

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 2020

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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
M Billage (appointed – 18th April 2020)
J Black
W Jones
C Keung
D Milligan (Retired – 18th April 2020)
H Wolmarans

Secretary and Registered Office

N Leduc, 51-63 St. Dunstons Road, Worthing, West Sussex, BN13 1AA

**REPORT OF THE TRUSTEES
for the period ended 31st December 2020**

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 the Executive Director of Xtend Global. The Executive Director of Xtend Global oversees the administration of the company as a whole. The Executive Director of Xtend Global appoints and appraises his own team of operational directors, in consultation with the Board.

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For the year ended 31st December 2020

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 2020, the Board of Directors (Trustees) together with the Executive Director of Xtend Global 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. 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 2020, Arab World Media's online and social ministry sustained its reach and effectiveness in most areas. Our website content attracted 1.5 million visitors from 130 countries, mainly Arabic speakers. Our Facebook platform remains engaging, with Facebook ad garnering 1.8 million clicks. The Bible and other resources were downloaded 24,034 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 2020 as more teams are participating in our initiatives.

At the end of 2020, the combined number of individuals being trained by PALM was in excess of 616, although precise figures are not available, given the autonomous nature of the groups. In-person trainings were significantly curtailed due to the Coronavirus pandemic.

Financial Review

The company received a total income of £1,269,278 (2019: £1,312,534) with a total expenditure of £1,159,145 (2019: £1,295,230). This resulted in a net surplus of £110,133 (2019: £17,304) for the year.

Total Restricted Funds increased from an opening position of £140,269 (2019: £54,252) to a year-end position of £2,024,024 (2019: £140,269). At 31 December 2020 total reserves were £3,147,543 (2019: £1,495,921) of which £635,181 (2018: £1,216,867) 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 2021, we will engage in a year-long programme to create new digital strategies for deeper engagement with seekers across the Arab World while also equipping new believers to help them grow in their faith. We expect a 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 hold more training schools, in-person and virtually as well as launch several translation projects of orality and training materials at various levels in several new languages.

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".

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For the year ended 31st December 2020

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 2020, we continued revising our Level 1 course and developing it to be a top quality resource. We also made progress in the translation of the Oral discipleship manual into other languages. 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. The free reserves at the year end were £488,338 (2019: £138,785) which equates to approximately 5 months of running costs.

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.

Going Concern

The charity has reviewed its financial performance and general reserves position. The charity has adequate financial resources and is able to manage its business risks. The charity's planning process has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Taking into account all factors the charity has reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into the charity's ability to continue in operation.

The Covid-19 virus has had an impact on the Charities activities, largely with the inability to offer face to face training sessions, and dealing with worldwide travel restrictions, both before and after the year end. Whilst it is difficult to evaluate with any certainty the potential outcome on the charity's activities, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future.

Accordingly, the accounts have been prepared on the basis that the charity is a going concern.

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

XTEND GLOBAL – TRUSTEES ANNUAL REPORT

For the year ended 31st December 2020

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 Generally 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.

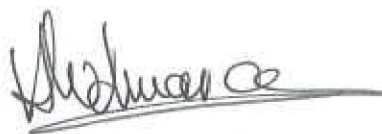
Statement as to disclosure to our auditors

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



(signature)

HUGO WOLMARANS

(name)

Director

(date)

10/8/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2020

We have audited the financial statements of Xtend Global for the year ended 31 December 2020 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 2020 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2020

- 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charity and considered that the most significant are the Companies Act 2006 and UK taxation legislation.
- We obtained an understanding of how the Charity complies with these requirements by discussions with management and those charged with governance.
- We considered the nature of the industry and sector, control environment and business performance including the design of the Charity's remuneration policies, bonus levels and performance targets.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: overseas activity and operating in high-risk jurisdictions. In common with all audits under ISAs UK, we are also required to perform specific procedures to respond to the risk of management override.

