

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 2018

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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
C Keung
D Little
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 2018**

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. 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

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For the year ended 31st December 2018

Director of PALM appoint and appraise their own teams of operational directors, in consultation with the Board.

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

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 2018, Arab World Media's online and social media ministry followed up on the tremendous success in 2017 with continued growth in most areas.

Through the strategic use of media, marketing and follow-up, Arab World Media was able to engage Muslims seeking truth, help new Christians to mature, and encourage Christians from a Muslim background.

Arabic speakers engaged with our website content with over 5.8 million page visits (↑ 1.1 million from 2017) and the number of Facebook clicks grew to 4.4 million (↑ 700k). The Bible was downloaded 53,700 times (↓ 4k) and there were 10,638 active contacts (↑ 2.5k) during 2018 leading to 348 face-to-face meetings (↑ 12).

Media2Movements, has initiated new partnerships with indigenous led networks of like-minded people who are using media for Church planting. These partnerships are a few years away from being fully operational. 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 2018 as more teams are participating in our initiatives.

PALM (Preparing Arab world Leaders for Ministry)

At the end of 2018, the total number of Level 1 (novice) training groups increased significantly to a total of 59. The combined number of individuals being trained is in excess of 347, although precise figures are not available, given the autonomous nature of the groups. The Certificate of Ministry training program remained steady, with approximately 35 full certificate students in addition to doubling the number participants following the program less formally to 95. The team stands at four full-time members and two part-time members. While income was reduced, expenses were correspondingly controlled without adversely impacting ministry efforts. Orality discipleship continued to gain strength across the region with 3 more training events for orality facilitators during the year. Feedback received from different oral groups is being used to further improve the course. To make our materials available as broadly as possible, we have launched our fully redesigned website, which has attracted strong traffic, including more than 400 downloads for nearly every Level 1 course.

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Financial Review

The company received total income of £1,322,533 (2017: £1,316,801) with a total expenditure of £1,176,130 (2017: £1,050,032). This resulted in a net surplus of £146,403 (2017:£ 262,167) for the year.

Total Restricted Funds decreased from an opening position of £62,653 (2017:£113,081) to a year-end position of £54,252 (2017:£62,653). At 31 December 2018 total reserves were £1,483,925 (2017: £1,337,283) of which £846,538 (2017: £847,294) 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

We will continue to invest in the professional development of our employees and recruit more native Arab speakers to be involved in response work and in digital marketing. We will maintain our diverse source of donated funds (i.e. foundation grants, major donors, churches, and individuals). In 2019 we will increase our investment in digital marketing and personalised communication with the goal of acquiring new supporters and increasing our monthly recurring donations. Plans for 2019 also include beta testing and ongoing development of a discipleship webapp that will enhance our ability to disciple new believers. Furthermore, we will begin development of a follow-up app that will allow us to communicate more effectively with our follow-up partners and receive timely updates and reports. 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. This will include ongoing support of a partnership in Indonesia and new partnerships in Nepal and Central Asia.

During 2018, PALM continued to explore what it means to be Pioneers' first Global Initiative. We intend to expand PALM's reach while continuing our commitment to the Arab world. Adding capacity to the team will be essential in carrying out our mandate as a Global Initiative, so we aim to add four to six team members in the next four years.

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.

Mental health issues, including depression have been addressed through online training modules. These modules provide practical support for many people who suffer from depression and other issues.

Advancing Christian education and training:

The charity has developed courses in a number of languages for those from the Arab world who seek to deepen their knowledge of the Christian faith and be able, in turn, to teach others, such as Hausa, Pular, and Kurdish. In 2018, we began the process of revising our Level 1, which likely continue through 2019. We also revised the Oral discipleship manual and translated it into Arabic and Moroccan 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.

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For the year ended 31st December 2018

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. Due to current economic uncertainty and the challenging environment in the years to come, a decision was made to allow the free reserves to increase beyond the target set. This will be reviewed on a regular basis.

The trustees believe that the current free reserves of £613,565 are 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

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

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- 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

D. Milligan
Director

13th April 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2018

We have audited the financial statements of Xtend Global for the year ended 31 December 2018 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 2018 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 2018

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

Wiston House
1 Wiston Avenue
Worthing
West Sussex BN14 7QL

13th April 2019

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

XTEND GLOBAL

**Statement of Financial Activities
(incorporating an Income and Expenditure Account)
for the period ended 31st December 2018**

