

FRONTIERS

**ANNUAL REPORT &
ACCOUNTS**

2021

CONTENTS

Annual report

What we do	2
Our impact in 2021	2
Future plans	3
Financial review	4
Structure, governance & management	5
Corporate directory	8

Annual accounts

Statement of financial activities	9
Balance sheet	10
Cash flow statement	11
Notes to the accounts	12
Independent auditor's report	19

WHAT WE DO

We help churches identify, train, send and support members overseas:

- for the benefit of local communities,
- in teams,
- making known Jesus' love and teaching,
- prioritising those with least opportunity.

Our strategies to achieve this objective are:

- raising awareness in Britain of opportunities for service (website, social media, podcast, publications, prayer news, conferences and events),
- encouraging enquirers: small groups, short visits, training and coaching,
- helping applicants connect with and join over 260 overseas teams,
- supporting members, with their churches, practically and pastorally,
- supporting projects that benefit communities, according to local needs, including development, relief work, medical and teaching.

We are part of the wider Frontiers movement – an international fellowship of semi-autonomous teams comprising 1,800 members in 80 countries. Each team or organisation operates independently, but with accountability, oversight and a commitment to the movement's vision and values.

OUR IMPACT IN 2021

Long-term Harvest Workers

Despite restricted travel and in-person meetings, we thank God for 12 new long-term members sent in the last 18 months, and 17 applicants currently preparing to join overseas teams in 2022-23.

We continued to support members sent from British churches, with finance, prayer and increased pastoral care, despite the extended effects of the pandemic on travel, finances and the local communities members serve. We continued to receive gifts and distribute grants to various overseas projects, including through a coronavirus relief appeal, which have contributed practical care, medical support, education and long-term development to many communities hit hard by the pandemic.

Information and Communications

Within Britain, we continued to develop and upgrade our communications to individuals, small groups and churches of a vision and opportunities to serve overseas. In September, we launched a podcast, *RAW Mission*, featuring interviews about the realities of living overseas, with 22 episodes and 10,000 downloads to date. In partnership with other agencies and a professional film company, we have developed a new version of the popular *MomentumYes* course, adapted for British and European young people and churches, to be launched later this year.

The Next Generation

Through increased online communications during the pandemic, we now work with a cohort of some 60 young people taking active steps towards long-term overseas service. Meeting regularly online and in small groups, we also provide quarterly face-to-face weekend training events, and opportunities for vision trips and short-term placements with overseas teams.

Our pre-field training programme has continued well, with *Candidates Weekends* three times a year, increased personal coaching and mentoring, and the appointment of new team leaders. We also help other bases within the Frontiers movement with training and communications materials.

Our short-term opportunities programme, suspended in 2020 due to the pandemic, was successfully resumed with new impetus last year.

FUTURE PLANS

We made the difficult decision in 2021 to leave our existing premises due to the need and opportunities of larger office space, including conference and meeting rooms and a studio to produce more audio and visual resources. We have agreed, subject to contract, to purchase a site in central High Wycombe for £1.2m, to be financed by sale of our existing freehold property and a long-term secured loan.

We are extending new opportunities for those pursuing long-term service, to develop their calling through short-term prayer, vision and ministry visits, and

and also one or two-year placements on teams where they can learn language and culture, and be coached and trained for future effective service.

We continue to build closer collaboration and partnerships with churches, trust funds and other agencies, who are increasingly interested in sending and supporting the work of Frontiers' 260 overseas teams.

FINANCIAL REVIEW

We thank God for total income in 2021 of £1.7M (shown on page 9), 3% above last year, reflecting an increase in long-term overseas members and further gifts for overseas and home projects.

Total expenditure in 2021 was £1.73M, also above last year, with gifts received promptly distributed to support field members, pandemic relief and other projects.

Volunteers on our home team contributed an average of 11 days per week during the year and were engaged in all areas of activity, especially pastoral care of overseas members, often in very challenging circumstances.

Net assets at the year end, shown on page 10, totalled £690k. These comprised:

- £69k of restricted reserves, being gifts for specific projects or members,
- £482k of designated funds, mainly the net book value of tangible fixed assets unavailable for other purposes, and
- £140k in the general fund, not designated for a particular purpose.

