

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

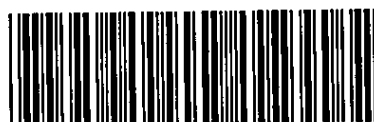
## Company Limited by Guarantee

Report and Financial Statements

for the year ended

31 October 2008

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COMPANIES HOUSE

Company Registration No. 5603035  
Charity Number 1112003

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

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### REGISTERED CHARITY NAME

KRISTOS MEDIA (FORMERLY XT3 MEDIA)

### CHARITY NUMBER

1112003

### COMPANY REGISTRATION NUMBER

5603035

### REGISTERED OFFICE

Round Foundry Media Centre  
Foundry Street  
Leeds  
LS11 5QP

### TRUSTEES

Paul Moore  
Christopher Purslow  
Mgr John Armitage

### SECRETARY

Paul Moore

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
The Waterfront  
Salts Mill Road  
Saltaire  
Shipley  
BD17 7EZ

### BANKERS

Lloyds TSB  
Harrogate Branch  
PO Box 1000  
BX1 1LT

### SOLICITORS

Wrigleys Solicitors  
19 Cookridge Street  
Leeds  
LS2 3AG

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

TRUSTEES ANNUAL REPORT (continued)

for the year ended 31 October 2008

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The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the audited financial statements of the charity for the year ended 31 October 2008.

### REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 2 of the financial statements.

### THE TRUSTEES

The trustees who served the charity during the period were as follows:

Paul Moore  
Christopher Purslow  
Mgr John Armitage

The trustees guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of winding up.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The charity is a charitable company limited by guarantee and was incorporated on 25 October 2005. It is governed by its memorandum and articles of association.

#### Appointment of trustees

Trustees are invited to join the board by invitation of the members.

#### Trustee training and induction

There have been no new trustees this year. In the event that new trustees are appointed they will be offered appropriate training and induction based on their level of experience.

#### Risks and uncertainties and risk management

The major risks to which the charity is exposed include the following:

- a. Funding: This is kept under strict review and monitoring. The Trustees direct much of their attention towards the raising of funds and cashflow. They are directly assisted in this by external paid book-keeping accountants who produce very regular financial reports for this purpose. Nearly all services for the charity are engaged by way of consultancy agreements which enable the Charity to reduce its outgoings at short notice.
- b. Operations: The trustees keep regular contact with the paid and voluntary workers for the charity and its subsidiary trading company. They are involved in all key strategic and policy decisions.

The Trustees continue to keep all the charity's activities under review, particularly with regard to major risks that may arise. Risks are mitigated by appropriate means, including insurance cover, where appropriate. For example, the Charity has a £10m employer's liability policy in place.

#### Organisational structure

The Charity has 3 trustees who have been selected for their particular expertise and knowledge. The activities of the charity are under the overall management and supervision of the Trustees who meet on a regular basis to review the operation of the charity and its finances. The operations of the charity are divided into 3 areas:

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### TRUSTEES ANNUAL REPORT (continued)

for the year ended 31 October 2008

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Xt3.com, the Christian Social Network, the Parish, Chaplaincy and Diocesan Website Initiative, and Kristos Publishing (formerly Xt3 Publishing).

The Xt3.com project is carried out by the Charity's trading subsidiary and is closely supervised by a project board, made up of 2 trustees and key personnel appointed for their relevant expertise. In turn the project has a project director and a project manager. Under them, further consultants and third parties with the appropriate expertise, experience and knowledge are engaged to execute the project.

The Parish, Chaplaincy and Diocesan Website service is under the direct supervision of one trustee. It has one consultant working on the project and a third party service provider as well as receiving voluntary help. Regular reports are compiled and reviewed by the relevant trustee who is responsible for this service.

Kristos Publishing which publishes 2 books and supports its author's work in schools and parishes has limited day to day activity which is mostly confined to arranging the distribution of the book in bookshops and on the author's tours. This activity is under the supervision of a trustee and regular reports are made of this to the trustees.