					2018	2017
		Unrestricted funds	Designated Funds	Restricted funds	Total	Total
		£	£	£	£	£
Income:						
2	Donations and legacies	869,173	0	360,010	1,229,183	1,217,363
3	Charitable activities	1,784	0	0	1,784	1,988
4	Other trading activities	90,657	0	0	90,657	97,408
5	Investments	909	0	0	909	42
	Total income	962,523	0	360,010	1,322,533	1,316,801
Expenditure on:						
6	Raising funds	116,668	0	0	116,668	97,422
7	Charitable activities	656,904	45,251	357,307	1,059,462	952,610
	Total expenditure	773,572	45,251	357,307	1,176,130	1,050,032
10	Net income/(expenditure)	188,951	(45,251)	2,703	146,403	266,769
	Transfers between funds	(33,843)	44,947	(11,104)	0	0
	Exchange Gain/(Loss)	691	(452)		239	(4,602)
	Net movement in funds	155,799	(756)	(8,401)	146,642	262,167
	Reconciliation of funds:					
	TOTAL FUNDS brought forward	427,336	847,294	62,653	1,337,283	1,075,116
	TOTAL FUNDS carried forward	583,135	846,538	54,252	1,483,925	1,337,283
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 11 to 21 form part of these financial statements						

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BALANCE SHEET AS AT 31st DECEMBER 2018
Company number 7559179

	31st December 2018		31st December 2017	
	£	£	£	£
FIXED ASSETS				
12 Tangible fixed assets		767,501		812,753
13 Investment		1		1
<u>Total fixed assets</u>		<u>767,502</u>		<u>812,754</u>
CURRENT ASSETS				
14 Debtors and prepayments	120,605		140,476	
Cash at bank and in hand	722,069		452,801	
<u>Total current assets</u>	<u>842,674</u>		<u>593,277</u>	
<u>Liabilities</u>				
15 CREDITORS: Amounts falling due within one year	123,325		51,198	
NET CURRENT ASSETS				
		<u>719,349</u>		<u>542,079</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,486,851		1,354,833
16 CREDITORS: Amounts falling due after more than one year		2,926		17,550
<u>Total net assets</u>		<u>1,483,925</u>		<u>1,337,283</u>
<u>The funds of the charity:</u>				
UNRESTRICTED FUNDS				
General Fund	583,135		427,336	
19 Designated Funds	846,538		847,294	
		1,429,673		1,274,630
20 RESTRICTED FUNDS		54,252		62,653
<u>Total charity funds</u>		<u>1,483,925</u>		<u>1,337,283</u>
These financial statements were approved by the members of the board and authorised for issue on 13 th April 2019 and are signed on their behalf by:				
D. Milligan				
Director				
The notes on pages 11 to 21 form part of these financial statements				

Xtend Global		
Statement of Cash Flow		
for the period ending 31st December 2018		
	2018	2017
	Total	Total
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	289,523	248,174
Investing activities:		
Purchase of tangible assets	-	-
Disposal of property	-	-
Financing activities:		
Lease of computer equipment (repayments)	(6,586)	(13,172)
Loan (repayments)	(13,908)	(14,812)
Increase/(decrease) in cash and equivalents	269,029	220,190
Cash and equivalents at the beginning of year	452,801	237,213
Change due to exchange rate movements	239	(4,602)
Cash and equivalents at the end of year	<u>722,069</u>	<u>452,801</u>
Reconciliation of net income to net cash flow from operating activities:		
Excess of revenues over expenditures for the year		
Unrestricted	155,108	268,930
Restricted (Deficit)	(8,401)	(50,428)
Designated (Deficit)	(304)	48,267
	<u>146,403</u>	<u>266,769</u>
Items not involving cash:		
Depreciation	45,251	51,836
Unrealized investment gains/(losses)	-	-
Changes in non-cash net assets:		
Stock	-	-
Debtors and prepayments	19,872	(49,993)
Creditors - short term	77,997	(20,438)
Creditors - long term	-	-
Net cash provided by (used in) operating activities	<u>289,523</u>	<u>248,174</u>
Represented by:		
Cash at bank and in hand	<u>722,069</u>	<u>452,801</u>
The notes on pages 11 to 21 form part of these financial statements		

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NOTES TO THE ACCOUNTS for the year ended 31st December 2018

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) **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.

iii) **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.

iv) **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.