Grants from restricted funds are made in line with donors' wishes, and from unrestricted funds in line with the trustees' judgment. In all cases, grants are made only to members and projects with clear supervision, oversight and accountability, to ensure they are used effectively to benefit local communities.

The trustees' policy is to maintain a general fund reserve of between 3 and 6 months' of unrestricted expenditure. At this level, current activities could continue in the event of a significant drop in income, until remedial action

becomes effective. Despite a deficit last year, the general fund at 31 December 2021 at 5.5 months was at the upper end of this range.

The trustees' investment policy is to maintain high liquidity while ensuring maximum security. Funds invested with financial institutions are protected by the government-regulated Financial Services Compensation Scheme. The Charity has no social investments.

Fundraising practices

In 2021, no outside agents were engaged to approach the public on our behalf; all applications for funds were prepared in-house; and no complaints were received about our fundraising practices.

We seek to protect vulnerable people and others from unreasonable intrusion from any fundraising communications. Where vulnerable people or those acting on their behalf request no further communications, we act on their wishes immediately. We also remove recipients from our mailing list when requested. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice.

STRUCTURE, GOVERNMENT & MANAGEMENT

The Charity is a company limited by guarantee, without share capital, governed under a memorandum and articles of association and a registered charity. Legal and administrative details are set out on page 8.

Overall responsibility is in the hands of the board of trustees (who are also directors for the purposes of company law). Trustees retire each year but are eligible for re-election. Additional trustees are appointed by the board, who seek people with relevant skills and experience, and in sympathy with the Charity's objectives and ethos. Induction and training are provided on a personal basis as appropriate. Policy and major financial decisions are made by the trustees. Day-to-day running of the Charity and responsibility for implementing these decisions are committed to the chief executives.

Trustees give their time freely and receive no remuneration. Their expenses and other related party transactions are disclosed in Note 6 to the accounts. Remuneration of key management personnel is determined by the Trustees.

Members located overseas are accountable to local team leaders and raise their own financial support. They have the backing of the Charity in raising support, including the provision of training and expertise.

Home staff are encouraged to raise their own financial support. Modest salaries are paid to some staff, including the chief executives.

The trustees have regard to the Charity Commission's published guidance on public benefit. The Charity delivers a public benefit to communities through services provided by overseas members, including recent support to many communities suffering from the pandemic.

Risks and uncertainties

The trustees have reviewed the Charity's current and planned future activities in the light of major risks arising from time to time, and the effectiveness of systems and procedures designed to manage them.

The principal risks and uncertainties are considered to be: reputational damage in the event of a high profile complaint or legal action alleging lack of due care for staff or field members, a sharp reduction in donation income, or financial mismanagement.

Our plans and strategies to manage risks include: careful assessment of applicants, risk assessments and contingency plans, a support network for overseas members, a system of financial controls, incident reporting, monitoring systems, maintaining adequate financial reserves, and insurance cover.

The trustees consider that adequate resources will continue to be available to fund activities of the Charity for the foreseeable future, that there are no material uncertainties about its ability to continue operating and that the Charity therefore remains a going concern.

Auditor

Jacob Cavenagh & Skeet offer themselves for re-appointment as auditor in accordance with Chapter 2 of Part 16 of the Companies Act 2006.

Trustees' responsibilities in relation to the accounts

The trustees are responsible for preparing their report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and 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 explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Charity will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board on 5 July 2022.



