

FRONTIERS

ANNUAL REPORT

& ACCOUNTS

2022

CONTENTS

Annual report

What we do	2
Our impact in 2022	2
Future plans	4
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 to identify, train, send and support members overseas:

- for the benefit of local communities,
- in teams,
- making known Jesus' love and teaching,
- prioritising communities 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 to train, connect and join over 260 overseas teams,
- supporting field members, with their churches, practically and pastorally,
- supporting projects that benefit communities, according to local needs, including development, businesses, relief work, healthcare and teaching.

We are part of the wider Frontiers movement – an international fellowship of semi-autonomous teams comprising 1,900 members in over 80 countries. Each team or organisation operates independently, but with accountability, oversight and a strong commitment to our shared vision and values.

OUR IMPACT IN 2022

Long-term Harvest Workers

We thank God for 16 new long-term members in the last 18 months, and 15 applicants currently preparing to join overseas teams in 2023-24. We also thank God for four teams launched to new locations in the last two years.

We continue to work closely with a cohort of some 60 young people taking active steps towards long-term overseas service. This group meets regularly online and with quarterly face-to-face weekend training events. With the ending of the pandemic, 33 people went on a series of short-term vision/prayer/training overseas trips.

Our pre-field training programme has continued well, with Candidates Weekends three times a year, increased personal coaching and mentoring, and the development and appointment of new team leaders.

We also had the privilege of serving several newer bases within the increasingly multicultural Frontiers movement in Europe and South America with financial support, mentoring, shared resources and on-site training.

With the re-opening of travel opportunities, most of our UK team travelled overseas last year, meeting field workers in every region we work, for mutual encouragement, pastoral support, vision-building and personal development.

Information and Communications

In partnership with other agencies, we launched an upgraded version of the popular *MomentumYes* video and discussion groups course, which is being increasingly used among UK churches and young people. This course aims to help small groups and local churches understand better how every believer plays a role in inviting people of every culture into life-changing relationship with their loving Creator. The quality of this production has been widely acclaimed and it is now being for Chinese, Spanish and Portuguese-speaking audiences.

Our *RAWMission* podcast, which interviews people of many different backgrounds about their joys and challenges of making God in other cultures continues to grow, with 44 episodes and over 27,000 downloads to date.

We have continued producing our popular *Connected* magazine, which is also being circulated and used in translation in other European countries.

Care and support for local communities

With increasing challenges in many locations around the world, including the wide impact of the Covid-19 pandemic, conflict and natural disasters, our member care team has been working hard, in partnership with sending churches, to support many field members experiencing increased challenges and stress.

We also continue to raise and pass on funds to support field members and specific projects as they respond to numerous needs and opportunities in local communities. Projects for which we have raised funds and passed on support this year included crisis response, care for displaced people, community development and educational projects.

FUTURE PLANS

We have agreed, subject to contract, to purchase a larger support base in central High Wycombe for £1.2m, to be financed mainly by sale of our existing freehold property. This larger facility will support better our increased home team and give us greater flexibility to offer training, internships etc.

We look forward to further deepening our collaboration and partnership with over 260 overseas teams, sending churches and other agencies of similar vision.

We will be offering more opportunities for young people for practical training within the UK and overseas, including short-term trips. We will also be helping and supporting churches to develop their own vision for overseas ministry.

FINANCIAL REVIEW

We thank God for total income of £2.5M in 2022, (shown on page 9), 48% above last year, reflecting an increase support for long-term overseas members and various projects, higher donations and a substantial legacy.

Total expenditure in 2022 was £1.9M, 12% above last year. Specific gifts were promptly applied to support field members, Covid-19 relief and other projects. As the pandemic receded, we pressed ahead with increased training and travel to meet new enquirers, churches and field teams.

Net assets at the year end (shown on page 10) of £1.26M comprised:

- £125k of restricted reserves, being gifts for specific projects or members,
- £1,036k of designated funds, mainly to purchase a larger base, and
- £99k in the general fund, not designated for a particular purpose.

