

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 2015

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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)

J Black
W Jones (appointed – 17 Feb 2015)
D Little
D Milligan
C Keung

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 2015**

Principal Activity

The principal activity of the company is to advance the Christian faith among those with least opportunity to be supported locally by 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. 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. One third of the Trustees retire, and may be reappointed, at each Annual Retirement Meeting of the Trustees. 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, Hugo Wolmarans and the Director of PALM, Daniel Miller. Arab World Media and PALM are two distinct operational ministries within the one company. 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.

XTEND GLOBAL - TRUSTEES ANNUAL REPORT

For the year ended 31st December 2015

Xtend Global operates as part of the worldwide mission movement known as Pioneers International, relating as one part of its North Africa Middle East Region. The Pioneers Regional leader for North Africa Middle East 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

The Board of Directors (Trustees) together with the Director of Arab World Media and the Director of PALM comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. 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 company's vision is to see mature and multiplying churches among all Muslim peoples of the Arab world. The main activities of the company have been to communicate the Christian faith through media and the training of church leaders, thereby assisting the church in the Arab World to grow in numbers and maturity in the faith.

Achievements and Performance

Arab World Media

In 2015, Arab World Media's online and social media ministry experienced a year of tremendous opportunity and success.

Through tailored media content, Arab World Media was able to minister to victims of war, women at risk, persecuted communities and those seeking answers to their spiritual questions.

We engaged over 2.3 million people through our online ministry and engaged on a personal level with over 17,000. Our social media community grew to over 650,000 people in 2015. Discipleship remained a core activity and some 5,500 people engaged with us in this.

Arab World Media continued to participate with other like-minded organisations in a follow-up partnership across the Arab world.

Both our Media2Movements department, which has a vision to see multi-agency collaboration for effective use of media strategy, and our SecuriCare department, which provides secure IT communications and services for workers in hostile situations, grew significantly in 2015.

PALM (Preparing Arab world Leaders for Ministry)

At the end of 2015, the total number of new believer discipleship groups was down to approximately 30, but the total number of believers in those groups had risen to approximately 300. The Certificate of Ministry training is continuing to develop strength with approximately 50 students in five study groups enrolled in three cities. In addition, students in two cities are informally following the program. The team added three new members in 2015 for a total of 8, seven of whom have primary assignment to PALM. We expect to add four additional members in 2016. One of these new team members was our orality coordinator, who conducted three trainings in 2015 and prepared manuals in three languages for future use.

Volunteers

The operations for the charity are dependent on the work of people who are employed by sister charities.

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For the year ended 31st December 2015

Financial Review

The company received total income of £1,121,821 with a total expenditure of £843,805. This resulted in a net surplus of £269,509 for the year.

Total Restricted Funds increased from an opening position of £56,374 to a year-end position of £127,670. At 31 December 2015 total reserves were £977,771 of which £717,163 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.

2015 expenditure of £33,550, completing the AV creative space (studio) begun in 2014, has been capitalised.

A generous donation of US\$50,000 was received to be used towards one of the loans on buildings.

Plans for future periods

We will continue to develop our current successful programs for media communication and leadership training. New channels for funding continue to be explored as well as growth in existing donations from foundations, individuals and churches. We will be working towards increasing the number of participants in our new believer discipleship groups and ministry training. We will continue to develop our teams in various locations particularly through the recruitment of more native Arab speakers to be involved in response work and the creation of new ministry teams with on-line discipleship and ministry being a particular goal. Recommendations from the IT strategy review are in the process of being implemented and we anticipate that our ability to provide secure information technology to other charities will be greatly improved in the near future. Through our M2M programme we will endeavour to leverage our many years of experience of using Media in the Arab World to provide help and support to those working in other areas and among other peoples.

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:

The charity has worked cooperatively with Pioneers International around the world, and with the church across the Arab world to advance the Christian faith throughout the Arab world. The church in the Arab world has been supported, sustained and encouraged in its witness and service of the wider community, often in the face of suspicion and discrimination within that society. Isolated believers have been encouraged and sustained in their faith, linked with other believers for mutual encouragement and joint witness and service.

