

Charity Registration No. 1109814

Company Registration No. 05442834 (England and Wales)

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# FRONTLINE TRUST

## COMPANY LIMITED BY GUARANTEE

### LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Dr J Evans (Chair)	
	Mr A C Gillies	
	Mr J Harding	
	Mr B Ravens	(Appointed 17 November 2019)
	Mrs H Watson	
	Mrs R Waldron	
Charity number	1109814	
Company number	05442834	
Principal address	Frontline Centre P O Box 38 Wavertree Liverpool L15 0FH	
Independent examiner	Mr P H Taaffe FCA CTA DChA BWM Castle Chambers 43 Castle Street Liverpool L2 9SH	
Bankers	CAF Bank PO Box 289 West Malling Kent ME19 4TA	
	Kingdom Bank Limited Ruddington Fields Business Park Mere Way Ruddington Nottingham NG11 6JS	

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# **FRONTLINE TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Frontline Trust is a registered charity originally constituted under a Declaration of Trust dated 9 June 1992. In May 2005 Frontline Trust was incorporated as a Private Company Limited by Guarantee, which is also a Registered Charity. The new company took over all assets, liabilities and activities of the former Trust on 1 September 2005.

## **An introduction to Frontline Church:**

Our vision statement is 'transformed by grace'. This vision speaks of our desire to be a transforming influence throughout the Liverpool City Region and also highlights that this transformation can only be achieved by God's grace – by offering the life transforming power of a relationship with Jesus to the people around us. Within this vision is the recognition that each person that we meet is an individual, made in the image of God, with their own life journey. We believe that the good news about Jesus represents good news for all – accordingly, our priority is to welcome, accept and offer support to people wherever we can, irrespective of race, gender, sexual orientation, religious background or other irrelevant factors. We aspire to God's standards of purity and holiness and teach these accordingly, whilst also recognising that no one is perfect and Jesus died that our sins might be forgiven.

Frontline Church was founded in 1992 by the merging of two small congregations. Since then it has grown from about 60 members into a community of around 850 men, women and children. It is a church with a big heart and big vision. The primary administration base is located at Frontline Centre, 147 Lawrence Road, Wavertree, Liverpool, L15 3HA, in what was previously a Territorial Army barracks and a Post Office engineering centre. This has been Frontline's base since 1996 and the facilities have served us well over the years.

It has always been our desire to have a transforming influence in the whole of the Liverpool City Region and, in direct response to this vision, we have been developing a strategy of planting new churches in areas where we are working. The first of these new church plants was launched in September 2017 on the Wirral. Other church plants have been launched in other areas of Liverpool and in Chalkida, a Greek city where we have people serving. As well as a Sunday gathering, these new churches will be built on smaller Missional Communities with each group looking for opportunities to connect with and serve the local community they are part of. In addition to geographically focussed church plants, we are also exploring demographic ones for those for whom English is not their first language. We currently have a Polish church plant. Overall there are currently four such church plants operating in this way.

As well as focusing on our own localities, we work with other churches and agencies across Liverpool and beyond. Our longing is to be a transforming community within our own region and a model of what can be achieved in other parts of the UK and overseas.

## **Objectives and activities:**

The objects of Frontline Trust are:

- To advance the Christian Faith
- To relieve poverty, hardship, sickness and distress
- To advance education and promote learning and training
- To provide and maintain facilities for the benefit of the community

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

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Objectives reflecting the stated aims above are translated into our core activities, as outlined below.

- To advance the Christian faith

Our mission is to build a vibrant church of wholehearted Christ followers who are committed to unlimited growth and influence. We have a congregation of around 850 adults and children within the church community who share this vision and purpose. Frontline has a deep-rooted mentoring ethos and we are committed to empowering our members to reach their full potential and to demonstrate their Christian values in everyday life.

Through a wide range of activities, including Christian outreach, worship, prayer, Holy Spirit ministry, teaching and personal discipleship, we see men, women and children being given a new sense of their value as human beings who are loved by God. Their lives take on a new sense of purpose as they are motivated to seek and pursue their unique destiny, strengthened and transformed through a personal relationship with Jesus and by being part of a community of believers who share a common faith and vision.

- To relieve poverty, hardship, sickness and distress

Over recent years our primary activity to relieve poverty, hardship, sickness and distress has been to invest heavily in the work of Imagine If Trust. We continue to do this through providing grant funding, management services and support facilities to Imagine If Trust.

Imagine If Trust runs a variety of projects including:

- Streetwise – working with street sex workers.
- Sticky Fingers Playgroup – a carer and toddler group.
- Bab-Ftah – combating isolation among Muslim women.
- Get Real – providing relationship and sex education.
- Love Congo – providing skills and resources to the war torn Democratic Republic of Congo (DRC).
- Sticky Fingers Nursery – a day nursery offering places to local children aged 2-4.
- Genesis Housing – offering supported living to those who were previously homeless.
- Food Hub – providing low cost food to those on a restricted budget.
- Linking Lives – providing one to one friendship and support to older people
- Family Matters – providing support to complex families to minimise the need for Social Services input
- Christmas Meal – providing a meal for around 250 homeless or isolated people on Christmas day

In addition to the support we provide to Imagine If Trust, we are also developing church programmes that make a contribution towards meeting this objective. These include:

- Forever Young – a weekly group combating isolation among older people
- Celebrate Recovery – a Christ centred programme to support those looking to overcome life controlling hurts, habits or hang-ups

- To advance education and promote learning and training

Lifelong learning is an implicit part of the Frontline ethos, and this is reflected in the mentoring system within the church and through our Sunday teachings, which are relevant to people's daily lives.

