	2015 £
<b>INCOME</b>					
<b>Donations and legacies</b>					
Donations under gift aid	2a)	123,270	150,830	274,100	285,370
Other donations and similar income	2b)	5,963,586	2,618,542	8,582,128	8,758,917
		6,086,856	2,769,372	8,856,228	9,044,287
<b>Charitable activities</b>	2c), 6	413,767	-	413,767	1,335,571
<b>Other income</b>	2d)	8,225	-	8,225	8,758
<b>Total income</b>		<b>6,508,848</b>	<b>2,769,372</b>	<b>9,278,220</b>	<b>10,388,616</b>
<b>EXPENDITURE</b>					
<b>Cost of Raising funds</b>	3a)	605,181	172,275	777,456	682,952
<b>Expenditure on charitable activities</b>					
Strategic Leadership	3b), 18	752,308	125,926	878,234	821,333
UK Development	3c), 18	684,660	155,828	840,488	605,409
Media and Publications	3d), 18	1,613,788	709,672	2,323,460	1,661,760
International Development	3e), 18	1,061,236	1,531,447	2,592,683	2,831,825
Alpha Context Development	3f), 18	534,907	180,231	715,138	790,639
Other Ministries	3g), 18	385,138	5,300	390,438	388,197
Conferences	3h), 18	257,993	496	258,489	1,507,411
<b>Total charitable expenditure</b>		<b>5,290,030</b>	<b>2,708,900</b>	<b>7,998,930</b>	<b>8,606,574</b>
<b>Total expenditure</b>		<b>5,895,211</b>	<b>2,881,175</b>	<b>8,776,386</b>	<b>9,289,526</b>
<b>Net income/(expenditure) before gains/(losses)</b>		<b>613,637</b>	<b>(111,803)</b>	<b>501,834</b>	<b>1,099,090</b>
Other gains/(losses)	2e)	32,151	-	32,151	43,758
<b>Net income/(expenditure)</b>		<b>645,788</b>	<b>(111,803)</b>	<b>533,985</b>	<b>1,142,848</b>
Funds brought forward at 1 January		7,371,509	596,321	7,967,830	6,824,982
<b>Funds carried forward at 31 December</b>		<b>8,017,297</b>	<b>484,518</b>	<b>8,501,815</b>	<b>7,967,830</b>

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.

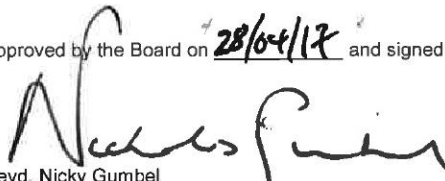
The notes on pages 13 to 22 form part of these financial statements.

# Alpha International

## Balance Sheet As at 31 December 2016

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	9	9,397,482	9,529,366
Intangible assets	10	-	-
<b>Total fixed assets</b>		<b>9,397,482</b>	<b>9,529,366</b>
<b>CURRENT ASSETS</b>			
Stock	11	40,283	46,034
Debtors	12	1,475,217	551,461
Cash at bank and in hand	13	2,772,713	2,395,502
<b>Total current assets</b>		<b>4,288,213</b>	<b>2,992,997</b>
<b>LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	14	<b>(2,384,777)</b>	<b>(1,252,377)</b>
<b>NET CURRENT ASSETS</b>		<b>1,903,436</b>	<b>1,740,620</b>
<b>LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	15	<b>(2,799,103)</b>	<b>(3,302,156)</b>
<b>NET ASSETS</b>		<b>8,501,815</b>	<b>7,967,830</b>
<b>FUNDS</b>			
<b>Unrestricted:</b>			
General	16	1,601,164	1,331,462
Designated	17	6,416,133	6,040,047
<b>Restricted</b>	18	<b>484,518</b>	<b>596,321</b>
		<b>8,501,815</b>	<b>7,967,830</b>

Approved by the Board on 28/04/17 and signed on its behalf by:

  
Revd. Nicky Gumbel  
Chairman

The notes on pages 13 to 22 form part of these accounts.