Media communications through the internet have conveyed a positive understanding of the Christian faith, and respect for other beliefs, in an environment where misunderstanding and mistrust abound.

Topical social issues have been addressed through broadcasts, internet chat rooms and website articles in a constructive manner that demonstrates the positive contribution to society made by the Christian faith.

Advancing Christian education and training:

The charity has developed courses in a number of languages for those from the Arab world who seek to discover more about the Christian faith and those who are developing their understanding of Christian teaching, so that they can, in turn, teach others. Help has also been given to the training of those who will then be more adequately equipped to develop Christian training materials suitable for use among peoples of the Arab world.

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 £30,000 and £80,000. The year-end position was in this range.

XTEND GLOBAL - TRUSTEES ANNUAL REPORT

For the year ended 31st December 2015

The trustees believe that free reserves are sufficient to fulfil the charity's commitments in 2016 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

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


JONATHAN BLACK
Director

July 22/16

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2015

We have audited the financial statements of Xtend Global for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at year ended 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

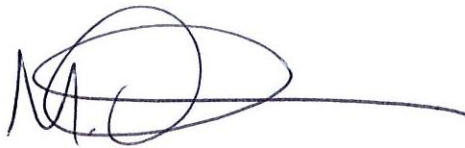
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements;
- 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



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

Wiston House
1 Wiston Avenue
Worthing
West Sussex BN14 7QL

22 July 2016

XTEND GLOBAL

Statement of Financial Activities (incorporating an Income and Expenditure Account) for the period ended 31st December 2015

				2015	2014
	Unrestricted funds £	Designated Funds £	Restricted funds £	Total £	Total £
Income:					
2 Donations and legacies	643,136	0	349,608	992,744	745,987
3 Charitable activities	4,214	0	0	4,214	7,686
4 Other trading activities	119,113	0	5,729	124,842	108,189
5 Investments	22	0	0	22	60
Total income	766,485	0	355,336	1,121,821	861,922
Expenditure on:					
6 Raising funds	40,939	0	0	40,939	35,147
7 Charitable activities	506,249	34,644	261,973	802,866	790,518
Total expenditure	547,188	34,644	261,973	843,805	825,665
10 Net income/expenditure	219,297	(34,644)	93,364	278,016	36,257
Transfers between funds	(119,133)	141,201	(22,069)	0	0
Exchange (Loss)	(8,508)			(8,508)	(16,499)
Net movement in funds	91,656	106,556	71,296	269,509	19,758
Reconciliation of funds:					
TOTAL FUNDS brought forward	41,281	610,607	56,374	708,262	688,504
TOTAL FUNDS carried forward	132,937	717,163	127,670	977,771	708,262


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 19 form part of these financial statements

XTEND GLOBAL
BALANCE SHEET AS AT 31st DECEMBER 2015
Company number 7559179

	31st December 2015		31st December 2014	
	£	£	£	£
FIXED ASSETS				
12 Tangible fixed assets		870,237		823,911
13 Investment		1		1
Total fixed assets		<u>870,238</u>		<u>823,912</u>
CURRENT ASSETS				
14 Debtors and prepayments	105,724		71,163	
Cash at bank and in hand	205,497		81,019	
Total current assets	<u>311,221</u>		<u>152,182</u>	
Liabilities:				
15 CREDITORS: Amounts falling due within one year	139,436		119,321	
NET CURRENT ASSETS		<u>171,785</u>		<u>32,861</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,042,022		856,773
16 CREDITORS: Amounts falling due after more than one year		64,251		148,511
Total net assets		<u>977,771</u>		<u>708,262</u>
18 The funds of the charity:				
UNRESTRICTED FUNDS				
General Fund (Deficit)	132,938		41,281	
19 Designated Funds	717,163		610,607	
		850,101		651,888
20 RESTRICTED FUNDS		127,670		56,374
Total charity funds		<u>977,771</u>		<u>708,262</u>

These financial statements were approved by the members of the board and authorized for issue on July 22/16 and are signed on their behalf by:


 Director JONATHAN BLACK

The notes on pages 10 to 19 form part of these financial statements.