K Elmitt

Director

DIRECTORY

Company Registration Number	2585745
Charity Registration Number	1012566
Trustees	A Dimmock (Chairman) D A Aanderud K Elmitt I M Linton P N MacInnes
Chief Executives	P A Bancroft M D Jones
Principal Address	PO Box 1445 High Wycombe, HP12 9BU
Registered Office	5 Robin Hood Lane Sutton, SM1 2SW
Auditor	Jacob Cavenagh & Skeet Chartered Accountants 5 Robin Hood Lane Sutton, SM1 2SW
Principal Bankers	Barclays Bank pic PO Box 23 Northampton, NN1 4YD CAF Bank Limited 25 Kings Hill Avenue West Malling, ME19 4JQ

FRONTIERS

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income & expenditure account)

for the year ended 31 December 2021

		<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>	<u>2021</u>	<u>Funds</u>	<u>Funds</u>	<u>2020</u>
Note	£	£	£	£	£	£	£
INCOME & ENDOWMENTS							
Donations & legacies	2	256,540	1,440,635	1,697,175	303,458	1,344,393	1,647,851
Charitable activities	3	5,892	-	5,892	5,012	-	5,012
Investments		1,411	-	1,411	3,091	213	3,304
Total income & endowments		<u>263,843</u>	<u>1,440,635</u>	<u>1,704,478</u>	<u>311,561</u>	<u>1,344,606</u>	<u>1,656,167</u>
EXPENDITURE							
Raising funds	4	19,523	2,238	21,761	18,923	2,464	21,387
Charitable activities:	5						
Programme development & support		229,356	1,379,102	1,608,458	209,243	1,353,961	1,563,204
Information & education		29,490	41,009	70,499	23,782	34,585	58,367
Management & administration		28,549	4,366	32,915	26,382	4,518	30,900
Total expenditure	7	<u>306,918</u>	<u>1,426,715</u>	<u>1,733,633</u>	<u>278,330</u>	<u>1,395,528</u>	<u>1,673,858</u>
Net income/expenditure		<u>(43,075)</u>	<u>13,920</u>	<u>(29,155)</u>	<u>33,231</u>	<u>(50,922)</u>	<u>(17,691)</u>
Total funds brought forward		<u>664,259</u>	<u>54,725</u>	<u>718,984</u>	<u>631,028</u>	<u>105,647</u>	<u>736,675</u>
Total funds carried forward		<u>621,184</u>	<u>68,645</u>	<u>689,829</u>	<u>664,259</u>	<u>54,725</u>	<u>718,984</u>

The Company had no recognised gains or losses other than those shown above for either financial year.

The notes on pages 12 to 18 form part of these financial statements.

FRONTIERS

BALANCE SHEET

At 31 December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
FIXED ASSETS			
Tangible assets	9	<u>473,426</u>	<u>477,588</u>
CURRENT ASSETS			
Stock		1,094	984
Debtors	10	155,654	88,013
Cash at bank and in hand		<u>360,838</u>	<u>371,315</u>
		517,586	460,312
CREDITORS			
Amounts falling due within one year	11	<u>(301,183)</u>	<u>(218,916)</u>
NET CURRENT ASSETS		216,403	241,396
NET ASSETS		<u>689,829</u>	<u>718,984</u>
FUNDS			
Unrestricted funds:			
General fund		139,548	172,448
Designated funds	12	<u>481,636</u>	<u>491,811</u>
		621,184	664,259
Restricted funds	12	<u>68,645</u>	<u>54,725</u>
Total funds		<u>689,829</u>	<u>718,984</u>

The financial statements on pages 9 to 18 have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. They were approved by the board of directors on 5 July 2022 and are signed on their behalf by:



K Elmitt
Director

FRONTIERS

CASH FLOW STATEMENT

for the year ended 31 December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
Cash (outflow)/inflow from operating activities	15	<u>(8,823)</u>	<u>48,398</u>
Cash flows from investing activities:			
Decrease in investments		-	117,000
Purchase of tangible fixed assets		(1,654)	(576)
Cash provided by investment activities		<u>(1,654)</u>	<u>116,424</u>
Increase in cash and cash equivalents in the year		(10,477)	164,822
Cash and cash equivalents at the beginning of the year		<u>371,315</u>	<u>206,493</u>
Cash and cash equivalents at the end of the year		<u><u>360,838</u></u>	<u><u>371,315</u></u>

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparation

The Charity is a public benefit entity. The financial statements are prepared in compliance with the Companies Act 2006, the Charities Act 2011, Financial Reporting Standard 102 and the Charities Statement of Recommended Practice (FRS102). The financial statements are prepared in pounds sterling rounded to the nearest pound.