The trustees meet regularly and at least 4 times per year. They are also in regular informal contact by email and phone to review the activities of the charity and those of its trading subsidiary as a whole.

#### OBJECTIVES AND ACTIVITIES

##### Principal activities

Our mission is to help renew the Church by creating a positive alternative Christian culture.

##### Objects of the charity

Kristos Media intends:

- The advancement of the Christian faith and values and;
- The advancement of education of young people through and in the provision of all types of media including, but not limited to, music, art, the written word, radio, television and the internet throughout the world.

##### Significant activities

At the year end Kristos Media intended to continue developing the following 3 core activities:

- Xt3.com (Website) - Youth Social Network and broadcast platform designed to appeal to the interactive and creative desires of the young.
- Parish, Chaplaincy and Diocesan Websites - Provision of a high quality website on a donation only basis.
- Kristos Publishing - organises John Pridmore tours and distribution of his book "Gangland to Promised Land" and "Gangster's guide to God".

#### ACHIEVEMENTS AND PERFORMANCE

##### Xt3.com (Website)

Following the extraordinary progress that was made in the previous year, after detailed and protracted negotiations with the organisers of World Youth Day Sydney 2008, Kristos Media, entered into an agreement dated 21 August 2007 with WYD 2008 ACN 118 060 987 as the Trustee for The World Youth Day 2008 Trust ABN 73 422 698 032 (WYD 2008), to provide the official social network for World Youth Day 2008 to be held in Sydney. World Youth Day is the largest Christian gathering of young people in the world and over 250,000 young people were expected to be in Sydney in July 2008. It was hoped that the social network would become the instrument for fulfilling the objects of the Charity.

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# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### TRUSTEES ANNUAL REPORT (continued)

for the year ended 31 October 2008

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By 31 October 2007, significant progress was made for the delivery of this site. By an agreement dated 10 September 2007, between Kristos Media and Kristos Media Trading Ltd, the trustees decided to fulfil this contract through Kristos Media Trading Limited and to make payments to Kristos Media Trading Ltd for this primary purpose.

Key personnel were recruited in order to execute this project in the limited time frame for its delivery including a specialist web developing company, Sense Internet Ltd, based in Leeds. A project board was formed in order to oversee the delivery of the site and to ensure that it was properly funded and managed.

Xt3.com was re-launched on 12 June 2008 at Telstra headquarters in Sydney by Cardinal George Pell, Archbishop of Sydney to critical acclaim both in terms of its content and its functionality. It provided social networking facilities, online resources and also a TV broadcast platform. As a result of this publicity and the huge number attending World Youth Day Sydney with Pope Benedict XVI in July 2008, the network quickly acquired members which rose in time to nearly 50,000 registered users. It enabled young people to connect with each other, share their experiences and make plans to build a better world. On 8 September 2008, Xt3.com became the first social network to be used by any Pope to convey a message to young people.

Kristos Media continued to work closely with the Archdiocese of Sydney and Cardinal Pell after World Youth Day and at the close of the financial year both parties had committed themselves to signing a further agreement by the end of the year to expand and support the site.

#### **Parish Website Initiative**

This exciting project was launched in the autumn of 2006. This Initiative registered an increase of 15 new live parish websites during the tax year 2007-08, which represented a 68% increase year on year bringing the total to 39 live websites since the project was launched. The retention rate since the launch of the project in June 2006 continued to register 100%. Donation renewal rates also registered 100% for years one and two.

The first ever custom built website for the RC Diocese of Lancaster went live in October 2008.

#### **Kristos Publishing (John Pridmore tours)**

Since 2004 we have distributed well over 70,000 books. John Pridmore has also been on ITV, the Jeremy Vine show on Radio 2, Radio 5 Live and Radio 4 and most recently on Good Morning Sunday on Radio 2. His book is now widely available in mainstream retail bookstores.

In November 2007, his second book "Gangster's guide to God" was launched at Westminster Cathedral, London in the presence of Cardinal Cormac Murphy-O'Connor, Archbishop of Westminster.