Our youth workers carry out assemblies and deliver lessons in schools, helping to meet the Religious Education curriculum requirements.

In addition, several of the projects run by Imagine If Trust promote learning or deliver training programmes.

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- To provide and maintain facilities for the benefit of the community

Since purchasing our current building, we have always sought to utilise the facilities in furtherance of our objectives and for the benefit of the community. Around 500 people visit our Wavertree facility for a service each Sunday. In addition over 300 carers and children use the building during the week through the Sticky Fingers project, whilst the FoodHub sessions, held twice a week, see around 70 people who find friendship and community whilst choosing their shopping.

We also provide facilities for community training courses and make facilities available to other agencies and community groups, such as providing rooms for a local resident's forum.

Other community activities that are hosted in the Frontline Centre include children's cheer leading classes, music rehearsals, food storage, birthday parties, events promoting fostering and adoption, and family fun days.

**Our partners:**

We would like to offer our thanks to all the organisations and individuals who have supported us in our work this year, including all of our church members, volunteers, donors and sponsors. Everything Frontline has achieved this year has been reliant on your valuable contributions, in all their various forms. Thank you!

**Coronavirus:**

The impact of coronavirus on our work has been challenging both on the services we provide and on the staff that work for us. It is clear that the impact of this pandemic will continue some considerable way into the future and as such in both governance and operation we have attempted to do what we can to ensure the long-term health of the organisation.

Overall we discovered that though our structures had to change our values didn't. Focussing on our values enabled us to continue to fulfil our vision and objectives even if we were adapting to a changing landscape. A lesson that will stand us in good stead for whatever lies ahead.

Like everyone else, we had to cancel all public services from March 2020. As a church we discovered that the sustaining life of our smaller Missional Community groups really came into their own when the large Sunday gathering was no longer possible. An ethos we had always believed, that the real life was in the smaller units, was tested and proved to be true. Many Missional Community groups moved their activities online – utilising digital technology such as Zoom. These groups continued to provide emotional and spiritual support to their members as well as leadership development as more leadership opportunities were created.

With the regular connection of a Sunday service no longer available, the Senior Leadership Team implemented daily bible devotions (pre-recorded video segments) and nightly prayer times (live over Facebook). These measures have done a significant amount to help people to develop their own spiritual rhythms. Almost by accident it also fulfilled some of our performance targets – although not in a way that we could have ever anticipated.

This growth in digital communication also included the 'streaming' of services on a fortnightly basis from May 2020. Again, not something we had planned to do but has meant that we are able to connect with and serve a group of people that would never have come to one of our Sunday services – either because it was far outside their experience, or because Liverpool was far outside their geography. Again, a good experience that will shape our future plans. One goal for our future will be to maximise the opportunity offered to us by the digital world.

In September 2020 we initiated small services limited to 50 people, the maximum number we can fit in our building while still maintaining social distancing. These services have been by invitation, with people signing up in advance, wearing a face mask, having their temperature taken on arrival and being allocated a 2m square marked out on the floor. All church members are invited once per month and the opportunity to attend a small, simplified service has been greatly appreciated.

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**Achievements and performance**

Prior to the coronavirus outbreak, in 2019/20 we continued to press forward with our objectives of both promoting the Christian Faith and working to invest in the welfare of the city & region, to develop community, relieve poverty and help in times of distress.

Church:

The main focus of the year was continuing development and implementation of a strategy for planting multiple new churches across the Liverpool City Region and further afield. As well as location based church plants in the Wirral, Toxteth and Greece, we are now exploring demographic ones – initially for those for whom English is not their first language.

In the future this will include exploring digital church – an opportunity presented out of necessity from the coronavirus pandemic.

As well as providing an opportunity for people to meet others in the church and worship together, the larger services in Wavertree provide a key opportunity for people to grow and develop in their thinking and understanding of the Christian faith. Additionally these services are an opportunity for those who are developing new skills to be trained and mentored in areas such as team leadership, preaching, worship leading, etc.

Throughout the year the church has continued to develop our Missional Communities and we now have 24 separate mid-week groups with over 350 people participating in them. These diverse groups are organised by geography, life stage or particular interests and run a variety of activities in the local community, as well as supporting people in their faith.

In line with our object of advancing the Christian faith, these community groups encourage members to look for ways to communicate their faith to others, both in their daily lives and also when the groups meet.

Liverpool has a large student population and Frontline Church has a long history of seeking to connect with and serve those coming to the city to study. Many of the key church leaders today were themselves first introduced to Frontline when they came to Liverpool as students. We have a number of Missional Communities that are geared specifically towards supporting and discipling students and through these students reaching out to the wider student population. At this point we have around 40 students who are part of the Frontline family representing four different universities.