The principal accounting policies, which have been applied consistently, are described below.

Fund accounting

Incoming resources for specific purposes declared by donors are held separately as restricted funds. General reserves are unrestricted funds available for use at the trustees' discretion in furtherance of the Charity's charitable objectives. Designated funds are set aside by the trustees for specific purposes.

Income

Income is recognised when entitlement is established, receipt is probable, and its amount can be quantified with reasonable accuracy.

Donated goods are included in income at their market value when received. Time donated by volunteers is not recognised in the financial statements, but their significant contribution is discussed in the trustees' report.

Individual members make contributions to the general funds of the Charity out of the financial support they receive at a rate of 5% for UK-based members and projects and 10% for members based overseas.

Expenditure

Grant payments to third parties are accrued once the recipient has been notified of the grant award and where any unfulfilled conditions attaching to the grant are outside the control of the Charity. Other expenditure is recognised once there is a legal or constructive obligation to make a payment, it is probable that settlement will be required, and the amount of obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and apportioned between the costs of raising funds and charitable activities. Charitable activities expenditure is further analysed between programme development & support, information & education and management & administration, as described in notes to the accounts. Expenditure apportionment is based on an analysis of time spent.

Pensions

The Charity operates a defined contribution scheme for the benefit of employees. Contributions are charged to the income and expenditure account in the year they are payable.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. ACCOUNTING POLICIES (continued)

Depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives, as follows:

Building services	10 years
Furniture & other equipment	3-5 years

No depreciation is provided on freehold land and buildings. The trustees have a policy of maintaining the property to a high standard which prolongs its useful life and enhances its residual value and accordingly consider any depreciation to be insignificant and immaterial. Properties are reviewed annually by the trustees for any impairment of value.

Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes accounts held at call with banks and cash in hand. Cash equivalents include monies available within 3 months without interest penalty.

Creditors and provisions

Creditors and provisions are recognised when the Charity has a legal or constructive financial obligation that can be reliably estimated for which payment is expected to be made.

Financial instruments

The Charity has financial assets and liabilities only of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently measured using amortised cost on the effective interest rate method.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2021

2. DONATIONS & LEGACIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Donations	140,803	1,440,635	1,581,438	1,526,743
Contributions from members	115,737	-	115,737	121,108
	<u>256,540</u>	<u>1,440,635</u>	<u>1,697,175</u>	<u>1,647,851</u>

3. INCOME & ENDOWMENTS FROM CHARITABLE ACTIVITIES

These comprise income from training events, book sales and short-term assignments. The primary aims of these activities are to assist members preparing to go overseas and to raise understanding of the Charity's activities and opportunities for service, with charges being made to defray costs.

4. EXPENDITURE ON RAISING FUNDS

Most voluntary income is generated by members on an unpaid voluntary basis. Costs to the Charity of generating voluntary income are those incurred in seeking donations and do not include the costs of disseminating general information about the Charity's activities and opportunities.

5. CHARITABLE ACTIVITIES

Programme development & support expenditure from restricted funds comprises gifts to members and projects, in line with donors' wishes. Such expenditure from unrestricted funds comprises the costs of providing support and training to prospective and current overseas members.

Information & education expenditure comprises the costs of raising awareness of the needs and opportunities for service, through the website, literature, conferences, meetings and other events.

6. RELATED PARTIES

Related parties are trustees, key management personnel (considered to be the chief executives) and their close family members.

Trustees receive no remuneration for their services. In 2021, total compensation paid to the chief executives was £60,469 (2020: £42,735).

In 2021, no expenses on behalf of the Charity were incurred by trustees (2020: Nil).

In 2021, total donations received from trustees were £1,040 (2020: £905), of which donations of £600 (2020: £640) were for restricted purposes.