Further strides in the promotion and distribution of John Pridmore's books have been made during the current year with John Pridmore making speaker trips to the US, Australia and New Zealand. An extraordinary opportunity was made available to John Pridmore to speak in Sydney during the World Youth Day celebrations in July 2008 when he spoke to over 300,000 people and received global promotion of his book. In this year John Pridmore has also been involved in continuous speaker engagements in schools, parishes and other venues and has been interviewed widely in the press, TV and radio.

An agreement was signed with a successful French publisher, Presses de la Renaissance, to publish the book in its 2009/2010 roster and talks were initiated with an agent in Italy to explore possibilities for an Italian version.

#### **FINANCIAL REVIEW**

The charity is reliant upon donations raised from individuals, grant making trusts and other organisations that are supportive of its objectives. These have yet to return a surplus but in time it is hoped that they will. The charity does not have any investments, besides its subsidiary company.

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### TRUSTEES ANNUAL REPORT (continued)

for the year ended 31 October 2008

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#### Level of Incoming Resources for year

The charity was successful in raising the amounts stated in the accounts which have been mostly donated and used for the purpose of the execution of the Xt3.com project. Much of the money raised has been for specific projects or areas of work including the development of Xt3.com (its social networking site), its parish website initiative and its publishing of books. It also received a grant for management of the charity and its operations.

In total the charity has received the sum of £767,486 by way of £757,693 in donations, £2,285 in donations from parishes for websites, £6,515 for retail sales of books, miscellaneous income of £305 and investment income of £688. In the previous year the charity has received the sum of £166,661 by way of £138,218 in donations, £7,082 in donations from parishes for websites, £13,142 in book donations, £879 for retail sales of books and miscellaneous income of £7,340.

#### Level of Expenditure for year

As a result of the significant increase in donations, the group has been able to increase the amount spent on its activities to a total sum of £1,318,778 compared to £118,001 the year before.

#### Net result for year

This year saw a deficit of £551,292 for the group. While a deficit was recorded, the increase in the scope of the charity's activities provided the explanation for this and it is hoped that the following financial year will see this position rectified.

#### Level of reserves

At 31 October 2008, there was a deficit on reserves of £529,583, with a surplus of £42,333 on the restricted reserve and a deficit of £571,916 on the unrestricted reserve. The deficit is due to the increase in the scope of the charity's activities and it is hoped that the following financial year will see this position rectified.

The charity's aim is to hold 3 months worth of expenditure, but the trustees recognise that with a young charity, this target may sometimes have to be reduced. The charity has a number of supporters on whom it can call in the event that funds fall below this level.

The charity has interest free loans of £371,525 which are repayable as and when funds allow from unrestricted income. Accordingly, the trustees consider that the charity has sufficient funds to meet its reserves criteria.

#### Primary purpose activity undertaken by the charity's trading company

The trustees decided to carry out the World Youth Day Social networking agreement through the charity's trading company, Kristos Media Trading Limited (formerly Xt3 Media Trading Ltd), and executed a document which directed that monies transferred to the trading company were to be used to carry out this primary purpose of the charity. Pursuant to this, the sum of £1,053,649 was transferred to the trading company for this purpose.

#### PLANS FOR FUTURE PERIODS

##### Xt3.com

Having launched Xt3.com in June, Kristos Media continued to work closely with the Archdiocese of Sydney and Cardinal Pell after World Youth Day and at the close of the financial year both parties had committed themselves to signing a further agreement by the end of the year to expand and support the site throughout the Church.

Following the signature of the new agreement with the Archdiocese of Sydney in December 2008, further discussions were entered into between the parties. It became clear to the Trustees that the ongoing success of Xt3.com and therefore the fulfilment of the objects of the charity were best ensured by the transfer of Xt3.com to

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### TRUSTEES ANNUAL REPORT (continued)

for the year ended 31 October 2008

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the Archdiocese of Sydney who were willing, ready and able to fund the project on an ongoing and permanent basis and were committed to promoting and expanding its use throughout the Church under the personal sponsorship of Cardinal Pell of Sydney. Accordingly, an assignment dated 5 August 2009 was executed in favour of the Archdiocese of Sydney. In consideration of this assignment, an outstanding loan of AU\$150,000, which had been made to the group by the Archdiocese of Sydney after the 2008 year end, together with any interest was cancelled. In order to avoid confusion between Xt3.com and the other activities of the Charity, the Trustees agreed to change the name to Kristos Media which took place on 3 September 2009.