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NOTES TO THE ACCOUNTS for the year ended 31st December 2018 (continued)

- 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.

v) **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.

vi) **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.

vii) **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.

viii) **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

ix) **Fixed Assets –**

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

x) **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.

xi) **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.

xii) **Stock**

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

xiii) **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.

xiv) **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 2018 (continued)**

	Unrestricted funds	Designated Funds	Restricted funds	2018 Total	2017
	£	£	£	£	£
2 Income from donations and legacies					
Donations	869,173	0	360,010	1,229,183	1,217,363
Legacies	0	0	0	0	0
	869,173	0	360,010	1,229,183	1,217,363
The income from donations and legacies is £1,229,183 (2017 £1,217,363) of which £869,173 was unrestricted (2017 £835,825) and £360,010 was restricted (2017 £381,538)					
3 Incoming Resources from Charitable Activities					
Trading - Sale of Training resources	1,784	0	0	1,784	1,988
4 Income from other trading activities					
Trading - Primary purpose	20,804	0	0	20,804	29,220
- other	1,500	0	0	1,500	315
Rental of facilities and guest apartment	65,625	0	0	65,625	64,734
Accounting services	2,728	0	0	2,728	3,139
	90,657	0	0	90,657	97,408
The income from other trading activities was £90,657 (2017 £97,408) of which £90,657 was unrestricted (2017 £97,408) and £0 restricted (2017 £0)					
5 Investment Income					
Interest received	909	0	0	909	42
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	42,254	0	0	42,254	60,202
Promotional expenses	15,515	0	0	15,515	11,964
Communication expenses	58,899	0	0	58,899	25,256
		0	0		
	116,668	0	0	116,668	97,422

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NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)

7 Analysis of expenditure on charitable activities				
	Media Program Costs	PALM Program Costs	IT Services Costs	Total
Program costs	274,015	86,590	0	360,605
Property costs	123,933	0	0	123,933
Depreciation	38,212	611	6,428	45,251
UK salaries	281,023	0	38,576	319,599
Non-Uk salaries	12,820	0	0	12,820
	730,003	87,201	45,004	862,208
Governance costs - see note 9	40,576	0	0	40,576
Support costs	156,678	0	0	156,678
	927,257	87,201	45,004	1,059,462
Expenditure on charitable activities was £1,059,462 (2017 £952,610) of which £656,904 was unrestricted (2017 £535,337), £45,251 was designated (2017 £51,836) and £357,307 was restricted (2017 £365,437).				
Summary analysis of expenditure and related income				
8 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)	(927,257)	(87,201)	(45,004)	(1,059,462)
Donations and legacies	1,134,181	89,959	6,358	1,230,498
Sale of IT services	0	0	19,489	19,489
Rental income	65,625	0	0	65,625
Accounting services	2,728	0	0	2,728
Other sales	3,284	0	0	3,284
Investment income	909	0	0	909
Net surplus	279,470	2,758	(19,157)	263,071

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (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	156,678		156,678	direct charges by department
	Audit fees		4,068	4,068	Governance
	Legal fees		14,218	14,218	Governance
	Accountancy services		480	480	Governance
	Council meetings		21,810	21,810	Governance
		156,678	40,576	197,254	
10	Net income/expenditure for the year				
		2018	2017		
	This is stated after charging:	£	£		
	Loan interest payable	844	1,361		
	Foreign currency exchange difference	(239)	4,602		
	Auditor's remuneration:				
	- audit fees	4,548	4,200		
	- payroll services	756	783		
	- depreciation of tangible fixed assets	36,031	36,030		
	- depreciation of assets held under hire purchase agreements	9,220	15,806		

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NOTES TO THE ACCOUNTS for the year ended 31st December 2018 (continued)

11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel			
	2018	2017	
	£	£	
UK non-administrative staff costs	275,637	240,762	
UK administrative staff costs	150,218	151,398	
Social security costs (included above)	27,596	22,074	
Employer's contribution to pension (included above)	34,942	44,179	
<p>No employee had employee benefits in excess of £60,000 (2017: 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 2018 five trustees (2017: six) were remunerated a total of £7,295 (2017 £14,341) for expenses incurred. There were no other transactions with the directors which require separate disclosure.</p>			
<p>Gifts totalling £8,437 were received from one or more trustees towards governance costs.</p>			
<p>The average number of staff during the period was 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 2018 (continued)

12 Tangible Fixed Assets	Freehold Property	Building Renovations	Computer Equipment	Total
	£	£	£	£
Cost				
At 1.1.18	730,286	214,247	47,418	991,951
Addition	0	0	0	0
Disposal				0
At 31.12.18	730,286	214,247	47,418	991,951
Accumulated depreciation				
At 1.1.18	84,699	56,301	38,198	179,198
Charge for the year	14,607	21,425	9,220	45,252
Disposal			0	0
At 31.12.18	99,306	77,726	47,418	224,450
Net book value				
At 31.12.18	630,980	136,521	0	767,501
At 1.1.18	645,587	157,946	9,220	812,753

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

	2018	2017
	£	£
Cost:	1	1
Addition	0	0
At 31 December 2018	1	1
NET BOOK VALUE		
At 31 December 2018	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 2018 was £1.