Company No : 4157379

## Alpha International

### Statement of cashflow For the year ended 31 December 2016

	2016 £	2015 £
<b>Net Cash inflow from Operations (see note below)</b>	<b>385,604</b>	<b>1,079,387</b>
<b>Cash flows from Financing Activities</b>		
Purchase of tangible fixed assets	(8,393)	(8,332)
<b>Net increase in cash &amp; cash equivalent after financing</b>	<b>377,211</b>	<b>1,071,055</b>
<b>Increase in cash and cash equivalents</b>	<b>377,211</b>	<b>1,071,055</b>
Cash balance brought forward	2,395,502	1,324,447
<b>Cash balance carried forward</b>	<b>2,772,713</b>	<b>2,395,502</b>

#### Note to cash flow statement

	2016 £	2015 £
<b>Cash flow from Operating activities</b>		
Net operating surplus (per Statement of Financial Activities)	501,834	1,099,090
Other gains	32,151	43,758
Depreciation and amortisation charges	140,277	166,004
Decrease in stock	5,751	22,875
(Increase)/Decrease in debtors	(923,756)	255,450
Increase in creditors due within one year	1,132,400	5,378
(Decrease) in creditors due after more than one year	(503,053)	(513,168)
<b>Net cash inflow from operating activities</b>	<b>385,604</b>	<b>1,079,387</b>

# Alpha International

## Notes to the financial statements For the year ended 31 December 2016

### 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 and 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 charity's forecasts and projections and have taken account of pressures on donation and event income. After making enquiries the trustees 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 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. Grants and legacies to the Charity are accounted for as soon as the Charity is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the Charity 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 is enjoyed between Holy Trinity Brompton, Alpha International and St Pauls Theological Centre. Shared service costs (known as Central Services) are incurred by HTB and allocated to the other charities on a departmental basis using the most appropriate driver for each department.

#### 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 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.

# Alpha International

Notes to the financial statements, continued  
For the year ended 31 December 2016

## 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 company's balance sheet when the company 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.

## 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 was required to reflect the current fair value of its derivative contract as a liability in 2015. We had received a valuation report from our bank NatWest and the valuation was also assessed by third party (see note 15 for details).

### (iii) Support cost allocations

The allocation of support costs between activities is based on estimates of the resources used by Central Services on each of these activities.

## 2. INCOME

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>a) Gift Aid Donations</b>				
Donations	62,368	100,912	163,280	176,244
Standing Orders	36,248	19,752	56,000	52,052
Income tax recovered	24,654	30,166	54,820	57,074
	<u>123,270</u>	<u>150,830</u>	<u>274,100</u>	<u>285,370</u>
<b>b) Non Gift Aid Donations and similar income</b>				
Donations	5,785,378	2,572,118	8,357,496	8,623,760
Standing orders and payroll giving	178,208	46,424	224,632	135,157
	<u>5,963,586</u>	<u>2,618,542</u>	<u>8,582,128</u>	<u>8,758,917</u>
<b>c) Income from operating activities:</b>				
Resource sales	265,093	-	265,093	285,881
Royalties receivable	115,331	-	115,331	128,969
Conference income	33,343	-	33,343	920,721
	<u>413,767</u>	<u>-</u>	<u>413,767</u>	<u>1,335,571</u>
<b>d) Investment Income</b>				
Bank interest	<u>8,225</u>	<u>-</u>	<u>8,225</u>	<u>8,758</u>
<b>e) Other gains/ (losses)</b>				
Adjustment for fair value of derivative contract (refer notes 15)	<u>32,151</u>	<u>-</u>	<u>32,151</u>	<u>43,758</u>

