

FRONTIERS

**ANNUAL REPORT &
ACCOUNTS**

2020

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WHAT WE DO

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

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

Our strategies to achieve this objective are:

- raising awareness in Britain of the needs and opportunities for service (website, publications, prayer news, conferences and events),
- encouraging enquirers: small groups, short visits, training and coaching,
- helping applicants connect and join over 250 overseas teams,
- supporting members, with their churches, practically and pastorally,
- supporting projects that benefit communities, according to local needs, including development, relief work, teaching, medical and more.

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

OUR IMPACT IN 2020

Long-term Harvest Workers

Despite restricted in-person meetings, we thank God for 12 new long-term members sent out by their local churches in the last 18 months, and 19 applicants currently preparing to join overseas teams in 2021-22.

MomentumYes (a 6-week on-line course in cross-cultural mission) has been widely welcomed by young people and increasingly in churches. From this has emerged a growing community of individuals taking intentional steps towards future overseas ministry. They meet monthly, use WhatsApp and other online resources, and attended a virtual missions conference in December. We pray many in future will go overseas.

Our *Candidates Weekends* continued three times a year, on one occasion online, and have been supplemented by monthly online meetings of those heading overseas, for further training and mutual encouragement. Our programme of short-term opportunities was suspended due to the pandemic, but we hope to resume these later this year.

Ministry Training Scheme

Last autumn two young men joined our team as Ministry Trainees. As well as receiving training, their social media skills are helping our communications. They plan to go overseas long term, and we hope to extend this scheme later this year.

Coronavirus Response

We praise God that through generous donations and working with local teams and Frontiers' Rapid Intervention Network, we helped to fund 45 projects last year through 34 teams and many local leaders in all regions where Frontiers works.

- Over 16,000 families were served (most with food distribution), and 6 million reached through media education.
- New opportunities have opened and many local people have been empowered to serve their own communities.

FUTURE PLANS

We're increasingly using social media and develop videos and a podcast to communicate more effectively, especially among young people.

We're developing, in partnership with several other agencies, a UK version of the popular MomentumYes course, to encourage its greater use and effectiveness.

We're encouraging continuing creativity among a developing community taking active steps towards long-term future overseas service.

We're strengthening our training and member care skills and capacity to support better new members and those continuing in long-term work in challenging locations, in partnership with their sending churches.

FINANCIAL REVIEW

Total income for 2020 at £1.66M (as shown on page 9) was 10% above last year, reflecting an increase in long-term overseas members and gifts to support projects to relieve the impact of the pandemic on overseas communities. Unrestricted income also rose, thanks to generous support from individuals and churches, bringing greater financial stability.

Total expenditure in 2020 was £1.67M, also above last year, as gifts received were promptly distributed to support field members, pandemic relief and other projects.

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

Net assets at the year end, shown on page 10, totalled £719k. These comprised:

- £55k of restricted reserves, being gifts for specific projects or members,
- £492k of designated funds, mainly the net book value of tangible fixed assets unavailable for other purposes, and
- £172k in the general fund, not designated for a particular purpose.

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

The trustees' policy is to maintain general fund reserves 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 at 31 December 2020 was slightly above the upper end of this range.

The trustees' investment policy is to maintain high liquidity while ensuring maximum security. Funds invested with financial institutions are protected by

the government-regulated Financial Services Compensation Scheme. The Charity has no social investments.

Fundraising practices

In 2020, no outside agents were engaged to approach the public on our behalf; all applications for funds were prepared in-house; and no complaints were received about our fundraising practices.

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

STRUCTURE, GOVERNMENT & MANAGEMENT

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

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

Trustees give their time freely and receive no remuneration. 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, reviewed annually, are paid to some home staff, including the chief executives.

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

Risks and uncertainties

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

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

Our plans and strategies to manage risks include: careful assessment of applicants, risk assessments and contingency plans, a support network for overseas members, a system of financial controls, incident reporting, monitoring systems, maintaining an adequate level of 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 its ability to continue operating and that the Charity therefore remains a going concern.

Auditor

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

Trustees' responsibilities in relation to the accounts

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

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

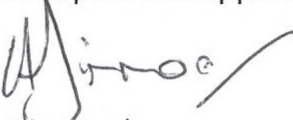
- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Charity will continue in business.

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

In so far as the trustees are aware:

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

This report was approved by the board on 20 July 2021.