We have continued to develop our partnership with Kairos Connexions (Kx). This is a network of churches in the UK and further afield who carry similar core vision and values and are looking to develop Missional Communities as a central aspect of their strategy for growth. We believe the wider connection with Kx churches brings strength to Frontline, particularly through the opportunity to participate in learning communities, share best practice and access respected teachers, as well as offering the opportunity for us to support and encourage other churches in the UK.

Projects and ministries:

Our Christian ethos is the motivation for investing into and supporting people regardless of religion, gender, sexual orientation or race. Our objects speak of our priority to see the transformation of people and places by the practical impact of our Christian faith.

In pursuit of this, in 2012 we supported the establishment of a new independent charity, Imagine If Trust, to act as an umbrella organisation for the development of social transformation projects. Imagine If Trust has a separate board of trustees and is free to develop in pursuit of its own priorities. Frontline, however, continues to be a major supporter. During the year ended 31 August 2020 Frontline Trust made grants of £43,350 to Imagine If Trust (2019: £43,350) and supported over 75 church members to give their skills and time by volunteering for Imagine If Trust projects.

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As well as supporting Imagine If Trust projects, Frontline is developing other initiatives that meet the objective of seeing transformation in the people and places around us. Our 'Forever Young' initiative, provides opportunities for friendship and support to the older members of the community. Meeting weekly, these sessions provide social interaction, fun, support and a sense of belonging to the members of the group. This initiative is now well established with a growing reputation in the local community. It has a dedicated team who serve an increasing number of older members of our community.

Over the last seven years we have partnered with Imagine If Trust to host a Christmas lunch for those who are homeless or isolated. The team of over 30 volunteers provide great food, fun and a Christmas film to a growing number of guests. Last Christmas we provided around 250 Christmas lunches - our thanks to the various partners for the enormous generosity that enables this event to happen.

During the first part of the year we continued to run our Celebrate Recovery (CR) project. CR is a Christ centred programme to help those who want to overcome life controlling hurts, habits or hang-ups. After a period of training, the programme was launched in January 2019 and has been very beneficial to the participants.

All of the projects were impacted in different ways by the coronavirus pandemic. Most had to shut with only those providing food and provisions continuing on a very restricted basis. Over the later months of the year we have seen some projects begin to re-start with many measures in place to protect staff and users from coronavirus. As levels of infection have fallen and risen we have had to remain vigilant and agile to respond to the latest restrictions and guidelines.

Overseas:

Part of our core values is to see the same transformation in other nations that we are working towards in Liverpool. Most obviously this expresses itself in us sending people and giving financially to invest in various situations around the world. This year, due to coronavirus, we were unable to have our overseas workers visit Frontline but we have been able to support them utilising digital technology and it has been fantastic to have some of them contribute to our online content despite being thousands of miles away – an opportunity we would not have otherwise had. As well as encouraging our overseas workers, this profile also encourages the church to support them and even consider spending some time overseas themselves.

During the year ended 31 August 2020, we supported 24 people who are working in seven different countries (2019: 24 people working in seven countries). While each overseas worker has different opportunities, they all look to bring transformation to the people and places with whom and in which they are living. Some do this primarily through engaging with those in the workplace and others are more publicly hosting meetings and planting churches. We count it as a privilege to have connection with men and women who want to invest their lives in this way.

It would normally be our practice to send out short term teams to work alongside our overseas workers but sadly the opportunity for this has been very limited due to the travel bans in place to limit the spread of coronavirus. During the early part of the year 10 people were involved in teams we sent out (2019: 43 people). Most of the teams go out in the summer months – a time when travel has been very restricted.

Volunteering:

The best way to feel part of a large church is to get involved through volunteering. At Frontline we seek to offer relevant and fulfilling opportunities to our members to volunteer in pursuit of our vision to see our city 'transformed by grace'.

During the year over 250 members of Frontline volunteered in over 400 different roles (broadly the same as in the previous year). These include leading Missional Communities, stewarding in services, assisting with Kids Zone, providing hospitality, and many, many more. Through these practical acts of service Frontline members get to contribute their gifts and also get the benefits of playing their part in a team.

Governance:

During the year the Board of Trustees have sought to ensure that there is representation from and growing connection with the different areas of the Frontline family. Additionally, we have one trustee from outside the local church who brings a specific skill, experience and perspective to the board.



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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Financial review**

Overall the picture is one of the organisation performing well despite the pandemic. That said, the Trustees are very mindful that the potential financial impact could be felt over the next 5-10 years as the economy recovers. Virtually all of our income is based on personal donations from our members. As such we are very mindful that for many the economic picture looking ahead is very shaky. As their personal income fluctuates, it would be reasonable to anticipate that the income to the trust will similarly fluctuate.

In the immediate and short term, the trust finances have performed well. With the lockdown meaning we had lower costs due to not providing services, we also had to place a number of staff on furlough, as there was no work for them to do. This resulted in income from the government's Coronavirus Job Retention Scheme. These two factors, increased income and reduced expenditure, have meant that our financial performance in 2019/20 was not impaired.

Having said this, the Trustees have taken a prudent approach to the financial future, creating a designated fund from reserves to protect against a reduction in income as the coronavirus pandemic continues and government support reduces. Additionally they have prepared a cautious budget for 2020/21, anticipating a 15% reduction in income and made a number of provisions to reduce spending in the longer term without hitting frontline services.