Xtend Global
Statement of Cash Flow
for the period ending 31st December 2015

	2015 Total	2014 Total
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	205,448	(57,780)
Investing activities:		
Purchase of tangible assets	80,969	134,507
Disposal of property	-	(295)
Financing activities:		
Lease of computer equipment	(47,419)	-
Loan (repayments)	(107,650)	(93,161)
Increase/(decrease) in cash and equivalents	<u>131,348</u>	<u>(16,729)</u>
Cash and equivalents at the beginning of year	81,019	97,577
Change due to exchange rate movements	(6,870)	171
Cash and equivalents at the end of year	<u>205,497</u>	<u>81,019</u>
Reconciliation of net income to net cash flow from operating activities:		
Excess of revenues over expenditures for the year		
Unrestricted	58,727	(108,902)
Restricted	71,296	(17,887)
Designated	<u>139,486</u>	<u>146,547</u>
	269,509	19,758
Items not involving cash:		
Depreciation	34,644	22,350
Unrealized investment gains/(losses)	-	
Changes in non-cash net assets:		
Stock	-	16,798
Debtors and prepayments	(34,561)	(91,827)
Creditors - short term	20,115	16,579
Creditors - long term	(84,260)	(41,438)
Net cash provided by (used in) operating activities	<u>205,448</u>	<u>(57,780)</u>
Represented by:		
Cash at bank and in hand	<u>205,497</u>	<u>81,019</u>

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015

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).

ii) **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

iii) **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.

iv) **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.

v) **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:

- 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.

vi) **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.

vii) **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.

viii) **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.

ix) **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
Property Upgrades	-	10% straight line
Computer equipment	-	33 1/3% straight line
Equipment	-	20% straight line
Furniture & renovations	-	10% straight line

x) **Fixed Assets –**

The threshold for capitalisation of fixed assets is £2,000.

xi) **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.

xii) **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.

xiii) **Stock**

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

xiv) **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.

xv) **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.

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (continued)

	Unrestricted funds £	Designated Funds £	Restricted funds £	2015 Total £	2014 £
2 Income from donations and legacies					
Donations	608,586	0	349,608	958,194	745,987
Legacies	34,550		0	34,550	0
	<u>643,136</u>	<u>0</u>	<u>349,608</u>	<u>992,744</u>	<u>745,987</u>

The income from donations and legacies is £992,744 (2014 £745,987) of which £643,136 was unrestricted (2014 £478,947) and £349,608 restricted (2014 £267,040).

3 Incoming Resources from Charitable Activities

Trading - Sale of Training resources	<u>4,214</u>	<u>0</u>	<u>0</u>	<u>4,214</u>	<u>7,686</u>
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4 Income from other trading activities

Trading - Primary purpose	14,482		0	14,482	54,142
- other	36,764		0	36,764	0
Rental of facilities and guest apartment	54,224	0	5,729	59,953	47,823
Accounting service to associated charity	13,643		0	13,643	6,224
	<u>119,113</u>	<u>0</u>	<u>5,729</u>	<u>124,842</u>	<u>108,189</u>

The income from other trading activities was £124,842 (2014 £108,189) of which £119,113 was unrestricted (2014 £104,480) and £5,729 restricted (2014 £3,709).

5 Investment Income

Interest received	<u>22</u>	<u>0</u>	<u>22</u>	<u>60</u>
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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	15,276		0	15,276	14,110
Promotional expenses	11,151		0	11,151	8,393
Communication expenses	14,512		0	14,512	12,644
	<u>40,939</u>	<u>0</u>	<u>0</u>	<u>40,939</u>	<u>35,147</u>

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (continued)

7 Analysis of expenditure on charitable activities

	Media Program Costs	PALM Program Costs	IT Services Costs	Total
Program costs	170,890	125,413	0	361,965
Property costs	99,555	0	0	99,555
Depreciation	29,442	611	4,591	34,644
UK salaries	225,876	0	41,270	201,484
Non-Uk salaries	10,383	0	0	10,383
	536,146	126,024	45,861	708,031
Governance costs - see note	7,726		0	7,726
Support costs	55,538		31,571	87,109
	599,410	126,024	77,432	802,866

Expenditure on charitable activities was £802,866 (2014 £790,518) of which £506,249 was unrestricted (2014 £513,447), £34,644 designated (2014 £22,350) and £261,973 was restricted (2014 £254,721).