Audit response to risks identified

As a result of performing the above, we identified the overseas operations as a key audit matter related to the potential risk of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, counsel concerning actual and potential litigation and claims;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XTEND GLOBAL

For the year ended 31st December 2020

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the identified revenue fraud risk: testing the revenue system software controls and vouching their donation income to supporting documentation; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- In addressing the identified risk of fraud through overseas operations, testing the appropriateness and legitimacy of overseas transactions; evaluating the rationale of transactions that take place with any high-risk jurisdictions as published by the Financial Action Task Force (FATF), for which there were none in our financial year.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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 BSc FCA
Senior Statutory Auditor
For and on behalf of
HODSON & CO.
Chartered Accountants
& Statutory Auditor

Wiston House
1 Wiston Avenue
Worthing
West Sussex BN14 7QL

Date: 10 August 2021

XTEND GLOBAL

Statement of Financial Activities (incorporating an Income and Expenditure Account) for the period ended 31st December 2020

					2020	2019
		Unrestricted funds	Designated Funds	Restricted funds	Total	Total
		£	£	£	£	£
Income:						
2	Donations and legacies	725,615	24,202	434,679	1,184,496	1,262,354
3	Charitable activities	0	0	0	0	0
4	Other trading activities	40,772	0	154	40,926	48,962
5	Investments	271	2	43,583	43,856	1,218
	Total income	766,658	24,204	478,416	1,269,278	1,312,534
Expenditure on:						
6	Raising funds	127,237	0	0	127,237	166,641
7	Charitable activities	534,773	88,637	408,498	1,031,908	1,128,589
	Total expenditure	662,010	88,637	408,498	1,159,145	1,295,230
10	Net income/(expenditure)	104,648	(64,433)	69,918	110,133	17,304
	Transfers between funds	256,373	(517,253)	260,880	0	0
	Surplus on sale of Property	0	0	1,552,957	1,552,957	
	Exchange Gain/(Loss)	(11,468)	0	0	(11,468)	(5,308)
	Net movement in funds	349,553	(581,686)	1,883,755	1,651,622	11,996
Reconciliation of funds:						
	TOTAL FUNDS brought forward	138,785	1,216,867	140,269	1,495,921	1,483,925
	TOTAL FUNDS carried forward	488,338	635,181	2,024,024	3,147,543	1,495,921

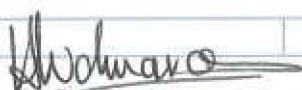
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

XTEND GLOBAL
BALANCE SHEET AS AT 31st DECEMBER 2020
Company number 7559179

		31st December 2020	31st December 2019
	£	£	£
FIXED ASSETS			
12 Tangible fixed assets		883,722	1,219,664
13 Investment		1	1
Total fixed assets		883,723	1,219,665
CURRENT ASSETS			
14 Debtors and prepayments	48,583		182,213
Cash at bank and in hand	2,554,335		166,655
Total current assets	2,602,918		348,868
Liabilities			
15 CREDITORS: Amounts falling due within one year	80,206		72,612
NET CURRENT ASSETS		2,522,712	276,256
TOTAL ASSETS LESS CURRENT LIABILITIES		3,406,435	1,495,921
16 CREDITORS: Amounts falling due after more than one year		258,892	-
Total net assets		3,147,543	1,495,921
18 <u>The funds of the charity:</u>			
UNRESTRICTED FUNDS			
General Fund	488,338		138,785
19 Designated Funds	635,181		1,216,867
		1,123,519	1,355,652
20 RESTRICTED FUNDS		2,024,024	140,269
Total charity funds		3,147,543	1,495,921

These financial statements were approved by the members of the board and authorised for issue on and are signed on their behalf by:

H. Wolmarans
Director


10/8/21

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 2020		
	2020	2019
	Total	Total
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	598,886	8,404
Investing activities:		
Purchase of tangible assets	-	(543,345)
Proceeds from the sale of property	1,800,262	
Financing activities:		
Stewardship loan received		-
Loan (repayments)		(15,165)
Increase/(decrease) in cash and equivalents	2,399,148	(550,106)
Cash and equivalents at the beginning of year	166,655	722,069
Change due to exchange rate movements	(11,468)	(5,308)
Cash and equivalents at the end of year	<u>2,554,335</u>	<u>166,655</u>
Reconciliation of net income to net cash flow from operating activities:		
Excess of revenues over expenditures for the year		
Unrestricted	361,021	(438,803)
Restricted (Deficit)	330,798	86,017
Designated (Deficit)	(581,686)	370,090
	110,133	17,304
Items not involving cash:		
Depreciation	88,637	91,181
Unrealized investment gains/(losses)	-	
Changes in non-cash net assets:		
Stock	-	-
Debtors and prepayments	133,630	(61,608)
Creditors - short term	7,594	(38,473)
Creditors - long term	258,892	-
Net cash provided by (used in) operating activities	598,886	8,404
Represented by:		
Cash at bank and in hand	<u>2,554,335</u>	<u>166,655</u>
The notes on pages 11 to 21 form part of these financial statements		

XTEND GLOBAL

NOTES TO THE ACCOUNTS for the year ended 31st December 2020

I. 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.

The trustees have assessed the impact of the Covid-19 virus and it is difficult to evaluate with any certainty the potential outcome on the charity's activities. However, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

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.