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.

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' reserves policy is to maintain the general fund at 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. The general fund on 31 December 2022, representing 3.9 months of unrestricted expenditure, was within this range.

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

Fundraising practices

No outside agents are engaged to approach the public on our behalf; all applications for funds are prepared in-house; and no complaints have been 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 of communications 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, GOVERNANCE & MANAGEMENT

Frontiers is a charity and a company limited by guarantee, governed under a memorandum and articles of association. Legal and administrative details are set out on page 8.

Overall responsibility lies with 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. Trustees' expenses and other related party transactions are disclosed in Note 6 to the accounts.

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 many communities through services provided by overseas members, including support to communities suffering from the effects of the covid-19 pandemic, conflicts and natural disasters.

Risks and uncertainties

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

The principal risks and uncertainties are 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 to manage risks include careful assessment of applicants, risk assessments and contingency plans, a support network for overseas members, a system of financial controls, a robust safeguarding policy, incident reporting, strong oversight and accountability of field projects, maintaining adequate financial reserves, and insurance cover.

The trustees consider adequate resources will continue to be available to fund activities for the foreseeable future, there are no material uncertainties about the Charity's ability to continue operating, and it 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 this report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, Accounting Standards and applicable law.

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 net 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 financial statements on a 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 are sufficient to show and explain the Charity's transactions, to disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the Charity's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as each trustee is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- 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 2023.



A Dimmock
Trustee

CORPORATE DIRECTORY

Company Registration Number	2585745
Charity Registration Number	1012566
Trustees	A Dimmock (Chair) D A Aanderud K Elmitt M J Knell (appointed 5 July 2022) I M Linton R Moffat (appointed 22 February 2023) 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 2022

		<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2022</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2021</u>
	Note	£	£	£	£	£	£
INCOME & ENDOWMENTS							
Donations & legacies	2	805,289	1,696,235	2,501,524	256,540	1,440,635	1,697,175
Charitable activities	3	14,182	-	14,182	5,892	-	5,892
Investment income		1,981	-	1,981	1,411	-	1,411
Total income & endowments		<u>821,452</u>	<u>1,696,235</u>	<u>2,517,687</u>	<u>263,843</u>	<u>1,440,635</u>	<u>1,704,478</u>
EXPENDITURE							
Raising funds	4	22,032	1,673	23,705	19,523	2,238	21,761
Charitable activities:	5						
Programme development & support		175,378	1,600,518	1,775,896	229,356	1,379,102	1,608,458
Information & education		77,397	35,364	112,761	29,490	41,009	70,499
Management & administration		32,390	2,615	35,005	28,549	4,366	32,915
Total expenditure	7	<u>307,197</u>	<u>1,640,170</u>	<u>1,947,367</u>	<u>306,918</u>	<u>1,426,715</u>	<u>1,733,633</u>
Net income/(expenditure)		514,255	56,065	570,320	(43,075)	13,920	(29,155)
Total funds brought 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>
Total funds carried forward		<u>1,135,439</u>	<u>124,710</u>	<u>1,260,149</u>	<u>621,184</u>	<u>68,645</u>	<u>689,829</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 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		£	£
FIXED ASSETS			
Tangible assets	9	<u>496,939</u>	<u>473,426</u>
CURRENT ASSETS			
Stock		845	1,094
Debtors	10	692,712	155,654
Cash at bank and in hand		<u>472,327</u>	<u>360,838</u>
		<u>1,165,884</u>	<u>517,586</u>
CREDITORS			
Amounts falling due within one year	11	<u>(402,674)</u>	<u>(301,183)</u>
NET CURRENT ASSETS		<u>763,210</u>	<u>216,403</u>
NET ASSETS		<u><u>1,260,149</u></u>	<u><u>689,829</u></u>
FUNDS			
Unrestricted funds:			
General fund		99,172	139,548
Designated funds	12	<u>1,036,267</u>	<u>481,636</u>
		1,135,439	621,184
Restricted funds	12	<u>124,710</u>	<u>68,645</u>
Total funds		<u><u>1,260,149</u></u>	<u><u>689,829</u></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 2023 and are signed on their behalf by:


