

XTEND GLOBAL
(A company limited by guarantee and not having a share capital)
Registered in England and Wales No. 7559179
Charity Registration No. 1144658

Accounts – 31st December 2019

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Registered in England and Wales, Company No. 7559179

XTEND GLOBAL

(A company limited by guarantee and not having a share capital)

Directors (Trustees)

G Azeez (appointed – 24th October 2019)

J Black

W Jones

C Keung

D Little (Retired – 13th April 2019)

D Milligan

H Wolmarans

Secretary and Registered Office

P Rugg, 51-63 St. Dunstons Road, Worthing, West Sussex, BN13 1AA

**REPORT OF THE TRUSTEES
for the period ended 31st December 2019**

Principal Activity

The principal activity of the company is to advance the Christian faith among those with least opportunity to be supported locally by the Christian community.

Charitable Status

The company was registered with the Charity Commission as charity number 1144658 on 14 November 2011.

Governing Instrument

The company's activities are regulated by the Articles of Association, adopted at incorporation on 10 March 2011 and modified in April 2015 and April 2018. The objects of the company are:

- a) To advance the Christian faith among those with the least opportunity to be supported locally by the Christian community, particularly through use of electronic media and other remote or peripatetic means, in accordance with the Statement of Faith from time to time adopted by Pioneers International.
- b) To advance Christian education and training of those with the least opportunity to receive such education and training through a local Christian community.
- c) To relieve need hardship sickness or poverty among those peoples with the least opportunity to be supported by a local Christian community.
- d) To promote the efficiency and effectiveness of charities and their workers by the provision of secure information technology services to such charities

Directors

The above named have served throughout the period, except where otherwise stated. The directors of the company are also the trustees for the charitable activities of Xtend Global.

Appointment, Induction and Training of Directors

New Directors (Trustees) may be appointed during the year by the Board of Trustees. Each Trustee/Director is appointed for a period of four years and may be reappointed for a further four-year term, after which time he/she is required to stand down for at least one year before reappointment. In exceptional circumstances, the board may re-elect a trustee for more than two terms. The Directors (Trustees) are the only members of the charitable company. Induction and training of Directors is undertaken by the distribution and explanation of the company's foundational documents (Articles of Association) and Charity Commission and Companies House guidance (e.g. CC3 - The Essential Trustee: What you need to know).

Organisational Structure

The Board of Directors (Trustees) appoints and appraises both the Director of Arab World Media and the Director of PALM. The Director of Arab World Media oversees the administration of the company as a whole. The Director of Arab World Media and the Director of PALM appoint and appraise their own teams of operational directors, in consultation with the Board.

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For the year ended 31st December 2019

As of January 2020 the two ministries, Arab World Media and PALM, were merged into one and the position of “Director of PALM” abolished. The Director of Arab World Media became the Executive Director of Xtend Global.

Xtend Global operates as part of the worldwide mission movement known as Pioneers International, relating as one part of its Middle East region. The Pioneers Regional leader for the Middle East region is a member of the Board of Xtend Global.

Related parties

None of the trustees receive remuneration or other benefit from their work with the charity.

Pay policy for senior staff

In 2019, the Board of Directors (Trustees) together with the Director of Arab World Media and the Director of PALM comprised the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. From 2020 the key management personnel will be the Board of Directors (Trustees) together with the Executive Director of Xtend Global. No trustees are paid and details of trustees’ expenses are shown in note 11 to the accounts.

In line with the policy of Pioneers International, senior staff, as with most of the staff within Xtend Global, are expected to raise the total cost of their employment through individual fundraising efforts in partnership with another charity within the Pioneers International movement.

Objectives and Activities

The registered objects of the company are stated above under **Governing Instrument**. The main activities of the company have been to communicate the Christian faith through media and the training of church leaders.

Achievements and Performance

In 2019, Arab World Media’s online and social ministry sustained its reach and effectiveness in most areas. Our website content attracted 5.7 million page views from Arabic speakers. Our Facebook platform remains engaging, with Facebook ad clicks garnering 4.1 million. The Bible was downloaded 13,550 times.