FRONTIERS
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

7. EXPENDITURE

	<u>Raising funds</u>	<u>Programme development & support</u>	<u>Information & education</u>	<u>Management & administration</u>	<u>Total 2021</u>	<u>Total 2020</u>
	£	£	£	£	£	£
Unrestricted Funds						
Member support	16,212	161,125	14,491	16,593	208,421	163,736
Frontiers International Office	-	25,406	3,607	3,607	32,620	34,253
Office running costs	1,220	11,981	3,229	1,090	17,520	16,184
Specialist assistance	500	8,649	-	-	9,149	15,171
Training & conferences	424	7,190	154	-	7,768	6,095
Website, literature & displays	767	36	6,866	-	7,669	9,413
Auditor's remuneration	-	-	-	6,400	6,400	2,760
House running costs	-	5,505	-	-	5,505	4,625
Travel	77	2,509	341	311	3,238	5,001
Other expenses	-	2,531	-	281	2,812	9,291
Project support	-	-	-	-	-	5,600
Depreciation	323	4,424	802	267	5,816	6,201
	<u>19,523</u>	<u>229,356</u>	<u>29,490</u>	<u>28,549</u>	<u>306,918</u>	<u>278,330</u>
Restricted Funds						
Member support	2,238	1,258,026	41,009	4,366	1,305,639	1,231,860
Project support	-	121,076	-	-	121,076	163,668
	<u>2,238</u>	<u>1,379,102</u>	<u>41,009</u>	<u>4,366</u>	<u>1,426,715</u>	<u>1,395,528</u>
Totals	<u>21,761</u>	<u>1,608,458</u>	<u>70,499</u>	<u>32,915</u>	<u>1,733,633</u>	<u>1,673,858</u>
Totals in 2020	<u>21,387</u>	<u>1,563,204</u>	<u>58,367</u>	<u>30,900</u>	<u>1,673,858</u>	

8. EMPLOYEES

	<u>2021</u>	<u>2020</u>
	£	£
Salaries	278,309	236,252
Employer's national insurance	12,108	11,182
Employer's pension contributions	19,626	5,458
	<u>310,043</u>	<u>252,892</u>
 Average number of employees	 <u>17</u>	 <u>16</u>
Average number of full-time equivalent employees	<u>11</u>	<u>10</u>

No employee received benefits exceeding £60,000 in either year.

The Company operates a defined contribution pension scheme. Contributions of £1,859 (2020: £1,476) were outstanding at the year end.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

9. TANGIBLE FIXED ASSETS

	<u>Freehold Land & Buildings</u>	<u>Furniture & Equipment</u>	<u>Total</u>
	£	£	£
COST			
At 1 January 2021	513,718	30,352	544,070
Additions	-	1,654	1,654
Disposals	-	(600)	(600)
At 31 December 2021	<u>513,718</u>	<u>31,406</u>	<u>545,124</u>
DEPRECIATION			
At 1 January 2021	38,838	27,644	66,482
Provision for year	3,787	2,028	5,816
Disposals	-	(600)	(600)
At 31 December 2021	<u>42,625</u>	<u>29,073</u>	<u>71,698</u>
NET BOOK VALUE			
At 31 December 2021	<u>471,093</u>	<u>2,333</u>	<u>473,426</u>
At 31 December 2020	<u>474,880</u>	<u>2,708</u>	<u>477,588</u>

10. DEBTORS

	<u>2021</u>	<u>2020</u>
	£	£
Amounts falling due within one year:		
Other Frontiers offices	116,858	50,070
Gift Aid receivable	28,499	29,208
Members	4,244	3,666
Prepayments and accrued income	6,053	5,069
	<u>155,654</u>	<u>88,013</u>

11. CREDITORS

	<u>2021</u>	<u>2020</u>
	£	£
Amounts falling due within one year		
Members and projects	262,773	184,727
Other Frontiers offices	25,347	18,375
Other creditors	13,063	15,815
	<u>301,183</u>	<u>218,916</u>