A Dimmock
Director

FRONTIERS

CASH FLOW STATEMENT

for the year ended 31 December 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		£	£
Cash inflow)/(outflow) from operating activities	15	<u>139,131</u>	<u>(8,823)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(27,642)	(1,654)
Cash provided by investment activities		<u>(27,642)</u>	<u>(1,654)</u>
Increase in cash and cash equivalents in the year		111,489	(10,477)
Cash and cash equivalents at the beginning of the year		<u>360,838</u>	<u>371,315</u>
Cash and cash equivalents at the end of the year		<u><u>472,327</u></u>	<u><u>360,838</u></u>

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

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 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 2022

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.

Investments

Investments are included at settlement value and include longer term highly liquid investments with a maturity exceeding three months.

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.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

2. DONATIONS & LEGACIES

	<u>Unrestricted</u> <u>funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2022</u> £	<u>Total</u> <u>2021</u> £
Donations	682,418	1,696,235	2,378,653	1,581,438
Contributions from members	122,871	-	122,871	115,737
	<u>805,289</u>	<u>1,696,235</u>	<u>2,501,524</u>	<u>1,697,175</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 Company'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 the trustees, key management personnel (considered to be the chief executives) and their close family members.

The trustees receive no remuneration for their services. In 2022, total compensation paid to the chief executives was £47,471 (2020: £60,469).

In 2022, no expenses on behalf of the Charity were incurred by the trustees (2021: Nil).

In 2022, total donations received from the trustees were £2,400 (2021: £1,040), of which donations of £600 (2021: £600) were for restricted purposes.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

7. EXPENDITURE

	<u>Raising funds</u>	<u>Programme development & support</u>	<u>Information & education</u>	<u>Management & administration</u>	<u>Total 2022</u>	<u>Total 2021</u>
	£	£	£	£	£	£
Member support	17,663	1,608,171	63,203	18,256	1,707,293	1,514,060
Grants	-	71,526	1,839	-	73,365	114,794
Website & media	1,023	-	40,441	-	41,464	7,669
Frontiers International Office	-	32,174	-	8,252	40,426	32,620
Office running costs	1,693	17,683	4,582	1,499	25,457	17,520
Travel	670	14,908	1,811	991	18,380	3,238
Training & conferences	964	16,194	195	-	17,353	14,050
Professional advisers	1,425	4,846	-	-	6,271	9,149
Auditor's remuneration	-	-	-	5,480	5,480	6,400
House running costs	-	4,650	-	-	4,650	5,505
Other expenses	-	2,789	-	310	3,099	2,812
Depreciation	267	2,955	690	217	4,129	5,816
	<u>23,705</u>	<u>1,775,896</u>	<u>112,761</u>	<u>35,005</u>	<u>1,947,367</u>	<u>1,733,633</u>
<u>Comprising:</u>						
Restricted funds	1,673	1,600,518	35,364	2,615	1,640,170	1,612,557
Unrestricted funds	22,032	175,378	77,397	32,390	307,197	121,076
	<u>23,705</u>	<u>1,775,896</u>	<u>112,761</u>	<u>35,005</u>	<u>1,947,367</u>	<u>1,733,633</u>
Totals in 2021	<u>21,761</u>	<u>1,608,458</u>	<u>70,499</u>	<u>32,915</u>	<u>1,733,633</u>	

8. EMPLOYEES

	<u>2022</u>	<u>2021</u>
	£	£
Salaries	312,098	278,309
Employer's national insurance	16,234	12,108
Employer's pension contributions	6,312	19,626
	<u>334,644</u>	<u>310,043</u>
Average number of employees	<u>17</u>	<u>17</u>
Average number of full-time equivalent employees	<u>12</u>	<u>11</u>

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

The Company operates a defined contribution pension scheme. Contributions of £2,557 (2021: £1,859) were outstanding at the year end.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