#### Parish Websites

The Trustees noted the considerable effort which is required in turning interest of parishes into live parish websites. Nevertheless, the feedback of those parishes who have commissioned a website is universally positive. It is clearly assisting parishes to connect both with each other and the wider community. The Trustees are encouraged by the expansion of the initiative this year together with the 100% retention rate. It is hoped that this will continue to flourish.

#### John Pridmore

Having successfully published John Pridmore's second book, "A Gangster's Guide to God" in November 2007 and signed an agreement with the French publisher Presses de la Renaissance, the Trustees intend to facilitate where practicable further expansion of sales and distribution of both books.

#### RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and which enable them to ensure that the financial statements comply with Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

TRUSTEES ANNUAL REPORT (continued)  
for the year ended 31 October 2008

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### AUDITORS

During the year Baker Tilly UK Audit LLP were appointed as auditors. A resolution to reappoint Baker Tilly UK Audit LLP as auditors for the ensuing year will be proposed at the Annual General Meeting.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### SMALL COMPANY PROVISIONS

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

Registered office:  
Foundry Media Centre,  
Foundry Street,  
Leeds,  
LS11 5QP.

On behalf of the board



P Moore  
Trustee

Date: 25/9/09



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KRISTOS MEDIA

We have audited the financial statements on pages 10 to 18.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable 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 anyone other than the charitable company and the 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 auditors

The responsibilities of the trustees (who are also the directors of Kristos Media for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and group as at 31 October 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Trustees' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP

The Waterfront

Salts Mill Road

Saltaire

Shipley

BD17 7EZ

*28 Sept* 2009

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

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

for the year ended 31 October 2008

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds Year to 31 Oct 08 £	Total Funds Year to 31 Oct 07 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds:					
Voluntary income	3	692,585	65,108	757,693	138,218
Incoming resources from charitable activities	4	-	9,105	9,105	28,443
Investment income	5	-	688	688	-
<b>TOTAL INCOMING RESOURCES</b>		<u>692,585</u>	<u>74,901</u>	<u>767,486</u>	<u>166,661</u>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Costs of generating voluntary income	6	(86)	(24,912)	(24,998)	(14,904)
Charitable activities	7	(715,121)	(531,390)	(1,246,511)	(97,906)
Governance costs	8	-	(47,269)	(47,269)	(5,191)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(715,207)</u>	<u>(603,571)</u>	<u>(1,318,778)</u>	<u>(118,001)</u>
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR/NET INCOME/(EXPENDITURE) FOR THE YEAR</b>					
	9	(22,622)	(528,670)	(551,292)	48,660
Total funds brought forward		<u>64,955</u>	<u>(43,246)</u>	<u>21,709</u>	<u>(11,695)</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>42,333</u>	<u>(571,916)</u>	<u>(529,583)</u>	<u>36,965</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

