

Charity Number
Company Number

1069357
03485699

**CROSS RHYTHMS
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2014**



Howsons Chartered Accountants
PO Box 165
Winton House
Stoke Road
Stoke on Trent
ST4 2RW

CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 DECEMBER 2014

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YEAR ENDED 31 DECEMBER 2014

CHARITY INFORMATION

Governance

The organisation is a charitable company limited by guarantee, incorporated registered as a charity on 24 December 1997.

The company was established under a Memorandum of Association.

The serving trustees elect the trustees.

Trustees

Mr M A Barker
Mr J Bowles
Mr R Andrews
Mr C Cole

Chief Executive Officer

Mr J Bellamy

Company secretary

Mr J Bowles

Registered office

Conway House
Cheapside
Hanley
Stoke on Trent
ST1 1HE

Principal office

Conway House
Cheapside
Hanley
Stoke on Trent
ST1 1HE

Auditor

Howsons Chartered
Accountants
PO Box 165
Winton House
Stoke Road
Stoke on Trent
ST4 2RW

CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

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TRUSTEES' ANNUAL REPORT

The Board of Directors and Trustees present their annual report, together with the audited financial statements for the period ended 31 December 2014.

Principal activity for the public benefit: Cross Rhythms continued its activities to promote the values of the Christian faith for the benefit of the public, particularly young people, through broadcast media and related initiatives of radio, Internet, new media and accredited training courses.

Radio Station: The radio station continued broadcasting on 101.8FM across Stoke-on-Trent and Newcastle-under-Lyme. The station is streamed worldwide on our website. Programmes are also syndicated to secular and Christian radio stations worldwide. We operate with the benefit of the OFCOM (government agency for licensing of all communications granted) license. In addition we are developing partnerships with groups in other cities keen to reproduce our FM Community Radio model. A group in Plymouth continue to broadcast Cross Rhythms Plymouth and one in Stockton-on-Tees continues to broadcast Cross Rhythms Teesside. Our connections with a small group in Warangal, India who have a vision for a community radio station, continue; also we continued our work to set up an online youth station in Bethlehem; and we continue to support a weekly show on Thai National Radio.

Internet and New Media: With more than 200,000 pages our website continues to strongly present the ministry and interact with a global audience. We are still one of the largest and most visited UK Christian websites with a very high ranking with the search engine "Google". The site has editorial content that is both music and non-music focussed including features such as Prayer Rooms, Forums, Chatrooms and other pages. The online shop and integration of sales promotion through the site content is a valued income stream.

TV programmes: No new TV developments this year. However we see adding an online TV/video course in the future to our Media Training offer.

Media Training Centre: Building on the launch of our accredited Media Training Centre in 2012, in 2014 we took in further Pre-Apprenticeship course students. These are local disadvantaged young people not in employment, education or training. In addition this centre also offers a pathway for aspiring young Christians from across the UK who have a passion to follow a direction in Christian media and we took in another three young people for these courses. We also agreed a contract to work with Babington Group to offer Traineeships for unemployed youth starting 2015.

Cross Rhythms is a member of the Evangelical Alliance and also works closely with others with similar aims and objectives, including the Christian Broadcasting Council, local and national churches and

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TRUSTEES' ANNUAL REPORT

ministries, and community leaders. We are still developing where the opportunity arises with associations and partnerships.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning future objectives.

Organisation:

The Board of Directors meets regularly, most months, and is responsible for the ultimate strategic decisions, having regard to advice from the Chief Executive and senior management. All meetings were held by Skype Tele conference call- except one meeting in June and one in December which were held at Conway House Stoke.

Further the CEO holds regular discussions for information and guidance and updates with the Chairman of the board and relevant information is distributed to the members as appropriate by electronic means on at least a monthly basis. A formatted monthly reporting structure has been used to keep all trustees updated monthly.