Media to Movements continues to develop new partnerships with indigenous led networks of like-minded people who are using media for Church planting. Furthermore, our efforts to develop a network of media users within Pioneers with the purpose of seeing the effective use of media strategies for church planting grew in 2019 as more teams are participating in our initiatives.

At the end of 2019, the total number of Level 1 (novice) training groups in PALM increased significantly to a total of 71. The combined number of individuals being trained is in excess of 456, although precise figures are not available, given the autonomous nature of the groups. Income increased significantly, expenses were slightly higher than last year. Orality discipleship continued to gain strength across the region with five more training events for orality facilitators during the year.

Financial Review

The company received total income of £1,312,534 (2018: £1,322,533) with a total expenditure of £1,295,230 (2018: £1,176,130). This resulted in a net surplus of £17,304 (2018:£ 146,403) for the year.

Total Restricted Funds increased from an opening position of £54,252 (2018:£62,653) to a year-end position of £140,269 (2018:£54,252). At 31 December 2019 total reserves were £1,495,921 (2018: £1,483,925) of which £1,216,867 (2018: £846,538) were designated to reflect the charity’s designated fixed assets less accompanying loans.

Expenditure has been allocated to the appropriate heading by reference to internal guidelines of the company and on a reasonable and consistent basis.

Plans for future periods

In 2020, we will engage in a year-long optimisation and training programme to move us to the next level in connecting with seekers across the Arab World. We expect greater level of depth of contact with users as well as developing nurturing journeys with those who are at the beginning of their spiritual journey.

We intend to expand PALM’s reach while continuing our commitment to the Arab World. We plan to put more resources and time towards developing national church leader networks.

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Public Benefit

The trustees have had regard to the Charity Commission's guidance, including that on "Charities Working Internationally", the general public benefit guidance "Charities and Public Benefit", and the supplementary guidance contained in "The Advancement of Religion for the Public Benefit".

The public benefit arising from the activities of the company are:

Advancing the Christian Faith:

To advance the Christian faith throughout the Arab world, the charity has continued to work cooperatively with Pioneers International (globally) and with the Church across the Middle East and North Africa region. The Church across the Arab world has been encouraged in its witness and service of the wider community, sustained and supported despite facing mistrust, intolerance, and persecution in many contexts. Believers in rural areas or closed homes have been sustained in their faith through online discipleship and where possible, linked with other believers for encouragement. Though many are isolated or facing other challenges, the Body is heartened with boldness to serve and wisdom to witness.

Utilising the internet, Media communications have expressed a positive understanding of the Christian faith and respect for other beliefs in a setting where misconceptions and suspicions overwhelm.

We have added significant and relevant topics to our online training modules, particularly mental health issues. These modules give practical support for the many people struggling with anxiety, depression, post-traumatic stress disorder, and other psychological issues.

Advancing Christian education and training:

The charity has developed courses in a number of languages such as Hausa, Pular, and Kurdish. These are designed for people from the Arab world who seek to deepen their knowledge of the Christian faith and be able, in turn, to teach others. In 2019, we continued revising our Level 1 course and developing it to be a top quality resource. We also revised the Oral discipleship manual and translated it into Modern Standard Arabic. Translations of Level 2 into Kabyle are continuing. Through these translation projects and Christian leadership trainings, our efforts have added to indigenous organisations' and leaders' capacity to develop and maintain culturally appropriate expressions of Christian faith.

Expanding Learning Opportunities for Oral Communicators:

Additionally, the expanded reach of our orality materials and trainings have increased access to Christian teaching and training, including written sources, and also helped empower oral communicators through successful learning experiences.

Reserves Policy

The trustees have established a prudent Reserves policy, focused on liquidity to ensure the steady continuity and development of operations for both Media and PALM, the two branches of ministry. They set a target for free reserves (unrestricted cash) of between three and six months running costs.

During 2019 a major infrastructure project was undertaken and a loan was sought to ensure that there would be sufficient funds to meet the target for free reserves. Unfortunately, while the loan application was successful, the application and legal processes have taken far longer than anticipated and the funds were not in place at the end of the year. For this reason the current free reserves are £26,386. However, once the loan is received the free reserves will return to a level that is sufficient to fulfil the charity's commitments in 2019 and beyond.