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)	(599,410)	(126,024)	(77,432)	(802,866)
Donations and legacies	908,857	81,069	2,818	992,744
Sale of IT services	0	0	48,429	48,429
Rental income	54,224	5,729	0	59,953
Accounting service to associated charity	13,643	0	0	13,643
Investment income	22	0	0	22
Net cost funded from other income	377,336	(39,227)	(26,186)	311,924

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (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 for the basis of apportionment and the analysis of support and governance costs.

	General Support	Governance	Total	Basis of apportionment
Administration and IT services	87,109	0	87,109	Direct charge by department
Audit fees	0	3,090	3,090	Governance
Accountancy services	0	468	468	Governance
Council meetings	0	4,168	4,168	Governance
	<u>87,109</u>	<u>7,726</u>	<u>94,835</u>	

10 Net Income/(expenditure) for the year

This is stated after charging:

	2015 £	2014 £
Loan interest payable	6,719	8,938
Foreign currency exchange difference	8,508	16,499
Auditors' remuneration:		
- audit fees	3,090	6,468
- payroll services	360	
- other	108	
Depreciation of tangible fixed assets	28,059	14,425
Depreciation of assets held under hire purchase agreements	<u>6,586</u>	<u>0</u>

11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2015 £	2014 £
UK non-administrative staff costs	152,735	114,232
UK administrative staff costs	140,969	75,907
Social security costs (included above)	9,235	4,341

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (continued)

No employee had employee benefits in excess of £60,000 (2014: nil). No pension contributions were paid during the year. Pension provision for the majority of employees is made through members' funding national offices.

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:

	2015	2014
	£	£
Black	1,373	1,052
Little	784	1,870

There were no other transactions with the directors which require separate disclosure.

The average number of staff during the period was 19 of which 4 are seconded staff whose salaries are provided by a sister charity and a further 13 were partially or fully funded from other sources.

12 Tangible Fixed Assets

	Freehold Property	Furniture & Equipment	Building Renovations	Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1.1.15	730,287	47,690	134,507	0	912,484
Addition	0	0	33,550	47,419	80,969
At 31.12.15	730,287	47,690	168,057	47,419	993,453
Accumulated depreciation					
At 1.1.15	40,882	47,690	0	0	88,572
Charge for the year	28,059	0	0	6,586	34,645
Disposal	0		0	0	0
At 31.12.15	68,941	47,690	0	6,586	123,217
Net book value					
At 31.12.15	661,346	0	168,057	40,832	870,236
At 1.1.15	689,404	0	134,507	0	823,912

Hire purchase agreements

Included within the net book value of £870,236 is £40,832 (2014 - £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,586 (2014 - £nil).

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.

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (continued)

13 Investments

Shares in subsidiary undertaking

	2015	2014
	£	£
Cost:	1	1
Addition	0	0
At 31 December 2015	<u>1</u>	<u>1</u>
NET BOOK VALUE		
At 31 December 2015	<u><u>1</u></u>	<u><u>1</u></u>

The company owns 100% of the ordinary share capital of North Africa Properties Limited (company number: 00142054). 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 2015 was £1.

14 Debtors and Prepayments

	2015	2014
	£	£
National Bases of Pioneers	42,460	38,321
Advances	1,660	1,830
Prepayments	24,525	24,527
Other Debtors	37,079	6,485
	<u>105,724</u>	<u>71,163</u>

15 Creditors falling due within one year and accruals

	2015	2014
	£	£
Agency funds held for other charities	14,382	13,575
Income in advance	7,613	0
Accruals	22,963	31,564
Other tax and social security	5,485	5,555
Sundry Creditors	171	3,834
Dell lease - computer equipment	13,172	0
Loans on buildings	75,650	64,793
Creditors falling due within one year	<u>139,436</u>	<u>119,321</u>

Agency Funds:

During the year the charity received funds of £116,747 on behalf of the Global Response Management System and distributed £115,939.