Review of the year's activities

Radio Station:

The local FM station continues to build links with the local churches and the wider community being able to engage with police, health, education and employment agencies, MPs, councillors, schools, universities, theatres etc. The local Sentinel Newspaper supplies us local news each hour. We also ran outside broadcasts, including the Civic Prayer Breakfast.

The collaboration with other groups in other cities continued to deliver Cross Rhythms in Plymouth and Teesside. In addition we have continued to work on the development of an online community radio station in Bethlehem aimed at Palestinian Arab youth – major developments include design of an Arabic music website and securing the equipment for 24 hour online radio stream. In addition by year end we had found 43 of the 50 new monthly partners we required to support this specific project.

Our work to develop a community station in India is still on hold but a weekly CR show continued to go out on Thai National Radio, presented by a local Thai young DJ. Our syndication of 12 unique weekly shows goes to about 50 stations worldwide. We continued to offer the station on Smartphone and launched a new show, Saturday Night Vibe.

Internet:

Our website activity has continued throughout the year reaching in excess of 500,000 unique users. The radio station is streamed online and our Listen Again and Podcast facilities continue to be popular. The online shop, CR Direct, still continues to contribute financially to the charity but

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due to changes in consumer habits it has declined further in effectiveness in 2014. We saw a resurgence in Vinyl purchases and we continued our support of UK independent artists through the online shop. Additionally, we have continued to develop our Facebook and Twitter social networking options and our weekly Life Files which go to more than 5000. Our online Prayer Rooms, Chatrooms and Forums connect with many young people but are declining as Social Media platforms take over.

Media Training Centre:

Three new national Media training students completed their courses this year. One of them starting a new show, Saturday Night Vibe. We also took several Pre-Apprenticeship students for Radio Production, Administration and, a new, Journalism courses. These courses are run in partnership with the local Job Centre to send local disadvantaged young people to us for various training courses and work place experience. We also entered into a long term contract with Babington Group – a national group who provide training and work placements for unemployed youth as a Traineeship. We aim to take up to 10 students at a time from 2015.

Conway House:

Rental income for use of our premises is a key support to the charity. We maintained our tenants from the previous year. We are still pursuing advance negotiations with a power company for when the 60 year lease for a sub station in our building comes to an end, in 9 years time. We continue to seek new tenants for our Floor 2 and reception office space.

Cross Rhythms Direct:

Sales have continued to decline, however this is still a valuable income stream for the charity. Our long term plans are to include download sales connected to our global position through the website, which we hope will revitalise it. We do however run as an iTunes affiliate thus able to secure some sales through listeners to the station. We have seen a strong response to our offer of Vinyls - this is a growing niche, both in the mainstream and the Christian music scene.

The Word In Action:

This is a long standing partnership between Cross Rhythms and Gilead Foundation charities. Both charities have a working connection with Cornerstone Vision with a goal to connect Christian media with Christian rehabilitation to rescue people from drug and alcohol addictions. We see a small income come to us through this partnership from WIA donors.

Marketing:

Much of our marketing is through partnerships, being at events, contra deals and through our own media platforms. Additionally, we produce quality literature aimed at a youth generation and circulate them through events throughout the year. We also supply music editorial to various publications in exchange for advertising. Our Artists Partnerships department builds with UK and foreign independent artists who will take our literature to gigs and events.

General:

We continued to campaign for more monthly partners (Friends), and put out 4 physical mailings to our donor base. Apart from this we have maintained our areas of activities despite a weak economic period. We also saw a few Sponsored Events programmes take place with three

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people doing a sponsored abseil and two other staff running the Manchester marathon.

Board membership: The Board continues to function well with trustees who have expertise in key areas and carry that as a specific area of responsibility in addition to their collective responsibility. In addition, we have a group of supportive consultants who support the organisation as unpaid volunteers. In December we offered a trial period to a prospective new trustee from January 2015.

Trustee Recruitment and Training: Cross Rhythms selects know potential trustees to fulfil a specific role within the board to provide levels of expertise necessary for the oversight and guidance to comply with our role and responsibilities on the behalf of the donors.