Risk Management

The trustees have considered the major risks to which the charitable company is exposed and systems or procedures have been established to manage those risks.

Bankers

The company's bankers are Barclays Bank plc, Worthing.

Solicitors

The company's solicitors are Bates, Wells & Braithwaite, Cannon Street, London EC4M 6YH.

Auditors

The company's auditors are Hodson and Co., Wiston House, 1 Wiston Avenue, Worthing, BN14 7QL

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For the year ended 31st December 2019

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors for the purposes of company law) are responsible for preparing a trustees' annual report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- the directors, having made enquiries of fellow directors, have taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered Office:
51 – 63 St Dunstons Road
Worthing
West Sussex
BN13 1AA

Signed by order of the directors

HUGO WOLMARANS

H. Wolmarans
Director

22nd July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2019

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at year ended 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2019

- 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 obtained all the information and explanations necessary for the purposes of our audit;

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 4], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MATTHEW HODSON

Wiston House
1 Wiston Avenue
Worthing
West Sussex BN14 7QL

M J HODSON (Senior Statutory Auditor)
For and on behalf of
HODSON & CO.
Chartered Accountants
& Statutory Auditor

22 July 2020

XTEND GLOBAL

**Statement of Financial Activities
(incorporating an Income and Expenditure Account)**

for the period ended 31st December 2019

					2019	2018
		Unrestricted funds	Designated Funds	Restricted funds	Total	Total
		£	£	£	£	£
Income:						
2	Donations and legacies	773,463	0	488,891	1,262,354	1,229,183
3	Charitable activities	0	0	0	0	1,784
4	Other trading activities	48,741	0	221	48,962	90,657
5	Investments	1,181	37	0	1,218	909
	Total income	823,385	37	489,112	1,312,534	1,322,533
Expenditure on:						
6	Raising funds	166,641	0	0	166,641	116,668
7	Charitable activities	705,691	91,181	331,717	1,128,589	1,059,462
	Total expenditure	872,332	91,181	331,717	1,295,230	1,176,130
10	Net income/(expenditure)	(48,947)	(91,144)	157,395	17,304	146,403
	Transfers between funds	(389,856)	461,234	(71,378)	0	0
	Exchange Gain/(Loss)	(5,547)	239		(5,308)	239
	Net movement in funds	(444,350)	370,329	86,017	11,996	146,642
	Reconciliation of funds:					
	TOTAL FUNDS brought forward	583,135	846,538	54,252	1,483,925	1,337,283
	TOTAL FUNDS carried forward	138,785	1,216,867	140,269	1,495,921	1,483,925
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.						
The notes on pages 10 to 20 form part of these financial statements						

XTEND GLOBAL
BALANCE SHEET AS AT 31st DECEMBER 2018
Company number 7559179

	31st December 2019		31st December 2018	
	£	£	£	£
FIXED ASSETS				
12 Tangible fixed assets		1,219,664		767,501
13 Investment		1		1
<u>Total fixed assets</u>		<u>1,219,665</u>		<u>767,502</u>
CURRENT ASSETS				
14 Debtors and prepayments	182,213		120,605	
Cash at bank and in hand	166,655		722,069	
<u>Total current assets</u>	<u>348,868</u>		<u>842,674</u>	
<u>Liabilities</u>				
15 CREDITORS: Amounts falling due within one year	72,612		123,325	
NET CURRENT ASSETS				
		276,256		719,349
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,495,921		1,486,851
16 CREDITORS: Amounts falling due after more than one year		-		2,926
<u>Total net assets</u>		<u>1,495,921</u>		<u>1,483,925</u>
18 The funds of the charity:				
UNRESTRICTED FUNDS				
General Fund	138,785		583,135	
19 Designated Funds	1,216,867		846,538	
		1,355,652		1,429,673
20 RESTRICTED FUNDS		140,269		54,252
<u>Total charity funds</u>		<u>1,495,921</u>		<u>1,483,925</u>
These financial statements were approved by the members of the board and authorised for issue on 22 July 2020 and are signed on their behalf by:				
HUGO WOLMARANS				
H. WOLMARANS				
Director				
The notes on pages 10 to 20 form part of these financial statements				