Our core income, which largely derives from individual donations, has fallen slightly over the year to £690,789 (2019: £732,680). We have generally managed to keep spending within budgetary limits, resulting in a surplus for the year of £23,201 (2019: deficit of £746)

Looking ahead into 2021 the trustees continue to be confident that the organisation is financially robust enough to be a going concern for the next 12 months and that we will maintain our ability to finance high quality activities and services which will enable us to achieve our primary objectives.

**Investment policy:**

There are no restrictions on the investment powers of the trustees.

Our liquid funds are currently held in various bank savings accounts.

**Reserves policy:**

Our reserves policy reflects our desire to maintain a liquid reserve to draw on in the event of any reduction in our donated income stream, to provide a measure of protection to our ability to deliver our core objectives. We continue to aim to have a fund of free and liquid reserves equivalent to at least £30,000.

The Trust's balance sheet is strong and well financed, but because the majority of funds are either restricted or designated, managing the day-to-day cash flow can be more challenging. Operational (free) reserves at the year-end stand at £46,076 (2019: £48,518) and are above our target for free reserves.

**Designated funds**

From time to time, we decide to set aside certain funds to allow for the development of a new project or to facilitate our desire to support external agencies or individuals, whether in the UK or abroad, whose work contributes to our overarching purposes.

Current funds include:

- Kairos Connexion and Emmaus are both funds that have been set aside to serve churches in the region, nation and overseas, who are pursuing similar objectives to us.
- Coronavirus Funds represent funds set aside from reserves to protect the organisation from the potential downturn in income over the coming years due to the longer term economic impact of the coronavirus pandemic, coupled with an anticipated reduction in government support.

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**Risk policy**

The trustees have identified the following main risks to our organisation and responses to these risks are outlined below.

Health and Safety

A Health and Safety policy has been written and signed by the chairman of the board of trustees. Work has been carried out on risk assessments including an assessment of fire safety and asbestos. A staff member and a trustee have been identified as having specific responsibilities for health and safety and the former has completed their NEBOSH training. Health and Safety induction and training is provided for all staff and volunteers as appropriate.

External Risks

One of our potential risks is adverse publicity in an increasingly secular society that can be critical of Christian values. Since we are an independent organisation, our membership of the Evangelical Alliance and Together for the Harvest, both organisations focussed on the development of church co-working, along with close relationships with churches of various denominations all contribute to building our credibility. Our presence in the community also minimises this risk as we work tangibly and visibly to serve the community's needs

Child Protection & Vulnerable Adults

A Child Protection and Vulnerable Adults Policy is in place. The Trustees take very seriously their responsibility to protect and safeguard the welfare of children, young people and vulnerable adults entrusted to Frontline's care. All staff and volunteers (not just those who have access to children, young people and vulnerable adults) are briefed on their responsibilities and are made fully aware of the organisation's child protection and vulnerable adult's policy and procedures. Any of our staff and volunteers involved in activities where they may have contact with children, young people or vulnerable adults are required to undergo DBS checks. A Safeguarding Team has been appointed and meets regularly to ensure that the policy is being implemented and to ensure that the policy remains both effective and up to date.

Financial Risks

Guidelines are issued to all staff on proper cash handling procedures and are updated at least once a year. Instructions are issued to avoid making purchases in cash unless it is unavoidable. Internal departmental procedures have been standardised. Departmental records and central accounts are monitored regularly and all departmental budget holders receive monthly budget performance reports.

The trustees have reviewed and updated the policies in relation to bribery and money laundering and have provided these to all staff along with training in identifying potential areas of risk and how to manage these.

The trustees have assessed the financial risk of a downturn in the economy resulting in a reduction in donations and have put in place a designated fund, the Coronavirus Fund, to mitigate the impact of this.

The trustees have updated policies in line with GDPR legislation and during the year provided all staff with training in relation to their responsibilities regarding the management and use of personal data.

We receive regular guidance on financial risks from our accountant, the Charity Commission, HMRC and various third sector agencies. This keeps us up to date with newer areas of risk. Our accountant also advises us of any specific areas of weakness that may be identified during the annual independent examination, so that we can take immediate steps to correct or protect against them.

During the first half of the year, the trustees participated in training in relation to the identification and management of risk.

**FRONTLINE TRUST  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Future aims:**

The various leadership teams have continued to focus on our core vision and values. The year ahead will see us continue to seek to deliver on our objectives regardless of the challenges that the coronavirus pandemic may present. We will look to maximise on the opportunity to express our values in new ways and will continue to communicate the distinctive of the church with growing confidence and clarity. This will build well on previous work done in this area and will continue to enable us to work out our key objectives. These are:

Vision

"Transformed by grace."

Values

Our 4 core values:

- Authentic Devotion
- Extended Family
- Confident Witness
- Kingdom Impact

These values increasingly shape the decisions we make and underpin how we outwork our objectives.