To ensure that the potential trustee fully understands the role a pack of information is provided that directs them towards the Charity Commissions guidance for a well-run charity and guidance for a well-managed company. A probationary period is required to allow a time of becoming aware of the role and responsibilities and after a review the appointment is then considered.

Financial review

The results for the year and the charity's financial position at the end of the year are shown in the attached accounts.

The improvement in the performance of the charity over the year is a result of the actions taken as described in this report. The plans for the future include further consolidation of the position and eventual accumulation of reserves in accordance with the reserves policy as established by the trustees.

Despite a fall in incoming resources of £13,709 Cross Rhythms has managed to turn a small surplus of £1,341 in the period (2013- £3,539). This is predominantly due to the reduction in the charitable trading and support costs, which reduced by £22,983.

Future developments

After 30 years of 'pioneering' Cross Rhythms has developed a strong basis of operation. We are recognised at a local, national and international level for the quality and uniqueness of what we do. We continue to attract new donors, supporters, partners and trust support. We have targeted further growth, particularly aimed at UK Youth in a new radio strategy, along with social media, online and Media Training aspects in 2015.

In 2015 we will also be re-applying for our FM licence in Stoke-on-Trent for an unprecedented period which would take us up to 18 years local broadcasting. We will also apply to take part in Ofcom's proposed Small Scale DAB trials. We will continue the development of our training activities, both for national media students and for local disadvantaged youth. As well as being part of our charitable

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objectives these training options help provide additional income to the charity and also draws in young talent who help contribute to the strengthening of our media platforms through hands on involvement.

We expect to develop and extend our collaborations with existing and new partnerships. The board have identified that earned income will grow to supplement gifted income, particularly through existing and new tenants, and through the Babington traineeships. There is a clear target to make significant improvements in income and we have discussions with trust funds sympathetic with our objectives. At the same time we will continue to establish our strategy to broaden our donor base by offering individuals the opportunity to get behind specific aspects of the Cross Rhythms vision, for example the work in Bethlehem or India or Thailand or for UK Youth or for Media Training or for UK FM Community Radio. This is something that is working.

We continue to carry a commitment to additional Cross Rhythms radio stations in UK cities and ongoing discussions with interested parties continue.

Volunteer involvement

During the year Cross Rhythms has supplemented 8 salaried staff with over 30 volunteers at any one time. This year we saw over 70 different volunteers and work experience students. Other volunteers include 30 reviewers and writers for the website.

Employee involvement

Cross Rhythms relies on the well-trained experienced commitment and hard work of 8 full time staff. We have retained all our core team who are very motivated and increasingly mature to the vision of Cross Rhythms. Although most would identify a key area of expertise, all are responsible to serve the growing ministry when and where required. Particularly as Cross Rhythms is such a developing under-resourced ministry, each person has to 'multi-task' to cover it. Daily prayer meetings and once a month full day gatherings are held to build relationships, support and communication between the departments. These meetings also help nurture the 'community' of a team with a vision of many components.

Risk policy

The trustees are considering the risks to which the charity is subject and continue to develop ways to mitigate the risks.

The major risk areas identified by the Trustees are as follows:

- Financial Risk. This is mitigated by the scope of regular supporters to the charity.
- Loss of broadcasting licence. The licence is renewed every five years. Cross Rhythms have been broadcasting since 2002 and have a good reputation with Ofcom. We do not foresee an issue with the licence renewal.

Reserves policy

It is the intention of the trustees to maintain reserves sufficient to cover 3 months of expenses. The trustees have continued to reduce costs and constantly seek ways of increasing income.

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The trustees

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

- Mr R Andrews
- Mr M A Barker
- Mr J Bowles
- Mr C Cole

Responsibilities of the trustees/directors

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming resources and application of resources, including income and expenditure, of the charity for that year. In preparing those financial statements the trustees have:

- selected suitable accounting policies and then applied them consistently;
- observed the methods and principles in the charities SORP;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in operation.

The trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements will comply with The Companies Act 2006. They 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. Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

In so far as the trustees are aware there is no relevant audit information of which the charity's auditor is unaware and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The report is prepared in accordance with the small company regime (section 419(2) of the Companies Act 2006).

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Auditor

Howsons Chartered Accountants are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:

Conway House

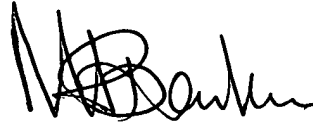
Cheapside

Hanley

Stoke-on-Trent

ST1 1HE

Signed by order of the trustees



Mr M A Barker

Director

Approved by the trustees on

25 June 2015

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YEAR ENDED 31 DECEMBER 2014

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

We have audited the accounts of Cross Rhythms for the year ended 31 December 2014 on pages 13 to 22. 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)

The report is made solely to the charity's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our Audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors 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 charity and the charity's members, as a body, for our audit work, this report or for the opinions we have formed.

Respective responsibilities of the trustees and the auditor

As described in the Statement of Trustees' Responsibilities on page 9, the trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the Trustees' report and the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under Companies Act 2006 and section 145 of the Charities Act 2011 and report in accordance with those Acts. 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 sufficient and appropriate evidence about the amounts and disclosures in the financial statements 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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. 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 charity's affairs as at 31 December 2014, and of the incoming 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

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

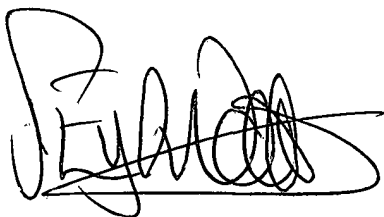
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires 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.



James Eyre-Walker (Senior Statutory Auditor)

For and on behalf of

Howsons Chartered Accountants and Statutory Auditors

Winton House
Stoke Road
Stoke-on-Trent
ST4 2RW

Date

25 June 2015

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

	Note	Unrestricted £	Restricted £	Total Funds 2014 £	Total Funds 2013 £
Incoming resources from generated funds					
Voluntary income	2	136,004	20,641	156,645	162,802
Activities for generating funds					
Income from non charitable trading activities		42,610	0	42,610	35,216
Income from charitable trading activities	3	27,184	0	27,184	42,130
		<u>69,794</u>	<u>0</u>	<u>69,794</u>	
Total incoming resources		<u>205,798</u>	<u>20,641</u>	<u>226,439</u>	<u>240,148</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	4	10,337	0	10,337	5,220
Charitable activities					
Costs in furtherance of charitable objects	5	164,008	29,838	193,846	214,038
Governance costs	6	10,328	0	10,328	6,858
Other resources expended					
Loan interest payable	7	<u>10,587</u>	<u>0</u>	<u>10,587</u>	<u>10,493</u>
Total resources expended	7	<u>195,260</u>	<u>29,838</u>	<u>225,098</u>	<u>236,609</u>
Net income/ (expenditure) for the year	8	10,538	(9,197)	1,341	3,539
Transfers between funds		0	0	0	0
Other recognised gains and losses		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net movement in funds relating to the year		10,538	(9,197)	1,341	3,539
Balances brought forward		<u>99,202</u>	<u>32,179</u>	<u>131,381</u>	<u>127,842</u>
Balances carried forward		<u>109,740</u>	<u>22,982</u>	<u>132,722</u>	<u>131,381</u>

The Statement of Financial Activities incorporates the Statement of Total Recognised Gains and Losses required by FRS3. All of the activities of the charity are classed as continuing.