Xtend Global		
Statement of Cash Flow		
for the period ending 31st December 2019		
	2019	2018
	Total	Total
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	8,404	289,523
Investing activities:		
Purchase of tangible assets	(543,345)	-
Disposal of property	-	-
Financing activities:		
Lease of computer equipment (repayments)	-	(6,586)
Loan (repayments)	(15,165)	(13,908)
Increase/(decrease) in cash and equivalents	(550,106)	269,029
Cash and equivalents at the beginning of year	722,069	452,801
Change due to exchange rate movements	(5,308)	239
Cash and equivalents at the end of year	<u>166,655</u>	<u>722,069</u>
Reconciliation of net income to net cash flow from operating activities:		
Excess of revenues over expenditures for the year		
Unrestricted	(438,803)	155,108
Restricted (Deficit)	86,017	(8,401)
Designated (Deficit)	370,090	(304)
	<u>17,304</u>	<u>146,403</u>
Items not involving cash:		
Depreciation	91,181	45,251
Unrealized investment gains/(losses)	-	
Changes in non-cash net assets:		
Stock	-	-
Debtors and prepayments	(61,608)	19,872
Creditors - short term	(38,473)	77,997
Creditors - long term	-	-
Net cash provided by (used in) operating activities	<u>8,404</u>	<u>289,523</u>
Represented by:		
Cash at bank and in hand	<u>166,655</u>	<u>722,069</u>
The notes on pages 10 to 20 form part of these financial statements		

XTEND GLOBAL

NOTES TO THE ACCOUNTS for the year ended 31st December 2019

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

i) **Basis of preparation –**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Xtend Global meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling (£).

ii) **Going Concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

iii) **Judgements**

The preparation of the financial statements requires trustees to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

iv) **Income recognition**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations, are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliable measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

v) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

vi) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

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NOTES TO THE ACCOUNTS for the year ended 31st December 2019 (continued)

- Costs of raising funds comprising the costs of providing external IT services, promotional and communication expenses
- Expenditure on charitable activities includes the media program costs, property costs and salaries undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

vii) **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration and IT services and governance costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

viii) **Grants**

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

ix) **Taxation –**

The company has obtained charitable status and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

x) **Depreciation –**

Depreciation of tangible assets is provided at the following annual rates in order to write off each asset over its estimated useful economic life:

Freehold property	-	2% straight line
Computer equipment	-	33 1/3% straight line
Equipment	-	20% straight line
Furniture & renovations	-	10% straight line

xi) **Fixed Assets –**

The threshold for capitalisation of fixed assets is £5,000.

xii) **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

xiii) **Foreign Currency Translations –**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions incurred during the year are accounted for at the rate of exchange ruling at that time. Any gain or loss on foreign currency translation is taken to the income and expenditure account.

xiv) **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks.

xv) **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

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NOTES TO THE ACCOUNTS for the year ended 31st December 2019 (continued)

xvi) **Consolidation**

In the opinion of the trustees, the company and its subsidiary undertaking qualify as small as set out in section 383 of the Companies Act 2006 and has therefore taken advantage of the exemption provided not to prepare group accounts.