Structures

The main structures we have identified for achieving our vision and expressing our values are:

- Missional Communities
- Church Plants / Missional Hubs (gatherings of Missional Communities up to about 100 people)
- Sunday services
- Outreach projects

**Structure, governance and management**

The Trustee Team engages with, and delegates to, a Wider Leadership Team to implement the direction and vision of the charity. In addition to the Trustee Team, the Wider Leadership Team includes three other groups. The Executive Team (ET) is a group of 4 leaders who run the church on a day to day basis. The Senior Leadership Team (SLT) is made up of ET plus 4 other leaders, who help set the overall direction and priorities of the church. The Advisory Team comprises a group of key advisors to the Senior Pastor and who contribute to the wider vision of what we are doing and where we are going. The Trustee Team oversee the legal and financial responsibilities of the Trust, and have the overall legal responsibility for the charity. All four groups meet regularly, both separately and together.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr J Evans (Chair)

Mr A C Gillies

Mr J Harding

Mrs J Mariner

Mr B Ravens

Mrs H Watson

Mrs R Waldron

(Resigned 30 November 2019)

(Appointed 17 November 2019)

**FRONTLINE TRUST  
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Executive Team

John Harding (Senior Pastor), John Gibson (CEO / Services Pastor), Jack Mariner (Missional Communities Pastor), Hebe Ambler (PA to Senior Pastor)

Senior Leadership Team

The Executive Team plus Sue Uddin (Pastoral Care), James Sloan (Community Projects), Anna Evans (Prophetic), Chris Kent (Youth and Missions Pastor).

Advisory Team

Liddy Baskerville, Tom Baskerville, Matt Edmundson, Al Marshall, Dave Sharples, John Sloan, Myra Sloan.

The remuneration of the key management personnel is reviewed each year by the Chair and Finance trustees. Any recommendations for adjustment are included in the annual budgets and as such approved by the full board of trustees. The trust does not use any external pay scales in deciding the remuneration of the key management personnel.

**Method of appointment of trustees:**

Vacancies are filled from applicants responding to either open advertisements to the church congregation or to personal invitations proffered to individuals with particular skills matching current needs. Applicants receive a comprehensive information pack including the most recent annual reports and standard Charity Commission Publications and documents on the Governance responsibilities of trustees.

Appointments follow an interview with the Chair and at least one other board member.

No other person or body is involved and no individual has the power of appointment.

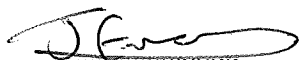
**Induction and training of new trustees:**

Relevant training and induction is offered to new trustees in line with their experience and knowledge of the workings of Frontline Trust and the wider responsibilities of a trustee. New trustees are generally invited to attend one or two board meetings as an 'observer' prior to a final decision to appoint.

**Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of trustees



Dr J Evans (Chair)

Trustee

Dated: 2/2/2021

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees, who are also the directors of Frontline Trust for the purpose of company law, are responsible for preparing the Trustees' 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 charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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.

**FRONTLINE TRUST  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF FRONTLINE TRUST**

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I report to the charity trustees on my examination of the accounts of Frontline Trust for the year ended 31 August 2020.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

**Responsibilities and basis of report**

As the charity's trustees of Frontline Trust (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**Peter Taaffe FCA CTA DChA**

BWM

Chartered Accountants

Castle Chambers

43 Castle Street

Liverpool

L2 9SH

Dated: 12.2.21

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b><u>Income from</u></b>					
Donations and legacies	3	662,021	9,292	671,313	640,426
Charitable activities	4	17,841	-	17,841	90,859
Investments	5	107	-	107	84
Other income	6	1,528	-	1,528	1,311
<b>Total income</b>		<u>681,497</u>	<u>9,292</u>	<u>690,789</u>	<u>732,680</u>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	<u>663,119</u>	<u>4,469</u>	<u>667,588</u>	<u>733,426</u>
<b>Total expenditure</b>		<u>663,119</u>	<u>4,469</u>	<u>667,588</u>	<u>733,426</u>
<b>Net incoming/(outgoing) resources before transfers</b>		18,378	4,823	23,201	(746)
Gross transfers between funds		(829)	829	-	-
<b>Net movement in funds</b>		17,549	5,652	23,201	(746)
<b>Reconciliation of funds</b>					
Fund balances at 1 September 2019		<u>497,786</u>	<u>3,725</u>	<u>501,511</u>	<u>502,257</u>
<b>Fund balances at 31 August 2020</b>		<u><u>515,335</u></u>	<u><u>9,377</u></u>	<u><u>524,712</u></u>	<u><u>501,511</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<b><u>Income from</u></b>				
Donations and legacies	3	635,426	5,000	640,426
Charitable activities	4	90,859	-	90,859
Investments	5	84	-	84
Other income	6	1,311	-	1,311
<b>Total income</b>		<u>727,680</u>	<u>5,000</u>	<u>732,680</u>
<b><u>Expenditure on:</u></b>				
Charitable activities	7	730,602	2,824	733,426
<b>Total expenditure</b>		<u>730,602</u>	<u>2,824</u>	<u>733,426</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(2,922)	2,176	(746)
<b>Net movement in funds</b>		<u>(2,922)</u>	<u>2,176</u>	<u>(746)</u>
<b>Reconciliation of funds</b>				
Fund balances at 1 September 2018		500,708	1,549	502,257
<b>Fund balances at 31 August 2019</b>		<u>497,786</u>	<u>3,725</u>	<u>501,511</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12	439,648		449,266	
Investments	13	2		2	
		<u>439,650</u>		<u>449,268</u>	
<b>Current assets</b>					
Debtors	15	21,725		17,084	
Cash at bank and in hand		121,822		41,736	
		<u>143,547</u>		<u>58,820</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(33,485)		(6,577)	
Net current assets		<u>110,062</u>		<u>52,243</u>	
<b>Total net assets</b>		<u>549,712</u>		<u>501,511</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(25,000)		-	
<b>Net assets</b>		<u><u>524,712</u></u>		<u><u>501,511</u></u>	
<b>The funds of the charity</b>					
Restricted funds	20	9,377		3,725	
<u>Unrestricted funds</u>					
Other designated funds	21	29,609		-	
Other charitable funds					
Funds represented by fixed assets		439,650		449,268	
Free reserves		46,076		48,518	
General unrestricted funds		<u>485,726</u>		<u>497,786</u>	
Total unrestricted funds		<u>515,335</u>		<u>497,786</u>	
<b>Total charity funds</b>		<u><u>524,712</u></u>		<u><u>501,511</u></u>	