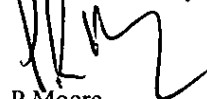
### CONSOLIDATED AND CHARITY BALANCE SHEET

31 October 2008

	Notes	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
<b>FIXED ASSETS</b>					
Intangible assets	11	61,724	-	-	-
Tangible assets	12	613	-	-	-
		<u>62,337</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CURRENT ASSETS</b>					
Debtors	13	32,880	1,027	7,386	207
Investments	14	-	-	1	1
Cash at bank		82,691	74,841	51,541	69,751
		<u>115,571</u>	<u>75,868</u>	<u>58,928</u>	<u>69,959</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(707,491)	(31,634)	(404,973)	(10,469)
NET CURRENT ASSETS/(LIABILITIES)		<u>(591,920)</u>	<u>44,234</u>	<u>(346,045)</u>	<u>59,490</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(529,583)</u>	<u>44,234</u>	<u>(346,045)</u>	<u>59,490</u>
<b>CREDITORS</b>					
Amounts due after more than one year	16	-	(22,525)	-	(22,525)
NET ASSETS/(LIABILITIES)		<u>(529,583)</u>	<u>21,709</u>	<u>(346,045)</u>	<u>36,965</u>
<b>FUNDS</b>					
Restricted income	17/19	42,333	64,955	42,333	64,955
Unrestricted income	18/19	(571,916)	(43,246)	(388,378)	(27,990)
TOTAL FUNDS		<u>(529,583)</u>	<u>21,709</u>	<u>(346,045)</u>	<u>36,965</u>

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

These financial statements were approved by the members of the committee on 21/09/09 and are signed on their behalf by:



P Moore  
Trustee

The notes on pages 12 – 18 form part of these accounts

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

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#### 1 ACCOUNTING POLICIES

##### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985.

At the year end the group had net current liabilities of £591,920 and net liabilities of £529,583. Of the creditors outstanding at the year end, £371,525 of the balance represented loans to the charity which were given on a philanthropic, interest free basis on the understanding that they would be repayable at the discretion of the trustees as and when and if sufficient unrestricted income was available to do so. A further £318,378 of creditors at year end was trade creditors, mainly in relation to the setting up of the Xt3.com website. Since the year end further donations of around £400,000 including Gift Aid have been received by the charity. In addition, the charity has a number of supporters on whom it can call in the event that additional funds are required. As noted in note 21, since the year end the Xt3.com website has been transferred to the Archdiocese of Sydney. Following this transfer it is expected that the group's activities will be much reduced in the coming year. On this basis the trustees have prepared the accounts on the going concern basis.

##### GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the charity and its wholly owned subsidiary Kristos Media Trading Limited (formerly Xt3 Media Trading Limited) on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented by the charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

##### CASH FLOW STATEMENT

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

##### INCOMING RESOURCES

Incoming resources are recognised in accordance with Charities SORP 2005.

##### RESOURCES EXPENDED

Resources expended are included in the Statement of Financial Activities on an accruals basis, and are recognised when there is a legal or constructive obligation to pay for expenditure.

All costs are directly attributed to the applicable cost heading.

##### **Costs of generating funds**

These comprise the costs associated with generating income and raising the profile of the charity.

##### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

##### **Governance costs**

These are those costs incurred by the charity in meeting its statutory obligations and include accountancy fees and legal fees.

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

#### 1 ACCOUNTING POLICIES *(continued)*

##### FIXED ASSETS

All fixed assets are initially included at cost.

##### DEPRECIATION

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

Xt3.com website	- 10 years
Equipment	- 3 years straight line

#### 2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The trustees guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of winding up.

#### 3 VOLUNTARY INCOME

	Restricted Funds £	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Donations	<u>692,585</u>	<u>65,108</u>	<u>757,693</u>	<u>138,218</u>

#### 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds £	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Sale of Religious Materials	-	-	-	13,142
Sale of books	-	6,515	6,515	879
Donations from Parishes for Website	-	2,285	2,285	7,082
Miscellaneous Income	-	305	305	7,340
	<u>-</u>	<u>9,105</u>	<u>9,105</u>	<u>28,443</u>

#### 5 INVESTMENT INCOME

	Restricted Funds £	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Bank interest receivable	-	688	688	-
	<u>-</u>	<u>688</u>	<u>688</u>	<u>-</u>

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

#### 6 COSTS OF GENERATING VOLUNTARY INCOME

	Restricted Funds	Unrestricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Book publishing costs	86	24,912	24,998	2,012
Books, DVDs and CDs purchased	-	-	-	12,892
	<u>86</u>	<u>24,912</u>	<u>24,998</u>	<u>14,904</u>