	Unrestricted funds	Designated Funds	Restricted funds	2019 Total	2018
	£	£	£	£	£
2 Income from donations and legacies					
Donations	773,463	0	488,891	1,262,354	1,229,183
Legacies	0	0	0	0	0
	<u>773,463</u>	<u>0</u>	<u>488,891</u>	<u>1,262,354</u>	<u>1,229,183</u>
The income from donations and legacies is £1,262,354 (2018 £1,229,183) of which £773,463 was unrestricted (2018 £869,173) and £488,891 was restricted (2018 £360,010)					
3 Incoming Resources from Charitable Activities					
Trading - Sale of Training resources	0	0	0	0	1,784
4 Income from other trading activities					
Trading - Primary purpose	6,659	0	172	6,831	20,804
- other	6,537	0	49	6,586	1,500
Rental of facilities and guest apartment	33,264	0	0	33,264	65,625
Accounting services	2,281	0	0	2,281	2,728
	<u>48,741</u>	<u>0</u>	<u>221</u>	<u>48,962</u>	<u>90,657</u>
The income from other trading activities was £48,962 (2018 £90,657) of which £48,741 was unrestricted (2018 £90,657) and £221 restricted (2018 £0)					
5 Investment Income					
Interest received	1,181	37	0	1,218	909
All of the charity's investment income arises from money held in UK interest bearing accounts.					
6 Costs of Raising Funds					
Cost of providing external IT services	45,923	0	0	45,923	42,254
Promotional expenses	47,670	0	0	47,670	15,515
Communication expenses	73,048	0	0	73,048	58,899
		<u>0</u>	<u>0</u>		
	<u>166,641</u>	<u>0</u>	<u>0</u>	<u>166,641</u>	<u>116,668</u>

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NOTES TO THE ACCOUNTS
for the year ended 31st December 2019 (continued)

7 Analysis of expenditure on charitable activities				
	Media Program Costs	PALM Program Costs	IT Services Costs	Total
Program costs	173,367	35,345	0	208,712
Property costs	117,510	4	0	117,514
Depreciation	91,181	0	0	91,181
UK salaries	252,437	17,734	93,623	363,794
Non-Uk salaries	125,460	10,332	0	135,792
	759,955	63,415	93,623	916,993
Governance costs - see note 9	39,801	0	0	39,801
Support costs	76,927	24,038	70,830	171,795
	876,683	87,453	164,453	1,128,589
Expenditure on charitable activities was £1,128,589 (2018 £1,059,462) of which £705,691 was unrestricted (2018 £656,904), £91,181 was designated (2018 £45,251) and £331,717 was restricted (2018 £357,307).				
8 Summary analysis of expenditure and related income for charitable activities				
This table shows the cost of the three main charitable activities and the sources of income directly related to support those activities				
	Media Program Costs	PALM Program Costs	IT Services Costs	Total
Costs (note 7)	(876,683)	(87,453)	(164,453)	(1,128,589)
Donations and legacies	1,030,465	185,897	45,992	1,262,354
Sale of IT services	0	0	6,301	6,301
Rental income	33,264	0	0	33,264
Accounting services	2,281	0	0	2,281
Other sales	6,895	221	0	7,116
Investment income	1,218	0	0	1,218
Net surplus	197,440	98,665	(112,160)	183,945

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2019 (continued)**

9	Analysis of governance and support costs				
	The charity identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with governance costs are apportioned between the three key charitable activities undertaken (note 7). Refer to the table below				
		General Support	Governance	Total	Basis of apportionment
	Administration and IT services	171,795		171,795	direct charges by department
	Audit fees		4,667	4,667	Governance
	Legal fees		25,150	25,150	Governance
	Accountancy services		567	567	Governance
	Council meetings		9,417	9,417	Governance
		171,795	39,801	211,596	
10	Net income/expenditure for the year				
		2019	2018		
	This is stated after charging:	£	£		
	Loan interest payable	301	844		
	Foreign currency exchange difference	5,308	(239)		
	Auditor's remuneration:				
	- audit fees	4,667	4,548		
	- payroll services	567	756		
	- depreciation of tangible fixed assets	91,182	36,031		
	- depreciation of assets held under hire purchase agreements	0	9,220		

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2019 (continued)**

11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel			
	2019	2018	
	£	£	
UK non-administrative staff costs	353,700	275,637	
UK administrative staff costs	246,432	150,218	
Social security costs (included above)	39,322	27,596	
employer's contribution to pension (included above)	34,101	34,942	
<p>No employee had employee benefits in excess of £60,000 (2018: nil). Pension provision for the majority of employees is made through our workplace pension scheme apart from those who are not eligible or who have opted out.</p>			
<p>The charity trustees were not paid or received any other benefits from employment with the charity nor did any trustee receive payment for professional or other services. The following amounts were paid to the trustees as reimbursement of expenses incurred in the performance of their duties:</p>			
<p>During 2019 four trustees (2018: five) were reimbursed a total of £5,075 (2018 £7,295) for expenses incurred.</p>			
<p>There were no other transactions with the directors which require separate disclosure.</p>			
<p>Gifts totalling £2,723 were received from one or more trustees towards governance costs.</p>			
<p>The average number of staff during the period was 18 (2018: 17) of which the majority were partially or fully funded from other sources.</p>			