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (continued)

16 Creditors: Amounts due after more than one year

	2015	2014
	£	£
Loan on buildings and IT equipment (falling due in less than 5 years)	64,251	143,729
Loan on buildings and IT equipment (falling due after 5 years)	0	4,782
	64,251	148,511

The charity has three loans:

Loan 1 – Pilgrim loan

A loan of \$325,000 was received on 29 November 2012 from Charity Pioneers Inc to facilitate the purchase of Pilgrim House. The loan is repayable at \$2,500 per month with interest at 4% p.a.

Loan 2 – UK Marseille loan

A loan of £90,000 was received in 2010 from a supporter repayable at £955 per month with interest at 5% p.a.

Loan 3 – US Marseille loan

A loan of \$50,000 was received in 2010 from a supporter repayable at \$417 per month, interest free.

None of these loans are secured.

17 Financial Instruments

Financial instruments measured at amortised cost comprise the buildings loans and computer equipment lease as follows:

	2015	2014
	£	£
Loan payable falling due within 1 year	88,822	64,793
2-5 years	64,251	143,729
Over 5 years	0	4,782
	<u>153,073</u>	<u>213,304</u>

18 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total Funds £	2014 Funds £
Fund balances at 31 st December 2015 are represented by:					
Fixed assets	1	0	870,237	870,238	823,912
Current assets	183,551	127,670	0	311,221	152,182
Current liabilities	(50,614)	0	(88,822)	(139,436)	(119,321)
Long-Term liabilities			(64,251)	(64,251)	(148,511)
	<u>132,938</u>	<u>127,670</u>	<u>717,163</u>	<u>977,771</u>	<u>708,262</u>

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (continued)

19 Designated Funds

	At 1.1.15 £	Incoming Resources £	Expenditure £	Transfers between funds £	Addition/ (Disposal) £	At 31.12.15 £
Property Fund	610,607		28,058	93,782	0	676,331
Computer Equipment	0		6,586	47,419		40,833
	<u>610,607</u>	<u>0</u>	<u>34,644</u>	<u>141,201</u>	<u>0</u>	<u>717,164</u>

The Fixed Assets 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 Church-planting Resources Fund produces and purchases training materials to distribute and sell to other organisations and individuals to assist in the development of good practice in church-planting around the world.

At the meeting of the board of trustees in December 2015, the board agreed to a request from the board of AWM International that a proportion of the value of Pilgrim House be held in a restricted fund to reflect the declaration of trust in the transfer of title. The board of AWM International have notified the board of XG that they will provide specific details which have not yet been received so the entire value of Pilgrim House remains in a designated fund pending receipt of the necessary information.

20 Restricted Funds

	At 1.1.15 £	Incoming Resources £	Expenditure £	Transfers between Funds £	At 31.12.15 £
PALM	19,298	86,797	(72,841)	(21,939)	11,315
Staff support funds	2,670	141,118	(136,560)	0	7,229
Arabian Dawn Project	21,207	64,258	(19,976)	0	65,490
Syria Appeal	820	37,473	(10,000)	0	28,293
Mob Media Evangelism for Next Generation	7,551	19,160	(15,163)	0	11,548
Al Massira project	4,828	6,529	(7,435)	(130)	3,793
	<u>56,375</u>	<u>355,336</u>	<u>(261,974)</u>	<u>(22,069)</u>	<u>127,670</u>

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.

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NOTES TO THE ACCOUNTS for the year ended 31st December 2015 (continued)

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.

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.

The Syria Appeal handles donations for the relief of those affected by the conflict in Syria.

Mob Media Evangelism for Next Generation uses mobile technology in Turkey.

Al Massira project produces discipleship training materials for Arabic speaking Christians. Funds were transferred to the Unrestricted Fund in respect of conference facilities provided.

21. Related party transactions

There were no related party transactions which require disclosure.

22. Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £15,231 (2014 - £nil).

23. Control

Control of the charity is vested in the Board of Directors.

24. 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.