#### 7 COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Restricted Funds	Unrestricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Staff costs	-	66,210	66,210	29,781
Equipment hire	-	-	-	9,459
Promotional material	-	580	580	9,571
Printing and stationery	-	1,938	1,938	6,981
Website purchases	1,066	-	1,066	9,838
Staff expenses	-	-	-	3,870
Computer costs	-	8,545	8,545	8,722
Travel and subsistence	-	58,418	58,418	3,153
Bank charges	-	774	774	20
Rent	-	4,007	4,007	7,679
Telephone	-	4,862	4,862	605
Rates and water	-	2,086	2,086	-
Light and heat	-	541	541	-
Insurance	-	1,025	1,025	-
Repairs and maintenance	-	124	124	-
Laundry and cleaning	-	138	138	-
Donations	-	150	150	-
Contractor expenses	50,385	62,489	112,874	-
John Pridmore expenses	-	2,506	2,506	-
Advertising	-	6,473	6,473	-
Sundry Expenses	-	6,838	6,838	1,688
Other Charitable Costs	-	5,307	5,307	6,539
Depreciation	-	306	306	-
Consultancy fees	599,225	-	599,225	-
Impairment of Xt3.com website	64,445	298,073	362,518	-
	<u>715,121</u>	<u>531,390</u>	<u>1,246,511</u>	<u>97,906</u>

#### 8 GOVERNANCE COSTS

	Restricted Funds	Unrestricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Accountancy fees	-	1,683	1,683	5,191
Audit fees	-	7,000	7,000	-
Legal fees	-	32,536	32,536	-
Bookkeeping fees	-	6,050	6,050	-
	<u>-</u>	<u>47,269</u>	<u>47,269</u>	<u>5,191</u>

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

#### 9 NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging:

	Year to 31 Oct 08	Year to 31 Oct 07
	£	£
Auditors' fees	7,000	-
Operating lease costs – Equipment hire	-	9,459

#### 10 STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	Year to 31 Oct 08	Year to 31 Oct 07
	£	£
Wages and salaries	60,711	27,573
Social security costs	5,499	2,208
	<u>66,210</u>	<u>29,781</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

Year to 31 Oct 07	Year to 31 Oct 07
£	£
<u>5</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year (2007 - Nil). No trustees received any remuneration in the year.

#### 11 INTANGIBLE FIXED ASSETS

	Xt3.com Website £
Cost	
Additions	424,242
At 31 October 2008	<u>424,242</u>
Impairment	
Charge for the year	362,518
At 31 October 2008	<u>362,518</u>
Net book value	
At 31 October 2008	<u>61,724</u>
At 31 October 2007	<u>-</u>

After the year end the Xt3.com website was transferred to the Archdiocese of Sydney for a consideration of AU\$150,000 (see note 21). The website asset has been impaired to reflect this amount.

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

#### 12 TANGIBLE FIXED ASSETS

	Equipment £
Cost	
Additions	919
At 31 October 2008	<u>919</u>
Depreciation	
Charge for the year	306
At 31 October 2008	<u>306</u>
Net book value	
At 31 October 2008	<u>613</u>
At 31 October 2007	<u>-</u>

#### 13 DEBTORS

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Trade debtors	1,150	-	1,150	-
Amounts owed by group undertakings	-	-	4,264	7
Other debtors	31,730	1,027	1,972	200
	<u>32,880</u>	<u>1,027</u>	<u>7,386</u>	<u>207</u>

#### 14 INVESTMENTS

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Shares in group undertakings	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The charity owns 100% of the ordinary share capital of Kristos Media Trading Limited (formerly XT3 Media Trading Limited). The principal activity of Kristos Media Trading Limited is website development.