## 3. EXPENDITURE

	Direct Costs £	Grants to NAO's & Partner Organisations * £	Allocated Support Costs £	Total 2016 £	Total 2015 £
<b>a) Fundraising costs</b>	<u>644,568</u>	<u>-</u>	<u>132,868</u>	<u>777,456</u>	<u>682,952</u>
<b>b) Strategic Leadership</b>					
Global strategy	470,381	-	82,972	553,353	714,746
The Alpha Office	90,147	-	-	90,147	106,587
Alpha Global Invitation	217,068	-	17,666	234,734	-
	<u>777,596</u>	<u>-</u>	<u>100,638</u>	<u>878,234</u>	<u>821,333</u>

# Alpha International

Notes to the financial statements, continued  
For the year ended 31 December 2016

3. EXPENDITURE continued	Direct Costs £	Grants to NAO's & Partner Organisations * £	Allocated Support Costs £	Total 2016 £	Total 2015 £
c) UK Development					
UK Development and advisers	336,460	-	90,950	427,410	377,738
Alpha Invitation	224,216	-	-	224,216	41,126
Alpha Scotland	149,760	-	14,361	164,121	153,913
Alpha Northern Ireland	21,892	-	2,849	24,741	32,632
	<b>732,328</b>	<b>-</b>	<b>108,160</b>	<b>840,488</b>	<b>605,409</b>
d) Media and Publications					
Cost of sales, marketing and logistics	185,618	-	8,320	193,938	313,413
Resource development, web and communications	1,568,802	-	228,743	1,797,545	1,124,372
Alpha Film Series	253,186	78,335	456	331,977	223,975
	<b>2,007,606</b>	<b>78,335</b>	<b>237,519</b>	<b>2,323,460</b>	<b>1,661,760</b>
e) International Development					
EMEA development	298,326	344,963	162,411	805,700	793,208
Latin America development	295,852	184,888	101,436	581,976	545,854
Asia Pacific development	48,508	1,054,035	102,464	1,205,007	1,492,763
	<b>642,686</b>	<b>1,583,886</b>	<b>366,311</b>	<b>2,592,683</b>	<b>2,831,825</b>
f) Alpha Context Development					
Alpha - Prisons	225,187	2,732	48,097	276,016	146,601
Alpha - Catholic Context	102,799	5,021	18,236	126,056	119,977
Alpha - Forces	74,516	-	10,371	84,887	75,843
Alpha - Youth	42,634	10,021	7,180	59,835	48,287
The Innovation of Alpha	128,226	-	40,118	168,344	399,931
	<b>573,362</b>	<b>17,774</b>	<b>124,002</b>	<b>715,138</b>	<b>790,639</b>
g) Other Ministries					
Relationship Central	162,347	-	37,269	199,616	238,928
Mission Giving	-	190,822	-	190,822	149,269
	<b>162,347</b>	<b>190,822</b>	<b>37,269</b>	<b>390,438</b>	<b>388,197</b>
h) Conferences					
Conference direct costs & Logistics	225,551	-	32,938	258,489	1,243,813
Worship Central	-	-	-	-	196,436
Alpha Global Week	-	-	-	-	67,162
	<b>225,551</b>	<b>-</b>	<b>32,938</b>	<b>258,489</b>	<b>1,507,411</b>
<b>Total resources expended</b>	<b>5,766,044</b>	<b>1,870,617</b>	<b>1,139,725</b>	<b>8,776,386</b>	<b>9,289,526</b>

\* 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 £	2016 £	2015 £
Facilities & Desk Charge	-	228,348	228,348	226,878
IT	4,787	258,034	262,821	214,396
Finance	-	320,618	320,618	299,424
HR	-	155,935	155,935	129,478
Operations	5,141	206,752	211,893	299,628
Legal	-	61,634	61,634	51,801
HQ Buildings Depreciation	130,349	-	130,349	130,349
(Gains)/ losses on foreign exchange	-	(231,873)	(231,873)	67,485
	<b>140,277</b>	<b>999,448</b>	<b>1,139,725</b>	<b>1,419,439</b>

# Alpha International

Notes to the financial statements, continued  
For the year ended 31 December 2016