XTEND GLOBAL

NOTES TO THE ACCOUNTS for the year ended 31st December 2020 (continued)

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:

- 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 the 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

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NOTES TO THE ACCOUNTS for the year ended 31st December 2020 (continued)

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.

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 have therefore taken advantage of the exemption provided not to prepare group accounts.

	Unrestricted funds	Designated Funds	Restricted funds	2020 Total	2019
	£	£	£	£	£
2 Income from donations and legacies					
Donations	725,615	24,202	434,679	1,184,496	1,262,354
Legacies	0	0	0	0	0
	<u>725,615</u>	<u>24,202</u>	<u>434,679</u>	<u>1,184,496</u>	<u>1,262,354</u>
The income from donations and legacies is £1,184,496 (2019 £1,262,354) of which £725,615 was unrestricted (2019 £773,463), £24,202 was designated (2019 £0) and £434,679 was restricted (2019 £488,891)					
3 Incoming Resources from Charitable Activities					
Trading - Sale of Training resources	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4 Income from other trading activities					
Trading - Primary purpose	60	0	154	214	6,831
- other	12,071	0	0	12,071	6,586
Rental of facilities and guest apartment	27,397	0	0	27,397	33,264
Accounting services	1,244	0	0	1,244	2,281
	<u>40,772</u>	<u>0</u>	<u>154</u>	<u>40,926</u>	<u>48,962</u>
The income from other trading activities was £40,926 (2019 £48,962) of which £40,772 was unrestricted (2019 £48,741) and £154 restricted (2019 £221)					
5 Investment Income					
Interest/gain received	271	2	43,583	43,856	1,218
	<u>271</u>	<u>2</u>	<u>43,583</u>	<u>43,856</u>	<u>1,218</u>
All of the charity's investment income arises from money held in UK interest bearing accounts.					

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for the year ended 31st December 2020 (continued)

Expenditure on charitable activities was £1,031,908 (2019 £1,128,589) of which £569,109 was unrestricted (2019 £705,691), £88,637 was designated (2019 £91,181) and £374,162 was restricted (2019 £331,717).

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NOTES TO THE ACCOUNTS for the year ended 31st December 2020 (continued)

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)	(816,078)	(73,375)	(142,455)	(1,031,908)
Donations and legacies	953,142	189,911	41,443	1,184,496
Sale of IT services	0	0	0	0
Rental income	27,397	0	0	27,397
Accounting services	1,244	0	0	1,244
Other sales	12,131	154	0	12,285
Investment income	43,854	0	0	43,854
Net surplus	221,690	116,690	(101,012)	237,368
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	97,905		97,905	direct charges by department
Audit fees		5,519	5,519	Governance
Legal fees		32,162	32,162	Governance
Accountancy services		696	696	Governance
Council meetings		361	361	Governance
	97,905	38,738	136,643	
10 Net income/expenditure for the year				
	2020	2019		
This is stated after charging:	£	£		
Loan interest payable	7,354	301		
Foreign currency exchange difference	11,468	5,308		
Auditor's remuneration:				
- audit fees	5,519	4,667		
- payroll services	696	567		
- depreciation of tangible fixed assets	88,637	91,182		
- depreciation of assets held under hire purchase agreements	0	0		

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NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel				
	2020	2019		
	£	£		
UK non-administrative staff costs	348,722	353,700		
UK administrative staff costs	218,558	246,432		
Social security costs (included above)	29,672	39,322		
employer's contribution to pension (included above)	26,092	34,101		
<p>No employee had employee benefits in excess of £60,000 (2019: 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 2020 no trustees (2019: four) were reimbursed a total of £0 (2019 £5,075) for expenses incurred.</p> <p>There were no other transactions with the directors which require separate disclosure.</p> <p>No gifts were received from any trustees towards governance costs.</p> <p>The average number of staff during the period was 16 (2019: 18) of which the majority were partially or fully funded from other sources.</p>				
12 Tangible Fixed Assets				
	Freehold Property	Building Renovations	Computer and Other Equipment	Total
	£	£	£	£
Cost				
At 1.1.20	730,286	749,429	55,581	1,535,296
Addition	0	0	0	0
Disposal	(305,286)			(305,286)
At 31.12.20	425,000	749,429	55,581	1,230,010
Accumulated depreciation				
At 1.1.20	113,912	152,669	49,051	315,632
Charge for the year	12,062	74,943	1,632	88,637
Disposal	(57,981)			(57,981)
At 31.12.20	67,993	227,612	50,683	346,288
Net book value				
At 31.12.20	357,007	521,817	4,898	883,722
At 1.1.20	616,374	596,760	6,530	1,219,664