A Dimmock
Trustee

DIRECTORY

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

FRONTIERS

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income & expenditure account)

for the year ended 31 December 2020

		<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>	<u>2020</u>	<u>Funds</u>	<u>Funds</u>	<u>2019</u>
	Note	£	£	£	£	£	£
INCOME & ENDOWMENTS							
Donations & legacies	2	303,458	1,344,393	1,647,851	260,580	1,235,207	1,495,787
Charitable activities	3	5,012	-	5,012	9,476	-	9,476
Investments		3,091	213	3,304	3,892	544	4,436
Total income & endowments		<u>311,561</u>	<u>1,344,606</u>	<u>1,656,167</u>	<u>273,948</u>	<u>1,235,751</u>	<u>1,509,699</u>
EXPENDITURE							
Raising funds	4	18,923	2,464	21,387	20,831	2,481	23,312
Charitable activities:	5						
Programme development & support		209,243	1,353,961	1,563,204	205,922	1,242,225	1,448,147
Information & education		23,782	34,585	58,367	28,986	26,327	55,313
Management & administration		26,382	4,518	30,900	25,815	4,897	30,712
Total expenditure	7	<u>278,330</u>	<u>1,395,528</u>	<u>1,673,858</u>	<u>281,554</u>	<u>1,275,930</u>	<u>1,557,484</u>
Net income/expenditure		<u>33,231</u>	<u>(50,922)</u>	<u>(17,691)</u>	<u>(7,606)</u>	<u>(40,179)</u>	<u>(47,785)</u>
Total funds brought forward		<u>631,028</u>	<u>105,647</u>	<u>736,675</u>	<u>638,634</u>	<u>145,826</u>	<u>784,460</u>
Total funds carried forward		<u><u>664,259</u></u>	<u><u>54,725</u></u>	<u><u>718,984</u></u>	<u><u>631,028</u></u>	<u><u>105,647</u></u>	<u><u>736,675</u></u>

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

The notes on pages 12 to 19 form part of these financial statements.

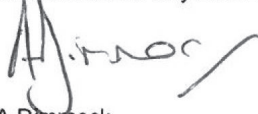
FRONTIERS

BALANCE SHEET

At 31 December 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		£	£
FIXED ASSETS			
Tangible assets	9	477,588	483,213
Investments	10	-	-
		<u>477,588</u>	<u>483,213</u>
CURRENT ASSETS			
Stock		984	1,459
Debtors	11	88,013	136,510
Investments	10	-	117,000
Cash at bank and in hand		<u>371,315</u>	<u>206,493</u>
		<u>460,312</u>	<u>461,462</u>
CREDITORS			
Amounts falling due within one year	12	<u>(218,916)</u>	<u>(208,000)</u>
NET CURRENT ASSETS		<u>241,396</u>	<u>253,462</u>
NET ASSETS		<u><u>718,984</u></u>	<u><u>736,675</u></u>
FUNDS			
Unrestricted funds:			
General fund		172,448	132,917
Designated funds	13	<u>491,811</u>	<u>498,111</u>
		664,259	631,028
Restricted funds	13	<u>54,725</u>	<u>105,647</u>
Total funds		<u><u>718,984</u></u>	<u><u>736,675</u></u>

The financial statements on pages 9 to 19 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 20 July 2021 and are signed on their behalf by:


A Dimmock
Trustee

FRONTIERS

CASH FLOW STATEMENT

for the year ended 31 December 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		£	£
Cash outflow from operating activities	16	<u>48,398</u>	<u>(14,638)</u>
Cash flows from investing activities:			
Decrease in investments		117,000	32,000
Purchase of tangible fixed assets		(576)	(2,956)
Proceeds of sale of tangible fixed assets		<u>-</u>	<u>-</u>
Cash provided by investment activities		116,424	29,044
 Increase in cash and cash equivalents in the year		164,822	14,406
Cash and cash equivalents at the beginning of the year		<u>206,493</u>	<u>192,087</u>
Cash and cash equivalents at the end of the year		<u><u>371,315</u></u>	<u><u>206,493</u></u>

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

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 2020

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 2020

2. DONATIONS & LEGACIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Donations	182,350	1,344,393	1,526,743	1,378,082
Contributions from members	121,108	-	121,108	117,705
	<u>303,458</u>	<u>1,344,393</u>	<u>1,647,851</u>	<u>1,495,787</u>

3. INCOME & ENDOWMENTS FROM CHARITABLE ACTIVITIES

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

4. EXPENDITURE ON RAISING FUNDS

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

5. CHARITABLE ACTIVITIES

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

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

6. RELATED PARTIES

Related parties are 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 2020, total compensation paid to the chief executives was £42,735 (2019: £44,318).

In 2020, the trustees received no expenses for work on behalf of the Charity (2019: £32).

In 2020, total donations received from the trustees were £905 (2019: £942), of which £640 (2019: £600) was for restricted purposes.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