5. ANALYSIS OF EXPENDITURE		Staff costs £	Other costs £	Total 2016 £	Total 2015 £
Cost of Raising funds		382,763	261,805	644,568	545,408
Charitable activities	Strategic Leadership	416,402	361,194	777,596	669,595
	UK Development	375,327	357,001	732,328	484,189
	Media and Publications	748,090	1,337,851	2,085,941	1,426,700
	International Development	363,559	1,862,813	2,226,373	2,378,884
	Alpha Context Development	402,439	188,697	591,136	641,598
	Other Ministries	122,047	231,122	353,169	341,924
	Conferences	111,047	114,504	225,550	1,381,789
Allocated Support Costs (see note 4)	Support Costs	772,110	367,615	1,139,725	1,419,439
		3,693,784	5,082,602	8,776,386	9,289,526

## 6. REGIONAL ANALYSIS OF SALES

Income from Media resources and Conferences can be analysed as follows:

	2016 £	2015 £
United Kingdom	297,112	1,186,933
North America and Canada	47,074	52,684
Asia Pacific	28,598	45,870
Europe, Africa, Middle East	40,983	50,084
	<b>413,767</b>	<b>1,335,571</b>

## 7. AUDIT COSTS AND DEPRECIATION

	2016 £	2015 £
Net incoming/(outgoing) resources are stated after charging		
Auditor's remuneration: current year	11,700	10,750
Audit remuneration under accrual for prior year	6,238	1,702
Depreciation (see note 9)	<b>140,277</b>	<b>166,004</b>
	<b>158,215</b>	<b>178,456</b>

## 8. STAFF COSTS

	2016 £	2015 £
Wages and salaries	3,272,858	3,412,419
Social security costs	308,932	323,369
Pension costs	111,994	114,049
	<b>3,693,784</b>	<b>3,849,837</b>

### Analysis of Staff Costs and the Costs of Key Management Personnel

As disclosed in note 19 (related parties), a close working relationship exists between HTB, AI, and SPTC. The Central Service staff who support all of the charities with 'back office' functions are employed by HTB, and their costs (together with the costs of their departments) are allocated among 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 among the charities due to the nature of their roles.

The costs of some members of the HTB clergy were cross-charged for work which was done for Alpha International. However, as these clergy members are employed by the Diocese of London and not by HTB, their costs have not been included in the salary figures shown above. The total value of clergy time was £111,433 for the financial year (2015: £150,240).

The average monthly number of full time equivalent employees was 108 (2015:111)

The number of employees whose total benefits (excluding pension) were greater than £60K was 8(2015:7), as follows:

£60K-£70K bracket - 5
£70K-£80K bracket - 0
£80K-£90K bracket - 1
£90K-£100K bracket - 2

However, 6 (2015: 5) of these employees work in our Central Service teams supporting HTB, AI, and SPTC. These employees are on the HTB payroll, and Alpha International only bears a portion of their costs.

### Key Management Personnel

The key management personnel of Alpha International comprise the executive trustees and the two Vice Presidents. The total employee benefits (including pension) of the key management personnel of the charity were £255,569 (2015: £241,057).

The key management personnel of the central service function which serves HTB, AI, and SPTC comprise the Director of Communications, Fundraising Director, Chief Finance and Operations Officer and Chief People Officer. The total employee benefits (including pension) of these key management personnel were £293,534 (2015: £393,370); but Alpha only bore a portion of these costs.

### Redundancy/termination payments

These totalled £4,128 for the year (2015: £22,344), and include statutory payments as well as ex-gratia amounts where these were considered appropriate.