FRONTIERS
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

12. MOVEMENT IN FUNDS

	<u>At 1 January</u> <u>2021</u> £	<u>Income</u> £	<u>Transfers</u> £	<u>Expenditure</u> £	<u>At 31 December</u> <u>2021</u> £
General fund	172,448	263,843	(11,062)	(285,681)	139,548
Designated funds:					
Fixed asset fund	477,588	-	(4,162)	-	473,426
Member support fund	1,113	-	-	(1,113)	-
Generosity fund	13,110	-	15,224	(20,124)	8,210
	491,811	-	11,062	(21,237)	481,636
Total unrestricted funds	664,259	263,843	-	(306,918)	621,184
Restricted funds:					
Members' support funds	38,349	1,301,080	-	(1,305,639)	33,790
Project funds	16,376	139,555	-	(121,076)	34,855
Total restricted funds	54,725	1,440,635	-	(1,426,715)	68,645
Total funds	718,984	1,704,478	-	(1,733,633)	689,829

	<u>At 1 January</u> <u>2020</u> £	<u>Income</u> £	<u>Transfers</u> £	<u>Expenditure</u> £	<u>At 31 December</u> <u>2020</u> £
General fund	132,917	309,561	(11,880)	(258,150)	172,448
Designated funds:					
Fixed asset fund	483,213	-	(5,625)	-	477,588
Member support fund	6,693	2,000	-	(7,580)	1,113
Generosity fund	8,205	-	17,505	(12,600)	13,110
	498,111	2,000	11,880	(20,180)	491,811
Total unrestricted funds	631,028	311,561	-	(278,330)	664,259
Restricted funds:					
Members' support funds	46,279	1,223,930	-	(1,231,860)	38,349
Project funds	59,368	120,676	-	(163,668)	16,376
Total restricted funds	105,647	1,344,606	-	(1,395,528)	54,725
Total funds	736,675	1,656,167	-	(1,673,858)	718,984

Designated funds have been established for the following purposes:

- The fixed asset fund represents the net book value of the Company's tangible fixed assets to indicate these resources are not available for other purposes.
- The generosity fund represents funds set aside to assist projects within the ambit of the Charity's objectives.
- The member support fund represented funds set aside to support members.

Restricted funds comprise:

- Members' support funds are gifts to support specific members. These are generally forwarded on a monthly basis.
- Project funds are gifts to support specific charitable projects. These are drawn down to meet expenditure as needs

During the year, payments were made to 179 (2020 - 175) members and projects.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>General</u> <u>Fund</u> £	<u>Designated</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> £
Fund balances at 31 December 2021 are represented by:				
Fixed assets	-	473,426	-	473,426
Current assets	440,731	8,210	68,645	517,586
Current liabilities	(301,183)	-	-	(301,183)
Total net assets	<u>139,548</u>	<u>481,636</u>	<u>68,645</u>	<u>689,829</u>

	<u>General</u> <u>Fund</u> £	<u>Designated</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> £
Fund balances at 31 December 2020 are represented by:				
Fixed assets	-	477,588	-	477,588
Current assets	391,364	14,223	54,725	460,312
Current liabilities	(218,916)	-	-	(218,916)
Total net assets	<u>172,448</u>	<u>491,811</u>	<u>54,725</u>	<u>718,984</u>

14. SHARE CAPITAL

The Company is limited by guarantee and does not have an issued share capital. Each member of the Company undertakes to contribute to the assets of the Company (should it be wound up during membership or within one year after ceasing to be a member) for payment of debts and liabilities of the Company contracted before ceasing to be a member. The contribution is limited to a sum not exceeding £1.

15. CASH FLOWS RECONCILIATION

	<u>2021</u> £	<u>2020</u> £
Net expenditure	(29,155)	(17,691)
Adjustments for:		
Depreciation charge	5,816	6,201
Increase in stocks	(110)	475
Increase in debtors	(67,641)	48,497
Increase in creditors	82,267	10,916
Cash provided by operating activities	<u>(8,823)</u>	<u>48,398</u>

Independent auditor's report to the members of Frontiers

Opinion

We have audited the financial statements of Frontiers (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 31 December 2021 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 charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 directors' report included with the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team. We determined that the principal risks were related to payments to third parties and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to:

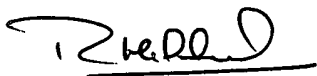
- verifying payments to third parties on a sample basis
- identifying and testing journal entries
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Haffenden MA(Cantab) FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 6 July 2022