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BALANCE SHEET

	Note	Unrestricted £	Restricted £	Total 2014 £	Total 2013 £
Fixed assets					
Tangible assets	9	535,338	2,839	538,177	537,921
Current assets					
Debtors	10	6,944	0	6,944	6,375
Cash at bank		213	20,143	20,356	29,975
		7,157	20,143	27,300	36,350
Creditors: Amounts falling due within one year	11	(211,092)	0	(211,092)	(179,703)
Net current liabilities		(203,935)	20,143	(183,792)	(143,353)
Total assets less current liabilities		331,403	22,982	354,385	394,568
Creditors: Amounts falling due after more than one year	12	(221,663)	0	(221,663)	(263,187)
Net assets		109,740	22,982	132,722	131,381
Funds					
Restricted	13	0	22,982	22,982	32,179
Unrestricted		(121,480)	0	(121,480)	(132,018)
Revaluation reserve		231,220	0	231,220	231,220
Total funds		109,740	22,982	132,722	131,381

These accounts were approved by the members of the committee on 25 June 2015, and are signed on their behalf by:



Mr M A Barker
Director

Company Number 3485699

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YEAR ENDED 31 DECEMBER 2014

NOTES TO THE ACCOUNTS

1 Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 2006. The accounts have also been prepared in accordance with the Financial Reporting Standard for Smaller Entities (2008).

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 accounts on the grounds that the charity is small.

Fixed Assets

Fixed assets are recorded at cost or, in cases where fixed assets have been donated to Cross Rhythms, at estimated market value at the time of acquisition. The Charity's policy is only to capitalise items with an individual or collective value (where it is a group of assets) exceeding £250.

Depreciation

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

Equipment	- 15% Reducing balance
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Freehold property is not depreciated as any charge made would be offset by the effect of a revaluation. This is a departure from the Companies Act 2006 and Financial Reporting Standard 15 which require depreciation to be applied to all assets (other than investment properties and heritage assets) which require the cost or valuation of an asset less residual value to be depreciated over the useful economic life. In the opinion of the trustees, this departure is necessary in order for the financial statements to give a true and fair view. Freehold property is not depreciated as the estimated residual value of the asset is not materially different from the carrying amount of the asset. An impairment review is undertaken annually.

The property was valued at £500,000 on 22 September 2014. Had depreciation been applied to the property at, say, 2% (as is commonly applied to freehold property), for 3 months from the date of revaluation the depreciation charge in the current year would have been £2,500 (2013 - £nil) and its net assets reduced by £2,500 (2013 - £nil), in total.

Income

Income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

Grants are recognised once the resource is receivable by the charity and can be measured with reasonable reliability. Gifts in kind, such as assets given for use by the charity are recognised as income when received and are recorded at their estimated market value. Assets given for distribution by the charity are recognised as income when distributed. Voluntary help is not recognised in the Statement of Financial Activities.

Expenditure

Expenditure incurred directly in the fulfilment of the charity's objectives is included in direct charitable expenditure.

CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

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NOTES TO THE ACCOUNTS

Fund accounting

Unrestricted fund incoming resources have been received or generated for expenditure in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees.

Restricted funds are to be used for specific purposes laid down by the donors.

Allocation of costs between activities

Staff costs have been allocated based on job roles and time spent between activities.

2 Voluntary income

	Total Funds 2014 £	Total Funds 2013 £
Gifts and donations	133,577	118,617
Gift aid	18,457	18,224
Grants	2,680	10,800
Media Training grants	1,931	15,161
	156,645	162,802

3 Income from charitable trading activities

	Total Funds 2014 £	Total Funds 2013 £
Trading: Radio and website advertising	6,154	9,496
Other charitable trading	21,030	32,634
	27,184	42,130

4 Activities for generating funds

Costs of generating voluntary income

	Total Funds 2014 £	Total Funds 2013 £
Marketing and fundraising costs	4,767	3,303
Staff costs	5,570	1,917
	10,337	5,220

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NOTES TO THE ACCOUNTS

5 Costs in furtherance of charitable objectives

Provision of charitable services	Total Funds 2014 £	Total Funds 2013 £
Radio	41,492	51,497
Other charitable trading	26,250	38,324
Media training	11,373	8,640
Bethlehem Radio	17,862	7,799
Other charitable support	96,869	107,778
	193,846	214,038