**FRONTLINE TRUST  
COMPANY LIMITED BY GUARANTEE  
BALANCE SHEET (CONTINUED)  
AS AT 31 AUGUST 2020**

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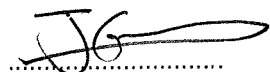
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on ..... 2<sup>nd</sup> FEB 2021



Dr J Evans (Chair)  
Trustee

Company Registration No. 05442834

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
<i>Net cash provided by operating activities</i>	24		88,168		15,973
<b>Investing activities</b>					
Purchase of tangible fixed assets		(8,190)		(1,099)	
Interest received		107		85	
<b>Net cash used in investing activities</b>			(8,083)		(1,014)
<b>Net increase in cash and cash equivalents</b>			80,086		14,959
Cash and cash equivalents at beginning of year			41,736		26,778
<b>Cash and cash equivalents at end of year</b>			121,822		41,736

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1 Accounting policies**

**Charity information**

Frontline Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Frontline Centre, P O Box 38, Wavertree, Liverpool, L15 0FH.

**1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the accounts and as detailed in the Trustees' report, the Trustees have considered the impact of Covid-19 on the charity and 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 accounts.

**1.3 Charitable funds**

Funds held by the charity are:

*Unrestricted general funds* - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

*Designated funds* - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes.

*Restricted funds* - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Capital grants receivable are treated as restricted income until they are expended. Thereafter they are treated as designated funds, provided the restriction has been discharged, and then released to general funds over the life of the related asset. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**1 Accounting policies**

**(Continued)**

**1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Voluntary income including donations and gifts are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

On occasions where the charity received assistance in the form of donated goods and facilities, and the benefit is quantifiable and material, an appropriate amount is included in income and an equivalent amount as expenditure under the relevant heading. The value of services provided by volunteers has not been included in these accounts.

Income from donated services and facilities is included at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

**1.5 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenses to which it relates as this cannot be recovered by the charitable company.

**Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

**Governance costs**

This category includes those costs associated with meeting the constitutional and statutory requirements of the charity.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost or deemed cost for land and buildings on transition to FRS 102, net of depreciation and any impairment losses. All assets costing more than £1,000 are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	2% p.a. on a straight line basis
Fixtures, fittings & equipment	33%p.a. on a straight line basis (computers) and 20% p.a. on a reducing balance basis (fixtures, fittings and equipment)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**1 Accounting policies**

(Continued)

**1.7 Fixed asset investments**

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The wholly-owned trading subsidiary, Frontline Trading (UK) Limited is incorporated in the United Kingdom. The company ceased trading on 1 September 2013.

**1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

**1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and only measured at amortised cost using the effective interest method if payable in more than one year.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1 Accounting policies** (Continued)

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

The company makes contributions into employees' private pension plans. The contributions are charged as expenditure in the year in which they are paid.

**1.13 Taxation**

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on qualifying income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	614,375	9,292	623,667	635,426	5,000	640,426
Core grants	47,646	-	47,646	-	-	-
	<u>662,021</u>	<u>9,292</u>	<u>671,313</u>	<u>635,426</u>	<u>5,000</u>	<u>640,426</u>
<b>Grants receivable for core activities</b>						
Coronavirus Job Retention Scheme Grant	47,646	-	47,646	-	-	-
	<u>47,646</u>	<u>-</u>	<u>47,646</u>	<u>-</u>	<u>-</u>	<u>-</u>

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**4 Charitable activities**

	Unrestricted funds general Church 2020 £	Unrestricted funds general Church 2019 £
Income from charitable activities	12,697	17,610
Other income	5,144	73,249
	<u>17,841</u>	<u>90,859</u>

**5 Investments**

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Interest receivable	107	84
	<u>107</u>	<u>84</u>

**6 Other income**

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Other income	1,528	1,311
	<u>1,528</u>	<u>1,311</u>