## Alpha International

Notes to the financial statements, continued  
For the year ended 31 December 2016

### 9. TANGIBLE FIXED ASSETS

	Land and Buildings £	Computer Equipment £	Other Equipment £	Furniture and fittings £	Total £
<b>Cost</b>					
Opening balance 1st January 2016	10,517,457	116,831	90,548	30,176	10,755,012
Additions	-	8,393	-	-	8,393
Disposals	-	(17,191)	-	(2,098)	(19,289)
Closing balance 31st December 2016	<u>10,517,457</u>	<u>108,033</u>	<u>90,548</u>	<u>28,078</u>	<u>10,744,116</u>
<b>Depreciation</b>					
Opening balance 1st January 2016	1,000,446	110,597	89,078	25,525	1,225,646
Charge for 2016	130,349	4,787	490	4,651	140,277
Disposals	-	(17,191)	-	(2,098)	(19,289)
Closing balance 31st December 2016	<u>1,130,795</u>	<u>98,193</u>	<u>89,568</u>	<u>28,078</u>	<u>1,346,634</u>
<b>Net Book Value</b>					
At 31st December 2015	9,517,011	6,234	1,470	4,651	9,529,366
At 31st December 2016	<u>9,386,662</u>	<u>9,840</u>	<u>980</u>	<u>-</u>	<u>9,397,482</u>

### 10. INTANGIBLE FIXED ASSETS

	Intellectual Property	Total
<b>Cost</b>		
Opening balance 1st January 2016	200,000	200,000
Closing balance 31st December 2016	<u>200,000</u>	<u>200,000</u>
<b>Amortisation</b>		
Opening balance 1st January 2016	200,000	200,000
Charge for 2016	-	-
Closing balance 31st December 2016	<u>200,000</u>	<u>200,000</u>
<b>Net Book Value</b>		
At 31st December 2015	-	-
At 31st December 2016	<u>-</u>	<u>-</u>

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.

### 11. STOCK

	2016 £	2015 £
Stocks of books, DVD'S and other resources for resale	40,283	46,034

The stock is stated after charging a provision of £66,174 against obsolescence (2015, £70,051)

### 12. DEBTORS

	2016 £	2015 £
Trade Debtors	77,926	95,515
Prepayments	237,233	3,520
Sundry Debtors	624,799	452,426
Deferred Expenditure	161,500	-
Amount due from HTB (see note 19)	373,759	-
	<u>1,475,217</u>	<u>551,461</u>

### 13. CASH AT BANK AND IN HAND

	2016 £	2015 £
Balance attributable to restricted fund	484,518	596,321
Balance at bank and in hand	2,289,195	1,799,181
	<u>2,772,713</u>	<u>2,395,502</u>

# Alpha International

## Notes to the financial statements, continued For the year ended 31 December 2016

### 14. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Creditors for goods and services	266,180	91,702
Amount due to HTB (see note 19)	-	195,016
Deferred income*	1,448,787	375,000
Accruals	106,159	91,287
Taxation and Social Security	41,618	36,161
Other creditors	11,123	9,173
HMRC	98,530	41,675
Mortgage finance	354,000	354,000
Amount due to SPTC (see note 19)	1,620	1,603
Financial derivative liability	56,760	56,760
	<b>2,384,777</b>	<b>1,252,377</b>

#### \*Deferred Income

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

	2016 £	2015 £
Balance at 1 January	375,000	526,200
Amount released to incoming resources	(375,000)	(526,200)
Amount deferred in year	<b>1,448,787</b>	<b>375,000</b>
Balance at 31 December	<b>1,448,787</b>	<b>375,000</b>

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

	2016 £	2015 £
HMRC	32,585	149,487
Mortgage finance	2,481,866	2,835,866
Financial derivative liability	284,852	316,803
	<b>2,799,103</b>	<b>3,302,156</b>

VAT of £1,203,166 was refunded by HMRC following the purchase of 5-7 Cromwell Road under the "Lennartz" ruling. Under the ruling the non-business element of this refund will need to be repaid over the course of a ten year period from the date of acquisition. A total of £92,046 was paid in the year (2015: £125,888) and the amount estimated to be repaid in 2017, £98,530, is recorded under current liabilities above. The balance of £32,585 will be repaid in 2018.