Analysis of provision of charitable services

	Staff costs £	Depreciation £	Other costs £	Total Funds 2014 £	Total Funds 2013 £
Radio	20,906	3,858	16,728	41,492	51,497
Other charitable trading	9,750	0	16,500	26,250	38,324
Media training	9,952		1,421	11,373	8,640
Bethlehem Radio	6,185		11,677	17,862	7,799
Other charitable support	70,533	0	26,336	96,869	107,778
	117,326	3,858	72,662	193,846	214,038

6 Governance

	Total Funds 2014 £	Total Funds 2013 £
Salaries	7,775	4,835
Accountancy fees	144	273
Audit fees	1,750	1,750
Legal fees	53	0
Professional fees	606	0
	10,328	6,858

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NOTES TO THE ACCOUNTS

7 Total resources expended

	Staff costs	Depreciation	Other costs	Total Funds 2014	Total Funds 2013
	£	£	£	£	£
Direct charitable expenditure	117,326	3,858	72,662	193,846	214,038
Activities for generating funds	0	0	10,337	10,337	5,220
Governance costs	7,775	0	2,553	10,328	6,858
Other resources expended	0	0	10,587	10,587	10,493
	125,101	3,858	96,139	225,098	236,609

The aggregate payroll costs were:

	2014	2013
	£	£
Wages and salaries	118,067	118,611
Social security costs	7,034	8,129
	125,101	126,740

As Charity Trustees, the Board of directors, who are not employees, are not included above. They receive no remuneration for their services. No Trustees were reimbursed expenses during the year.

No employee received emoluments in excess of £60,000 during the period.

Particulars of employees:

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

	2014 No	2013 No
Number of fundraising staff	1	1
Number of administrative staff	2	2
Number of management staff	1	1
Other direct charitable staff	4	4
	8	8

CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 DECEMBER 2014

NOTES TO THE ACCOUNTS

7 Total resources expended (continued)

Other costs:	2014	2013
	£	£
Legal and Professional	2,553	2,023
Other	93,586	103,594
	<u>96,139</u>	<u>105,617</u>

8 Net outgoing resources

Net outgoing resources after charging/(crediting)	2014	2013
	£	£
Depreciation (including profit/loss on disposal of fixed assets)	3,858	4,252
Auditor's remuneration - total remuneration	1,894	2,023
	<u>1,894</u>	<u>2,023</u>

9 Tangible Fixed Assets

	Freehold Property £	Equipment £	Total £
Cost or valuation			
At 1 January 2013	500,000	106,062	606,062
Additions		4,343	4,343
Disposals			0
At 31 December 2014	<u>500,000</u>	<u>110,405</u>	<u>610,405</u>
Depreciation			
At 1 January 2013	0	68,141	68,141
Charge for the year	0	4,087	4,087
Eliminated on disposal	0		0
At 31 December 2013	<u>0</u>	<u>72,228</u>	<u>72,228</u>
Net book value			
At 31 December 2014	<u>500,000</u>	<u>38,177</u>	<u>538,177</u>
At 31 December 2013	<u>500,000</u>	<u>37,921</u>	<u>537,921</u>

The trustees completed the purchase of a freehold building previously occupied by BBC Radio Stoke on 31 May 2002 at a purchase price including equipment and transaction costs of £306,010. Interest is payable at a rate of 4% pa. The property was professionally valued by Hammond Chartered Surveyors, who are external to the charity, on 22 September 2014, on a market value basis, at a value of £500,000 and this valuation has been adopted in these accounts. (The previous external valuation to this was on 17 November 2003). The trustees are not aware of any material changes to the Market value.

CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 DECEMBER 2014

NOTES TO THE ACCOUNTS

10 Debtors

	2014	2013
	£	£
Trade debtors	1,671	1,347
Income tax recoverable	633	641
Other debtors	1,923	1,847
Prepayments	2,717	2,540
	<u>6,944</u>	<u>6,375</u>

11 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	37,828	46,568
Trade creditors	21,528	28,109
Taxation and social security	9,900	1,402
Other creditors	45,832	16,216
Accruals and deferred income	96,004	87,408
	<u>211,092</u>	<u>179,703</u>

The company's loan and overdraft facilities have been guaranteed by a director at no cost to the company. The overdraft facility at the year end was £20,000.