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NOTES TO THE ACCOUNTS for the year ended 31st December 2020 (continued)

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							
	2020	2019					
	£	£					
Cost:	1	1					
Addition	0	0					
At 31 December 2019	1	1					
NET BOOK VALUE							
At 31 December 2020	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 2020 was £1.							
14 Debtors and Prepayments							
	2020	2019					
	£	£					
National Bases of Pioneers	45,056	161,779					
Advances	437	6,434					
Prepayments	3,659	12,880					
Other Debtors	- 569	1,120					
	48,583	182,213					
15 Creditors falling due within one year and accruals							
	2020	2019					
	£	£					
Accruals	8,084	37,284					
Other tax and social security	36,793	24,594					
Sundry Creditors	9,476	7,936					
Loans on buildings	0	2,798					
Stewardship loan (10 year)	25,853	0					
Creditors falling due within one year	80,206	72,612					

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NOTES TO THE ACCOUNTS for the year ended 31st December 2020 (continued)

16 Creditors: Amounts due after more than one year					
	2020	2019			
	£	£			
Stewardship loan rec'd 9 April 2020	258,892	0			
	258,892	0			
17 Financial Instruments					
Financial instruments measured at amortised cost comprise the stewardship loan as follows:					
	2020	2019			
	£	£			
Loan payable falling due within 1 year	25,853	2,798			
2-5 years	113,657	0			
Over 5 years	145,235	0			
	284,745	2,798			
The loan was repaid in full in May 2021.					
18 Analysis of Net Assets between Funds					
	Unrestrict ed	Restricted	Designated	Total	2019
	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£
Fund balances at 31st December 2020 are represented by:					
Fixed assets	1	0	883,722	883,723	1,219,665
Current assets	542,690	2,024,024	36,204	2,602,918	348,868
Current liabilities	(54,353)	0	(25,853)	(80,206)	(72,612)
Long-Term liabilities			(258,892)	(258,892)	0
	488,338	2,024,024	635,181	3,147,543	1,495,921

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NOTES TO THE ACCOUNTS for the year ended 31st December 2020 (continued)

19 Designated Funds						
	At 1.1.20	Incoming Resources	Expenditure	Transfers between funds	Gains/ (Losses)	At 31.12.20
	£	£	£	£	£	£
Property Fund	1,210,336	0	(87,004)	(529,253)	0	594,079
Building Maintenance	0	24,204	0	12,000	0	36,204
Computer and Other Equipment	6,531	0	(1,633)	0	0	4,898
	1,216,867	24,204	(88,637)	(517,253)	0	635,181
<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. The Computer and Other Equipment fund represents the net book value of equipment purchased in association with the 2019 renovation of the 1st floor of Pilgrim House.</p>						
<p>A property in France was sold during 2020 with a Net Book Value of £247,305 and is shown as a transfer out of the property fund.</p>						
20 Restricted Funds						
	At 1.1.20	Incoming Resources	Expenditure	Transfers between Funds	Gains/ (losses)	At 31.12.20
	£	£	£	£	£	£
PALM	122,886	159,159	(73,374)	3,299	0	211,970
Staff support funds	1,110	244,770	(236,719)	10,276	0	19,437
ERB sale fund	0	43,582	(55,227)	247,305	1,552,957	1,788,617
Arabian Dawn Project	1,454	0	(1,454)	0	0	0
Syria Appeal	10,929	449	(7,378)	0	0	4,000
Al Massira project	3,890	(3,890)	0	0	0	0
Nationals in Ministry	0	34,346	(34,346)	0	0	0
	140,269	478,416	(408,498)	260,880	1,552,957	2,024,024
<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 proceeds from the sale of the property in France are held for a special purpose less applicable costs.</p>						

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

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