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 December 2025. The amount due to be repaid in 2017, £354,000, is disclosed in note 14. The remaining balance, due to be repaid after the end of 2017, 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 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 directors 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 was required to reflect the current fair value of its derivative contract as a liability in 2015. As at 31 December 2016 the liability is valued at £341,412 (of which £56,760 is short term liability).

### 16. ANALYSIS OF NET ASSETS BY FUND

	General funds £	Designated funds £	Restricted funds £	Total 2016 £	Total 2015 £
Fixed assets	10,819	9,386,663	-	9,397,482	9,529,366
Stock and debtors	1,515,500	-	-	1,515,500	597,495
Cash at bank and in hand	2,081,447	206,748	484,518	2,772,713	2,395,502
Current liabilities	(1,974,017)	(354,000)	-	(2,328,017)	(1,195,617)
Long term liabilities	(32,585)	(2,481,866)	-	(2,514,451)	(2,985,353)
Financial derivative liability	-	(341,412)	-	(341,412)	(373,563)
Fund balance	<b>1,601,164</b>	<b>6,416,133</b>	<b>484,518</b>	<b>8,501,815</b>	<b>7,967,830</b>

### 17. DESIGNATED FUNDS

	Opening Balance £	Mortgage Repayment £	Property Depreciation £	Transfer from General Reserve £	Closing Balance £
5-7 Cromwell Road Fund	5,953,583	354,000	(130,349)	32,151	6,209,385
Future Depreciation - Central Service Assets	86,464	-	(81,617)	201,901	206,748
	<b>6,040,047</b>	<b>354,000</b>	<b>(211,966)</b>	<b>234,052</b>	<b>6,416,133</b>

**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, and SPTC 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 2017 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 2016

	Opening Balance £	Income £	Expenditure £	Closing Balance £
<b>18. RESTRICTED FUNDS</b>				
<u>Strategic Leadership</u>				
Alpha Global -Int Dev	93,268	32,658	(125,926)	-
	<b>93,268</b>	<b>32,658</b>	<b>(125,926)</b>	
<u>UK Development</u>				
Alpha Scotland	15,000	57,719	(72,719)	-
Alpha Northern Ireland	13,873	21,779	(21,891)	13,761
UK Development Fund	-	6,018	(6,018)	-
Global Invitation	-	25,000	(25,000)	-
UK Invitation	-	30,200	(30,200)	-
	<b>28,873</b>	<b>140,716</b>	<b>(155,828)</b>	<b>13,761</b>
<u>Media and Publications</u>				
Resource Development	2,693	218,742	(128,153)	93,282
IT Development	33,854	-	-	33,854
Alpha Film Series	61,623	269,896	(331,519)	-
Resource development, web and communications	-	250,000	(250,000)	-
	<b>98,170</b>	<b>738,638</b>	<b>(709,672)</b>	<b>127,136</b>
<u>International Development</u>				
Africa Development Fund	38,754	119,914	(147,938)	10,730
Asia Pacific Development Fund	285,171	1,192,014	(1,148,957)	328,228
EME Development Fund	22,677	127,128	(148,190)	1,615
Latin America Development Fund	321	86,362	(86,362)	321
	<b>346,923</b>	<b>1,525,418</b>	<b>(1,531,447)</b>	<b>340,894</b>
<u>Alpha Context Development</u>				
Alpha - Prisons	9,732	16,489	(23,494)	2,727
Alpha - Youth	-	29,000	(29,000)	-
Alpha Forces	19,355	120	(19,475)	-
Alpha in a Catholic Context	-	108,262	(108,262)	-
	<b>29,087</b>	<b>153,871</b>	<b>(180,231)</b>	<b>2,727</b>
<u>Other Ministries</u>				
Relationship Central	-	5,300	(5,300)	-
	-	5,300	(5,300)	-
<u>Conferences</u>				
Leadership Conference	-	496	(496)	-
	-	<b>496</b>	<b>(496)</b>	
<u>Fundraising Expenditure</u>				
Fundraising Expenditure	-	172,275	(172,275)	-
	<b>596,321</b>	<b>2,769,372</b>	<b>(2,881,175)</b>	<b>484,518</b>