#### 15 CREDITORS: amounts falling due within one year

	Group 2008 £	Group 2007 £	Charity 2008 £	Charity 2007 £
Trade creditors	318,378	23,450	22,448	4,718
Other taxes	5,088	933	-	933
Accruals and deferred income	12,500	7,251	11,000	4,818
Loans	371,525	-	371,525	-
	<u>707,491</u>	<u>31,634</u>	<u>404,973</u>	<u>10,469</u>



# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

#### 16 CREDITORS: amounts falling due after more than one year

	Group 2008	Group 2007	Charity 2008	Charity 2007
	£	£	£	£
Loans	-	22,525	-	22,525
	<u>-</u>	<u>22,525</u>	<u>-</u>	<u>22,525</u>

#### 17 RESTRICTED INCOME FUNDS - GROUP

	Balance at 1 November 2007	Incoming resources	Outgoing resources	Balance at 31 October 2008
	£	£	£	£
Parish Website Project	424	42,975	(1,066)	42,333
Management	2,353	-	(2,353)	-
Xt3.com	62,092	649,610	(711,702)	-
John Pridmore books	86	-	(86)	-
	<u>64,955</u>	<u>692,585</u>	<u>(715,207)</u>	<u>42,333</u>

#### RESTRICTED INCOME FUNDS - CHARITY

	Balance at 1 November 2007	Incoming resources	Outgoing resources	Balance at 31 October 2008
	£	£	£	£
Parish Website Project	424	42,975	(1,066)	42,333
Management	2,353	-	(2,353)	-
Xt3.com	62,092	649,610	(711,702)	-
John Pridmore books	86	-	(86)	-
	<u>64,955</u>	<u>692,585</u>	<u>(715,207)</u>	<u>42,333</u>

The Xt3.com fund and the Parish website fund have arisen primarily from donations to be used for these purposes only.

#### 18 UNRESTRICTED INCOME FUNDS - GROUP

	Balance at 1 November 2007	Incoming resources	Outgoing resources	Balance at 31 October 2008
	£	£	£	£
General Funds	<u>(43,246)</u>	<u>74,901</u>	<u>(603,571)</u>	<u>(571,916)</u>

#### UNRESTRICTED INCOME FUNDS - CHARITY

	Balance at 1 November 2007	Incoming resources	Outgoing resources	Balance at 31 October 2008
	£	£	£	£
General Funds	<u>(27,990)</u>	<u>74,213</u>	<u>(434,601)</u>	<u>(338,378)</u>

The charity made a deficit of £383,010 in the year.

# KRISTOS MEDIA (FORMERLY XT3 MEDIA)

## Company Limited by Guarantee

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

#### 19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fund Balances at 31 October 2008 are represented by:			
Fixed Assets	-	62,337	62,337
Current Assets	42,333	73,238	115,571
Current Liabilities	-	(707,491)	(707,491)
	<u>42,333</u>	<u>(571,916)</u>	<u>(529,583)</u>

#### 20 RELATED PARTY TRANSACTIONS

Included in other creditors is a loan from ATG UV Technology Ltd, a company 95% of which is owned by a trustee, Christopher Purslow. The balance at the year end was £62,000 (2007 - £12,000). This loan is unsecured and has been given on an interest-free basis.

All the related party transactions were approved by independent trustees as required by the charity's governing document.

#### TRUSTEES' REIMBURSED EXPENSES

Paul Moore, a trustee, was reimbursed expenses of £18,459 in the year.

#### 21 POST BALANCE SHEET EVENTS

Following the signature of the new agreement with the Archdiocese of Sydney in December 2008, further discussions were entered into between the parties. It became clear to the Trustees that the ongoing success of Xt3.com and therefore the fulfilment of the objects of the charity were best ensured by the transfer of Xt3.com to the Archdiocese of Sydney who were willing, ready and able to fund the project on an ongoing and permanent basis and were committed to promoting and expanding its use throughout the Church under the personal sponsorship of Cardinal Pell of Sydney. Accordingly, an assignment dated 5 August 2009 was executed in favour of the Archdiocese of Sydney. In consideration of this assignment, an outstanding loan of AU\$150,000, which had been made to the group by the Archdiocese of Sydney after the 2008 year end, together with any interest was cancelled. In order to avoid confusion between Xt3.com and the other activities of the Charity, the Trustees agreed to change the name to Kristos Media which took place on 3 September 2009.