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)**

14 Debtors and Prepayments		
	2018	2017
	£	£
National Bases of Pioneers	65,079	95,820
Advances	15,725	3,789
Prepayments	19,201	37,451
Other Debtors	20,600	3,416
	<u>120,605</u>	<u>140,476</u>
15 Creditors falling due within one year and accruals		
	2018	2017
	£	£
Accruals	97,811	19,441
Other tax and social security	9,206	6,396
Sundry Creditors	1,270	4,453
Dell lease - computer equipment	0	6586
Loans on buildings	15,038	14,322
Creditors falling due within one year	<u>123,325</u>	<u>51,198</u>
16 Creditors: Amounts due after more than one year		
	2018	2017
	£	£
Loan on buildings and IT equipment (falling due in less than 5 years)	2,926	17,550
Loan on buildings and IT equipment (falling due after 5 years)	0	0
	<u>2,926</u>	<u>17,550</u>
<p>The charity has two loans:</p> <p>Loan 1 – UK Repurposing loan A loan of £90,000 was received in 2010 from a supporter repayable at £955 per month with interest at 5% p.a.</p> <p>Loan 2 – US Repurposing 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.</p>		

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)**

17 Financial Instruments						
Financial instruments measured at amortised cost comprise the buildings loans and computer lease equipment as follows:						
		2018	2017			
		£	£			
Loan payable falling due within 1 year		15,038	20,908			
2-5 years		2,926	17,550			
Over 5 years		0	1			
		<u>17,964</u>	<u>38,459</u>			
18 Analysis of Net Assets between Funds						
	Unrestricted	Restricted	Designated	Total		2017
	Funds	Funds	Funds	Funds		Funds
	£	£		£		£
Fund balances at 31st December 2017 are represented by:						
Fixed assets	1	0	767,502	767,503		812,754
Current assets	691,421	54,252	97,000	842,673		593,278
Current liabilities	(108,287)	0	(15,038)	(123,325)		(51,198)
Long-Term liabilities			(2,926)	(2,926)		(17,551)
	<u>583,135</u>	<u>54,252</u>	<u>846,538</u>	<u>1,483,925</u>		<u>1,337,283</u>
19 Designated Funds						
	At 1.1.18	Incoming Resources	Expenditure	Transfers between funds	Exchange gain(loss)	At 31.12.18
	£	£	£	£	£	£
Property Fund	771,661		36,031	14,360	(452)	749,538
Building Maintenance	73,000			24,000		97,000
Computer Equipment	2,633		9,220	6,587		0
	<u>847,294</u>	<u>0</u>	<u>45,251</u>	<u>44,947</u>	<u>(452)</u>	<u>846,538</u>
<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>						
<p>The computer equipment fund is the leased equipment used in multiple aspects of the Media and PALM ministries.</p>						

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**NOTES TO THE ACCOUNTS
for the year ended 31st December 2018 (continued)**

20 Restricted Funds	At 1.1.18	Incoming Resources	Expenditure	Transfers between Funds	At 31.12.18
	£	£	£	£	£
PALM	44,907	89,959	(86,590)	(10,899)	37,377
Staff support funds	0	268,856	(268,735)	126	247
Arabian Dawn Project	1,454		0		1,454
Syria Appeal	5,739	4,509	(288)		9,960
Mob Media Evangelism for Next Generation	0	93	0	(91)	2
Al Massira project	10,553	(3,407)	(1,694)	(240)	5,212
	<u>62,653</u>	<u>360,010</u>	<u>(357,307)</u>	<u>(11,104)</u>	<u>54,252</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.

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

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 £206 and received income on behalf of AWMI of £1,904 while AWMI incurred expenses on behalf of the charity of £10,701. Furthermore the charity paid £1,682 to AWMI for services while AWMI paid the charity £2,000 for services. There were no outstanding balances at 31 December 2018.

Mr C Keung is also a trustee of Pioneers Inc. (United States). During the year Pioneers Inc. provided donations and payments for services totalling £600,336 and incurred expenses on behalf of the charity of £57,078. At 31 December 2018 Pioneers Inc. owed the charity £36,876 in donations and payments and had outstanding expenses of £2,802

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NOTES TO THE ACCOUNTS for the year ended 31st December 2018 (continued)

	<p>Mr H Wolmarans is also a trustee of Al Massira Trust. Al Massira is held as a restricted fund within the XG accounts. During the year the charity incurred expenses on behalf of Al Massira of £1,934 and received income on behalf of Al Massira of - £3407 due to re-designation of income received in previous years. There was an outstanding balance in Al Massira's favour of £5,212 at 31st December 2018.</p>				
22	Capital Commitments				
	Amounts contracted for but not provided in the financial statements amounted to £0 (2017 - £0).				
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.				