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 2016

#### 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.

Trustee & Members	Related Directorships/Trusteeship	Remuneration for non-trustee services	Related Party payment
Miss Tricia Neill	Alpha Hong Kong, Alpha USA and Alpha South Africa	£86,478 (2015:£84,578), pension £10,827 (2015:£9,229)	NIL (2015-NIL)
Mrs Rebecca Stewart	The St Pauls Theological Centre & Goldstar Partners	NIL (2015:£26,253), pension NIL (2015:£3,646)	NIL (2015-NIL)
Right Revd Sandy Millar		£19,210, (2015:£9,386)	NIL (2015-NIL)
Mr Chris Sadler	Alpha USA, Alpha Australia, Alpha India, Alpha Indonesia, Beijing Family Life and Alpha Asia Pacific Publishing Ltd	£43,935 (2015: £34,485)	NIL (2015-NIL)
Dato Hong Yeoh	Trinidad Limited	NIL (2015-NIL)	NIL (2015-NIL)
	MAD SQUARED ( Wife of Trustee, Kathleen, is a director)	NIL (2015-NIL)	NIL (2015-NIL)
	Alpha Malaysia ( Wife of Trustee, Kathleen, is a director)	NIL (2015-NIL)	NIL (2015-NIL)
Mr Ken Costa	Holy Trinity Brompton, The St Pauls Theological Centre & Worship Central	NIL (2015-NIL)	NIL (2015-NIL)
Mr David Segel	Alpha USA	NIL (2015-NIL)	NIL (2015-NIL)
Mr Michael Timmis		NIL (2015-NIL)	NIL (2015-NIL)
Revd. Nicky Gumbel	Holy Trinity Brompton & The St Pauls Theological Centre	NIL (2015-NIL)	Mr H Gumbel (son of Nicky Gumbel) was paid £4,822 (2015: £159) for consultancy work
John D. L. Mackay	Alpha USA & Alpha Canada	NIL (2015-NIL)	NIL (2015-NIL)
Mr Ramez Sousou		NIL (2015-NIL)	NIL (2015-NIL)
Revd Al Gordon	Worship Central	NIL	NIL
Ms Jody Jonsson	Alpha USA	NIL	NIL
Mr Bernard Mensah	Wife is on Parochial Church Council (PCC) of HTB & is Church Warden	NIL	NIL
Mr David Gardner	Wife is on PCC of HTB	NIL	NIL

**Trustee Donations:** Alpha International has received a total of £2,776,326 (2015: £3,018,028) 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, are as follows:

Revd. Nicky Gumbel - £23,399

Mr Ken Costa - £171

Miss Tricia Neill - £21

Right Revd. John (Sandy) Millar - £17

These royalties were waived by the trustees and the funds retained in the charity.

## Alpha International

Notes to the financial statements, continued

For the year ended 31 December 2016

### 19. RELATED PARTIES continued

Global Offices. Alpha International enjoys a shared vision and close working relationship with 58 "National Alpha Offices" around the world (2016, 58). Some were supported financially during the year. 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.