**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**7 Charitable activities**

	<b>Church 2020 £</b>	<b>Church 2019 £</b>
Staff costs	381,602	439,492
Depreciation and impairment	17,807	17,316
Premises expenses	38,589	43,554
Repairs and renewals	9,214	10,138
Motor and travel	12,662	6,969
Legal and professional	15,835	11,313
Self employed workers	14,869	13,081
Course and conference expenses	9,743	13,999
IT costs	24,639	24,657
Office expenses	16,254	23,408
Food, drink and other purchases	18,197	27,294
Sundry expenses	10,350	13,763
	<u>569,761</u>	<u>644,984</u>
Grant funding of activities (see note 8)	92,457	83,378
Share of governance costs (see note 9)	5,370	5,064
	<u>667,588</u>	<u>733,426</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	663,119	730,602
Restricted funds	4,469	2,824
	<u>667,588</u>	<u>733,426</u>

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**8 Grants payable**

	2020 £	2019 £
<b>Church</b>		
Grants to institutions:		
Imagine If Trust	43,350	43,350
Together for the Harvest	3,600	3,600
Fusion	-	500
4 Points Toxteth	3,200	2,500
Kairos Connexions	-	3,000
Elptithah	4,000	2,000
The Bridge Trust	2,500	-
Iris Ministry	-	3,976
	<u>56,650</u>	<u>58,926</u>
 Grants to individuals	 35,807	 24,452
	<u>92,457</u>	<u>83,378</u>

**9 Support costs**

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Independent examination fees	-	1,785	1,785	-	1,750	1,750
Accountancy fees	-	3,585	3,585	-	3,314	3,314
	<u>-</u>	<u>5,370</u>	<u>5,370</u>	<u>-</u>	<u>5,064</u>	<u>5,064</u>
Analysed between Charitable activities	-	5,370	5,370	-	5,064	5,064
	<u>-</u>	<u>5,370</u>	<u>5,370</u>	<u>-</u>	<u>5,064</u>	<u>5,064</u>

Support and governance costs are recharged to church activities.

Governance costs includes payments to the independent examiner of £1,785 for independent examination fees (2019- £1,750) and payments to the independent examiner for accountancy services of £3,585 (2019- £3,314).

**10 Trustees**

No trustees were reimbursed expenses during the year (2019- one trustee was reimbursed travel expenses of £25).

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**11 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Charitable	19	20

**Employment costs**

	2020 £	2019 £
Wages and salaries	347,356	391,824
Social security costs	20,412	29,417
Other pension costs	13,834	18,251
	<u>381,602</u>	<u>439,492</u>

Included in wages and salaries are redundancy and ex-gratia payments totalling £45,000 (2019: £12,000).

There were no employees whose annual remuneration was £60,000 or more.

**12 Tangible fixed assets**

	Land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 September 2019	475,000	301,507	776,507
Additions	-	8,190	8,190
	<u>475,000</u>	<u>309,697</u>	<u>784,697</u>
At 31 August 2020	475,000	309,697	784,697
<b>Depreciation</b>			
At 1 September 2019	57,000	270,242	327,242
Depreciation charged in the year	9,500	8,307	17,807
	<u>66,500</u>	<u>278,549</u>	<u>345,049</u>
At 31 August 2020	66,500	278,549	345,049
<b>Carrying amount</b>			
At 31 August 2020	<u>408,500</u>	<u>31,148</u>	<u>439,648</u>
At 31 August 2019	<u>418,000</u>	<u>31,266</u>	<u>449,266</u>

The assets are all used for direct charitable purposes.

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**13 Fixed asset investments**

			Other investments
<b>Cost</b>			
At 1 September 2018 and 31 August 2019			2
<b>Carrying amount</b>			
At 31 August 2020			2
At 31 August 2019			2
		<b>2020</b>	<b>2019</b>
Other investments comprise:	<b>Notes</b>	<b>£</b>	<b>£</b>
Investments in subsidiaries	14	2	2

**14 Subsidiaries**

Details of the charity's subsidiaries at 31 August 2020 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Frontline Trading (UK) Limited	England and Wales Dormant	Ordinary	100.00	-

The aggregate capital and reserves for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Capital and Reserves £
Frontline Trading (UK) Limited	2

**15 Debtors**

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	21,725	17,084

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>16</b>	<b>Financial instruments</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at cost	121,874	42,025
	Equity instruments measured at cost	2	2
		<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>		
	Measured at cost	58,471	6,577
		<u>          </u>	<u>          </u>
<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Other creditors	28,985	2,078
	Accruals	4,500	4,499
		<u>          </u>	<u>          </u>
		33,485	6,577
		<u>          </u>	<u>          </u>
<b>18</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Other creditors	25,000	-
		<u>          </u>	<u>          </u>
<b>19</b>	<b>Retirement benefit schemes</b>		

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £13,834 (2019 £18,251)

**FRONTLINE TRUST  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**20 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2018 £	Movement in funds		Balance at 1 September 2019 £	Movement in funds		Balance at 31 August 2020 £
		Income	Expenditure		Income	Expenditure	
Emmaus	-	5,000	(1,612)	3,388	-	(3,388)	-
Mighty Men	1,464	-	(1,212)	252	-	(1,081)	-
Coronavirus hardship fund	-	-	-	-	9,292	-	9,292
Other funds	85	-	-	85	-	-	85
	<u>1,549</u>	<u>5,000</u>	<u>(2,824)</u>	<u>3,725</u>	<u>9,292</u>	<u>(4,469)</u>	<u>9,377</u>

Emmaus consists of funds used to support a project focussed on supporting church leaders across the UK.