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2019 (continued)**

12 Tangible Fixed Assets	Freehold Property	Building Renovations	Computer and Other Equipment	Total
	£	£		£
Cost				
At 1.1.19	730,286	214,247	47,418	991,951
Addition	0	535,182	8,163	543,345
Disposal				
At 31.12.19	730,286	749,429	55,581	1,535,296
Accumulated depreciation				
At 1.1.19	99,306	77,726	47,418	224,450
Charge for the year	14,606	74,943	1,633	91,182
Disposal				
At 31.12.19	113,912	152,669	49,051	315,632
Net book value				
At 31.12.19	616,374	596,760	6,530	1,219,664
At 1.1.19	630,980	136,521		767,501

All of the above assets are used to further the company's main objects, particularly amongst Muslim peoples of the Arab World and have been designated as such.

13 Investments		
Shares in subsidiary undertaking	2019	2018
	£	£
Cost:	1	1
Addition	0	0
At 31 December 2018	1	1
NET BOOK VALUE		
At 31 December 2019	1	1

The company owns 100% of the ordinary share capital of North Africa Properties Limited. The company is dormant and has not traded during the year. The aggregate amount of share capital and reserves of North Africa Properties Limited as at 31 December 2019 was £1.

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2019 (continued)**

14 Debtors and Prepayments		
	2019	2018
	£	£
National Bases of Pioneers	161,779	65,079
Advances	6,434	15,725
Prepayments	12,880	19,201
Other Debtors	1,120	20,600
	<u>182,213</u>	<u>120,605</u>
15 Creditors falling due within one year and accruals		
	2019	2018
	£	£
Accruals	37,284	97,811
Other tax and social security	24,594	9,206
Sundry Creditors	7,936	1,270
Loans on buildings	2,798	15,038
Creditors falling due within one year	<u>72,612</u>	<u>123,325</u>
16 Creditors: Amounts due after more than one year		
	2019	2018
	£	£
Loan on buildings and IT equipment (falling due in less than 5 years)	0	2,926
Loan on buildings and IT equipment (falling due after 5 years)	0	0
	<u>0</u>	<u>2,926</u>
<p>The charity has one loan:</p> <p>Loan 1 – US Repurposing loan A loan of \$50,000 was received in 2010 from a supporter repayable at \$417 per month, interest free. This loan is not secured.</p>		

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2019 (continued)**

17 Financial Instruments						
Financial instruments measured at amortised cost comprise the buildings loan as follows:						
	2019	2018				
	£	£				
Loan payable falling due within 1 year	2,798	15,038				
2-5 years	0	2,926				
Over 5 years	0	0				
	2,798	17,964				
18 Analysis of Net Assets between Funds						
	Unrestricted	Restricted	Designated	Total		2019
	Funds	Funds	Funds	Funds		Funds
	£	£		£		£
Fund balances at 31st December 2019 are represented by:						
Fixed assets		0	1,219,665	1,219,665		767,503
Current assets	208,599	140,269	0	348,868		842,673
Current liabilities	(69,814)	0	(2,798)	(72,612)		(123,325)
Long-Term liabilities			0	0		(2,926)
	138,785	140,269	1,216,867	1,495,921		1,483,925
19 Designated Funds						
	At 1.1.19	Incoming Resources	Expenditure	Transfers between funds	Exchange gain(loss)	At 31.12.19
	£	£	£	£	£	£
Property Fund	749,538	0	89,549	550,108	239	1,210,336
Building Maintenance	97,000	37	0	(97,037)		0
Computer and Other Equipment	0	0	1,632	8,163		6,531
	846,538	37	91,181	461,234	239	1,216,867
<p>The Property Fund represents the net book value of the company's designated fixed assets less associated loans. This fund was designated so that the remaining Unrestricted Funds will give a clearer view of the level of operational funds. The Building Maintenance fund receives regular sums transferred from unrestricted funds and is designated by the board of trustees for major maintenance work on Pilgrim House</p>						