National Alpha Office & Related companies	Income	Expenditure	Balance owing at year end	Notes
Alpha India	Royalties £1,097 (2015-£NIL)	Grants totalling £268,174 (2015-£493,202)	£1,097 (2015-NIL)	
Beijing Family Life	NIL (2015- NIL)	Grant totalling £167,671 (2015-£103,915)	NIL (2015-NIL)	
Alpha Singapore	Grants & royalties totalling £26,820 (2015-£14,610)	Grant related to staff positions - £242,871 (2015, £242,866)	NIL (2015-NIL)	
Alpha Malaysia	NIL (2015-NIL)	Grant related to staff positions- £32,440 (2015, £16,108)	£22,170 (2015-£29,744)	
Alpha Indonesia	NIL (2015-NIL)	Grants totalling £115,781 (2015-£132,154)	NIL (2015-NIL)	
Alpha USA	Royalties received of £44,200 (2015-£48,214).	Grant related to staff positions and sundry expenses £159,022 (2015-£127,067)	£6,332 owed to Alpha USA (2015, £38,902)	
Alpha Australia	Royalties of £12,011 (2015-£NIL).	NIL (2015-NIL)	£6,385.85 (2015-£NIL)	
Alpha South Africa	Royalties/ grants received of £1,018 (2015-£9,468)	Grant related to staff positions and sundry expenses £53,758 etc (2015-£37,981)	£NIL (2015-Owed to £1,673)	
Worship Central	NIL (2015-NIL)	Grants £64,668 etc (2015-£NIL)	£NIL (2015-£NIL)	
Trinidad Limited	NIL (2015-NIL)	Loan repayment £354,000 (2015: £354,000)	Loan outstanding £2,835,866 (2015:£3,189,866) 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, a Limited Liability company registered in the Cayman Islands
HTB	Donations totalling £500k (2015, £505k) and members of the HTB congregation gave £2,277k (2015, £1,955k)	N/A	£373,759 (2015,£195,016 due to HTB)	
SPTC	NIL (2015-NIL)	N/A	£1,620 was due to SPTC (2015,£1,603)	
MAD SQUARED	£NIL (2015- £NIL)	Charges to Alpha International for media services £45,753 (2015:£74,839)	NIL (2015-NIL)	
Goldstar Partners Ltd	£NIL (2015- £NIL)	Payment of reasonable expense for Pro bono search. £551 (2015:£NIL)	NIL (2015-NIL)	
Alpha Canada	Joint venture income £408,932 (2015-£218,883)	Joint venture expenditure £449,022 (2015: £267,615), Grants totalling for Alpha Film Series and other projects including staff costs £187,095 (2015-£25,000)	£13,498 Owed to (2015-NIL)	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 2016

#### 20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

The following table analyses 2015's income and expenditure between unrestricted and restricted funds.

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £
<b>INCOME</b>				
<b>Donations and legacies</b>				
Donations under gift aid	2a)	101,560	183,810	285,370
Other donations and similar income	2b)	6,126,749	2,632,168	8,758,917
		6,228,309	2,815,978	9,044,287
<b>Charitable activities</b>	2c), 6	1,335,571	-	1,335,571
<b>Other income</b>	2d)	8,758	-	8,758
<b>Total income</b>		<b>7,572,638</b>	<b>2,815,978</b>	<b>10,388,616</b>
<b>EXPENDITURE</b>				
<b>Fundraising expenditure</b>	3a)	682,952	-	682,952
<b>Expenditure on charitable activities</b>				
Strategic Leadership	3b), 18	748,235	73,098	821,333
UK Development	3c), 18	450,790	154,619	605,409
Media and Publications	3d), 18	1,332,949	328,811	1,661,760
International Development	3e), 18	1,163,504	1,668,321	2,831,825
Alpha Context Development	3f), 18	599,904	190,735	790,639
Other Ministries	3g), 18	383,791	4,406	388,197
Conferences	3h), 18	1,129,720	377,691	1,507,411
<b>Total charitable expenditure</b>		<b>5,808,893</b>	<b>2,797,681</b>	<b>8,606,574</b>
<b>Total expenditure</b>		<b>6,491,845</b>	<b>2,797,681</b>	<b>9,289,526</b>
<b>Net income/(expenditure) before gains/(losses)</b>		<b>1,080,793</b>	<b>18,297</b>	<b>1,099,090</b>
Other gains/(losses)		43,758	-	43,758
<b>Net income/(expenditure)</b>		<b>1,124,551</b>	<b>18,297</b>	<b>1,142,848</b>
Funds brought forward at 1 January		6,246,958	578,024	6,824,982
Funds carried forward at 31 December		<b>7,371,509</b>	<b>596,321</b>	<b>7,967,830</b>

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.