Mighty Men is a project working with young people at risk of becoming involved in crime.

The Coronavirus Hardship Fund is a fund created by individual donors and an allocation from general reserves. The fund is available to Frontline Church members who are suffering personal financial hardship due to the economic impact of coronavirus.

Other Funds consist of small projects / initiatives for which finances were specifically raised and utilised.

**FRONTLINE TRUST  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**21 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2018 £	Movement in funds			Transfers	Balance at 1 September 2019 £	Movement in funds			Transfers	Balance at 31 August 2020 £
		Income	Expenditure	£			Income	Expenditure	£		
Coronavirus Impact fund	-	-	-	-	-	-	25,000	-	-	-	25,000
Coronavirus Hardship Fund	-	-	-	-	-	-	3,000	-	-	-	3,000
Mission Fund	2,046	-	(2,217)	-	171	-	-	-	-	-	-
Kairos Connexion	3,132	-	(315)	-	(2,817)	-	-	(255)	-	255	-
Tithe of Tax Rebates	-	3,600	(3,600)	-	-	-	-	-	-	-	-
Emmaus	-	47,338	(47,338)	-	-	-	10,877	(10,877)	-	-	-
India	-	-	-	-	-	-	2,355	(746)	-	-	1,609
	<u>5,178</u>	<u>50,938</u>	<u>(53,470)</u>	<u>-</u>	<u>(2,646)</u>	<u>-</u>	<u>41,232</u>	<u>(11,878)</u>	<u>-</u>	<u>255</u>	<u>29,609</u>

**FRONTLINE TRUST  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**21 Designated funds**

**(Continued)**

The Coronavirus Impact fund represents funds set aside from reserves to protect the organisation from the potential downturn in income over the coming years due to the longer term economic impact of the coronavirus pandemic, coupled with an anticipated reduction in government support.

The Coronavirus Hardship Fund is a fund created by individual donors and an allocation from general reserves. The fund is available to Frontline Church members who are suffering personal financial hardship due to the economic impact of coronavirus.

The Mission Fund consists of funds that are designated for use in supporting work in other countries that are aligned to our charitable objectives.

Tithe of Tax Rebates was a percentage of tax rebates allocated to external charitable causes.

Kairos Connexion and Emmaus consist of funds that are designated to support the work of these two projects. Both Kairos Connexion and Emmaus focus on supporting church leaders across the UK.

The India Fund is made up of monies allocated to the support of churches and particularly church leaders in India. This fund is generated from a small percentage of our income.



**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**22 Analysis of net assets between funds**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:						
Tangible assets	439,648	-	439,648	449,266	-	449,266
Investments	2	-	2	2	-	2
Current assets/ (liabilities)	100,685	9,377	110,062	48,518	3,725	52,243
Long term liabilities	(25,000)	-	(25,000)	-	-	-
	<u>515,335</u>	<u>9,377</u>	<u>524,712</u>	<u>497,786</u>	<u>3,725</u>	<u>501,511</u>

**23 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	1,885	1,885
Between two and five years	1,885	3,770
	<u>3,770</u>	<u>5,655</u>

**24 Cash generated from operations**

	2020 £	2019 £
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	23,201	(746)
Adjustments for:		
Investment income recognised in the statement of financial activities	(107)	(84)
Depreciation of tangible fixed assets	17,807	17,316
Movements in working capital:		
(Increase)/decrease in debtors	(4,641)	1,037
Increase/(decrease) in creditors	51,908	(1,550)
<b>Net cash provided by operating activities</b>	<u>88,168</u>	<u>15,973</u>

**FRONTLINE TRUST**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**25 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate remuneration	104,725	123,924

**Transactions with related parties**

During the year the company entered into the following transactions with related parties:

Jennifer Mariner was a trustee for part of the year and her husband Jack Mariner was employed by the charity during the year. Jennifer Mariner retired as trustee in November 2019.

John Harding is a trustee and was also employed by the charity during the year. He is also a trustee of Moreton Community Centre.

The governing document permits trustees to receive grants and remuneration, provided such trustees are not in the majority. Any such remuneration level is set by the board, excluding those members with a conflict of interest.

John Gibson was employed by the charity during the year as the CEO. He is a director of Imagine If Trust.

Imagine If Trust is an independent charitable company. During the year Frontline Trust has assisted Imagine If Trust by providing grants (see note 8). Imagine If Trust are also recharged sundry expenses.

Toxteth Tabernacle is a local church in Liverpool and their key management is part funded by Frontline Trust. The Trust does not charge Toxteth Tabernacle the full cost. During the year, Frontline Trust received £3,000 in respect of the key management and other services.

Trustees donated £43,652 to the charity in the year.

There were no other related party transactions in the year.

**26 Company limited by guarantee**

The Frontline Trust is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £10.

**27 Events after the reporting date**

Since the reporting date there has been a second and now third national lockdown initiated to stem the spread of the coronavirus pandemic. The organisation has already put in place measures to mitigate the potential financial impact of these lockdowns on the wider economy and subsequently the impact on our donors. Having reviewed these measures we believe they continue to be the best approach at this time. This situation will continue to be monitored over the coming months.

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