12 Creditors: Amounts falling due after more than one year

	2014	2013
	£	£
Debenture loans	0	0
Other long term loans	221,663	263,187
	<u>221,663</u>	<u>263,187</u>

Of the above loan amounts the following amount is due in instalments after 5 years:

	2014	2013
	£	£
Other long term loans	0	2,554

Included in loans due after more than one year is a loan from Chris Cole (Director) for £150,000 (2013 - £150,000) that has been secured by a legal charge over the company's freehold premises with interest payable at 4% per annum.

CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 DECEMBER 2014

NOTES TO THE ACCOUNTS

13 Restricted funds

	Brought Forward	Incoming resources	Outgoing resources	Transfers	Balance carried forward
	£	£	£	£	£
Media Training fund	15,710	2,790	(5,398)	0	13,102
Churches Media Trust	10,000	0	(2,321)	0	7,679
Other Restricted gifts funds	6,469	17,851	(22,119)	0	2,201
	32,179	20,641	(29,838)	0	22,982

Sufficient resources are considered to be held in an appropriate format to enable each fund to be applied.

Fund purposes:

The Churches Media Trust:

The Churches Media Trust grant has been provided for making bursaries available for students and to contribute towards the work for the Media Training Community Courses.

Media Training fund:

Launched in September 2012, the Cross Rhythms Media Training Centre is an OCN accredited base to train, equip and disciple the next generation of 'media missionaries'. Young people from across the UK explore a 'call' to serve God in media, gaining accredited qualifications in a variety of media courses, as well as invaluable work experience in a live FM radio setting. In addition, training in media, journalism, reception, administration and business skills are offered to local disadvantaged youth in partnership with Job Centre Plus. The fund balances above incorporate restricted giving towards various aspects of this work.

15 Related Parties

Cross Rhythms has a loan from Christopher Cole, one of the trustees of the company, totalling £155,000 (2013 - £155,000), of which £150,000 is secured against the freehold of the company's property and earns 4% interest per annum, total for the year of £6,000 (2013 - £6,000) has been paid to Christopher Cole. The remaining £5,000 loan is interest free.

The total amount of loans outstanding from trustees at the year end is £155,000 (2013 - 155,000).

Spirit of Plymouth (Radio) Limited is a radio station that uses the Cross Rhythms template and has a common trustee in Christopher Cole. During the year Cross Rhythms received income for support services totalling £2,920 (2013 - £2,400) of which £1,299 (2013 - £1,160) was outstanding at the year end.

CROSS RHYTHMS COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 DECEMBER 2014

NOTES TO THE ACCOUNTS

Christopher Cole's wife is a director of Cornerstone Vision Limited. Cross Rhythms use Cornerstone Vision Limited for design work, the total payable for the year being £1,115 (2013 - £1,530). £252 (£1,702 2013) was outstanding at the year end.

Cross Rhythms has a loan from Jonathan Bellamy, the Chief Executive of the company, totalling £45,000 (2013 - £45,000). Undrawn net wages jointly by Jonathan Bellamy and his wife, Heather Bellamy, a member of Executive Management at the year end totalled £4,977 (2013 - £1,672). There are also gross wages that Jonathan Bellamy and Heather Bellamy are contractually entitled to. They have decided to defer payment until the charity is in a good position to clear this. The amounts have been accrued for in the accounts and total £31,188 (2013 - £31,188) for Jonathan Bellamy and £4,675 (2013 - £4,834) for Heather Bellamy.

16 Going concern

The charity's forecasts and projections show that the charity will be able to operate as a going concern for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the annual report and financial statements.

17 Company limited by guarantee

Cross Rhythms is incorporated as a company limited by guarantee. The members are each liable to contribute up to £10 in the event of the company being wound up.