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2019 (continued)**

20 Restricted Funds	At 1.1.19	Incoming Resources	Expenditure	Transfers between Funds	At 31.12.19
	£	£	£	£	£
PALM	37,377	186,117	(87,452)	(13,156)	122,886
Staff support funds	247	226,389	(243,183)	17,657	1,110
Arabian Dawn Project	1,454		0		1,454
Syria Appeal	9,960	969	0		10,929
Mob Media Evangelism for Next Generation	2	0	0	(2)	0
Al Massira project	5,212	0	(1,082)	(240)	3,890
Nationals in Ministry	0	75,637	0	(75,637)	0
	54,252	489,112	(331,717)	(71,378)	140,269
<p>PALM (Preparing Arab-world Leaders for Ministry) is the ministry for training of church leaders throughout the Arab world using a range of training courses and materials delivered in training seminars and by distribution of course materials. Funds were transferred to the Unrestricted Fund in respect of internal services of office facilities, administration and IT services.</p>					
<p>Staff support funds hold the funding by personal support donations for staff employed directly by the company whose funding may exceed their salary costs. The surplus is therefore carried forward to future periods.</p>					
<p>The Arabian Dawn project produces and distributes a video stories series about Arabs from the Arabian Peninsula and is the natural successor to the Flowers in the Desert project which produced a film about Arabs from the Arabian Peninsula.</p>					
<p>The Syria Appeal handles donations for the relief of those affected by the conflict in Syria.</p>					
<p>Mob Media Evangelism for Next Generation uses mobile technology in Turkey.</p>					
<p>Al Massira project produces discipleship training materials for Arabic speaking Christians. Funds were transferred to the Unrestricted Fund in respect of conference facilities provided.</p>					
<p>The Nationals in Ministry project provides funds to support the employment costs of Arab believers who work with Xtend Global and the Arab World region.</p>					

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NOTES TO THE ACCOUNTS for the year ended 31st December 2019 (continued)

21	Related party transactions				
	The charity enjoys a close working relationship with AWM International (AWMI) and Pioneers (United States). The charity provides accounting and book-keeping services for AWMI as well as handling some of AWMI operations. AWMI maintains a guest house for use by both Pioneers and the charity.				
	Pioneers is a worldwide mission movement and raises funds for the charity.				
	Mr D Milligan is also a trustee of AWM International (AWMI). During the year the charity incurred expenses on behalf of AWMI of £148 and received income on behalf of AWMI of £3,937 while AWMI incurred expenses on behalf of the charity of £10,721. Furthermore the charity paid £2,425 to AWMI for services while AWMI paid the charity £2,000 for services. There were no outstanding balances at 31 December 2019.				
	Mr C Keung is also a trustee of Pioneers Inc. (United States). During the year Pioneers Inc. provided donations and payments for services totalling £636,116 and incurred expenses on behalf of the charity of £146,070. At 31 December 2019 Pioneers Inc. owed the charity £166,707 in donations and payments and had outstanding expenses of £19,736.				
	H Wolmarans is also a trustee of a company providing education services and during the year the company incurred expenses on behalf of the charity of £96,697 and received income on behalf of the charity totalling £2,335 with a balance of £357 owed to the charity at the end of the year.				
22	Capital Commitments				
	Amounts contracted for but not provided in the financial statements amounted to £0 (2018 - £0).				
23	Non-adjusting events after the financial period				
	On 9 th April 2020 the charity received a mortgage of £300,000 from Stewardship Mortgages				
24	Control				
	Control of the charity is vested in the Board of Directors.				
25	Share capital				
	The company is limited by guarantee and therefore does not have share capital. Members' liability is restricted to £1 in the event of the company being wound up.				
26	APB Ethical Standards relevant circumstances				
	In common with many other charity's of our size and nature we use our auditors to prepare and submit returns to the tax authorities.				