9. TANGIBLE FIXED ASSETS

	<u>Freehold Land & Buildings</u>	<u>Furniture & Equipment</u>	<u>Total</u>
	£	£	£
COST			
At 1 January 2022	513,718	31,406	545,124
Additions	21,807	5,835	27,642
Disposals	-	(8,921)	(8,921)
At 31 December 2022	<u>535,525</u>	<u>28,320</u>	<u>563,845</u>
DEPRECIATION			
At 1 January 2022	42,625	29,073	71,698
Provision for year	1,683	2,446	4,129
Disposals	-	(8,921)	(8,921)
At 31 December 2022	<u>44,308</u>	<u>22,598</u>	<u>66,906</u>
NET BOOK VALUE			
At 31 December 2022	<u>491,217</u>	<u>5,722</u>	<u>496,939</u>
At 31 December 2021	<u>471,093</u>	<u>2,333</u>	<u>473,426</u>

10. DEBTORS

	<u>2022</u>	<u>2021</u>
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	579,513	6,053
Other Frontiers offices	75,290	116,858
Gift Aid receivable	32,917	28,499
Members	4,992	4,244
	<u>692,712</u>	<u>155,654</u>

11. CREDITORS

	<u>2022</u>	<u>2021</u>
	£	£
Amounts falling due within one year:		
Members and projects	327,198	262,773
Other Frontiers offices	51,763	25,347
Other creditors	23,713	13,063
	<u>402,674</u>	<u>301,183</u>

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

12. MOVEMENT IN FUNDS

	<u>At 1 January</u>				<u>At 31 December</u>
	<u>2022</u>	<u>Income</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>2022</u>
	£	£	£	£	£
General fund	139,548	821,452	(573,591)	(288,237)	99,172
Designated funds:					
Fixed asset fund	473,426	-	503,513	-	976,939
Generosity fund	8,210	-	70,078	(18,960)	59,328
	481,636	-	573,591	(18,960)	1,036,267
Total unrestricted funds	621,184	821,452	-	(307,197)	1,135,439
Restricted funds:					
Members' support	33,790	1,592,315	-	(1,519,689)	106,416
Projects	34,855	103,920	-	(120,481)	18,294
Total restricted funds	68,645	1,696,235	-	(1,640,170)	124,710
Total funds	689,829	2,517,687	-	(1,947,367)	1,260,149

	<u>At 1 January</u>				<u>At 31 December</u>
	<u>2021</u>	<u>Income</u>	<u>Transfers</u>	<u>Expenditure</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	38,349	1,301,080	-	(1,305,639)	33,790
Projects	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

Designated funds have been established for the following purposes:

- The fixed asset fund represents funds set aside towards the planned purchase of tangible fixed assets in the coming year 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: gifts received for specific members.
- Projects: gifts for specific charitable projects, which are allocated as needs arise.

During the year, payments were made to 175 (2021 - 179) members and projects.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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 2022 are represented by:				
Fixed assets	-	496,939	-	496,939
Current assets	501,846	539,328	124,710	1,165,884
Current liabilities	(402,674)	-	-	(402,674)
Total net assets	<u>99,172</u>	<u>1,036,267</u>	<u>124,710</u>	<u>1,260,149</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 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>

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>2022</u> £	<u>2021</u> £
Net income/expenditure	570,320	(29,155)
Adjustments for:		
Depreciation charge	4,129	5,816
Decrease/(increase) in stocks	249	(110)
Increase in debtors	(537,058)	(67,641)
Increase in creditors	101,491	82,267
Cash provided by operating activities	<u>139,131</u>	<u>(8,823)</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 2022 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 Charity's affairs as at 31 December 2022 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

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:

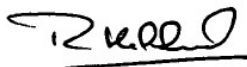
- verifying payments to third parties on a sample basis
- identifying and testing journal entries
- reviewing Trustees' meeting minutes
- evaluating the Charity's internal controls

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 Charity'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 Charity'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 Charity 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: 3 August 2022