7. EXPENDITURE

	<u>Raising funds</u>	<u>Programme development & support</u>	<u>Information & education</u>	<u>Management & administration</u>	<u>Total 2020</u>	<u>Total 2019</u>
	£	£	£	£	£	£
<u>Unrestricted Funds</u>						
Member support	15,011	122,805	10,819	15,101	163,736	166,100
Travel	207	3,602	638	554	5,001	14,169
Office running costs	1,183	11,610	1,546	1,845	16,184	17,316
Training & conferences	234	5,728	79	54	6,095	10,861
Website, literature & displays	941	561	7,911	-	9,413	13,971
Specialist assistance	975	11,357	-	2,839	15,171	4,881
House running costs	-	4,625	-	-	4,625	3,988
Project support	-	5,600	-	-	5,600	5,500
Auditor's remuneration	-	-	-	2,760	2,760	2,760
Other expenses	-	9,044	-	247	9,291	2,455
Frontiers International Office	-	29,429	2,412	2,412	34,253	32,844
Depreciation	372	4,882	377	570	6,201	6,709
	<u>18,923</u>	<u>209,243</u>	<u>23,782</u>	<u>26,382</u>	<u>278,330</u>	<u>281,554</u>
<u>Restricted Funds</u>						
Member support	2,464	1,190,293	34,585	4,518	1,231,860	1,234,969
Project support	-	163,668	-	-	163,668	40,961
	<u>2,464</u>	<u>1,353,961</u>	<u>34,585</u>	<u>4,518</u>	<u>1,395,528</u>	<u>1,275,930</u>
Totals	<u>21,387</u>	<u>1,563,204</u>	<u>58,367</u>	<u>30,900</u>	<u>1,673,858</u>	<u>1,557,484</u>
Totals in 2019	<u>23,312</u>	<u>1,448,147</u>	<u>55,313</u>	<u>30,712</u>	<u>1,557,484</u>	

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

8. EMPLOYEES

	<u>2020</u>	<u>2019</u>
	£	£
Salaries	236,252	220,416
Employer's national insurance	11,182	11,538
Employer's pension contributions	<u>5,458</u>	<u>5,293</u>
	<u>252,892</u>	<u>237,247</u>
Average number of employees	<u>16</u>	<u>15</u>
Average number of full-time equivalent employees	<u>10</u>	<u>10</u>

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

The Company operates a defined contribution pension scheme. Contributions of £1,476 (2019: £1,271) were outstanding at the year end.

9. TANGIBLE FIXED ASSETS

	<u>Freehold Land & Buildings</u>	<u>Furniture & Equipment</u>	<u>Total</u>
	£	£	£
COST			
At 1 January 2020	513,718	37,978	551,696
Additions	-	576	576
Disposals	<u>-</u>	<u>(8,202)</u>	<u>(8,202)</u>
At 31 December 2020	<u>513,718</u>	<u>30,352</u>	<u>544,070</u>
DEPRECIATION			
At 1 January 2020	34,560	33,923	68,483
Provision for year	4,278	1,923	6,201
Disposals	<u>-</u>	<u>(8,202)</u>	<u>(8,202)</u>
At 31 December 2020	<u>38,838</u>	<u>27,644</u>	<u>66,482</u>
NET BOOK VALUE			
At 31 December 2020	<u>474,880</u>	<u>2,708</u>	<u>477,588</u>
At 31 December 2019	<u>479,158</u>	<u>4,055</u>	<u>483,213</u>

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

10. INVESTMENTS

	<u>2020</u>	<u>2019</u>
Amounts falling due within one year:	£	£
Loan to another Frontiers office	-	32,000
Deposits with financial institutions	-	85,000
	<u>-</u>	<u>117,000</u>

11. DEBTORS

	<u>2020</u>	<u>2019</u>
Amounts falling due within one year	£	£
Other Frontiers offices	50,070	101,674
Gift Aid receivable	29,208	25,429
Members	3,666	4,840
Prepayments and accrued income	5,069	4,567
	<u>88,013</u>	<u>136,510</u>

12. CREDITORS

	<u>2020</u>	<u>2019</u>
Amounts falling due within one year	£	£
Members and projects	184,727	160,838
Other Frontiers offices	18,375	37,739
Other creditors	15,815	9,423
	<u>218,916</u>	<u>208,000</u>

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

13. MOVEMENT IN FUNDS

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

	<u>At 1 January</u>				<u>At 31 December</u>
	<u>2019</u>	<u>Income</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>2019</u>
	£	£	£	£	£
General fund	135,697	272,448	(9,524)	(265,704)	132,917
Designated funds:					
Fixed asset fund	486,966	-	(3,753)	-	483,213
Member support fund	5,193	1,500	-	-	6,693
Generosity fund	10,778	-	13,277	(15,850)	8,205
	502,937	1,500	9,524	(15,850)	498,111
Total unrestricted funds	638,634	273,948	-	(281,554)	631,028
Restricted funds:					
Members' support funds	107,856	1,173,392	-	(1,234,969)	46,279
Project funds	37,970	62,359	-	(40,961)	59,368
Total restricted funds	145,826	1,235,751	-	(1,275,930)	105,647
Total funds	784,460	1,509,699	-	(1,557,484)	736,675

Designated funds have been established for the following purposes:

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

Restricted funds comprise:

- Members' support funds, being gifts to support specific members. These are generally forwarded on a monthly basis, but some members prefer to allow funds to accumulate and be forwarded when needed.
- Project funds, being gifts to support specific charitable projects, are expended as needs arise.

During the year, payments were made to 175 (2019 - 158) members and projects.

FRONTIERS

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

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

	<u>General</u> <u>Fund</u> £	<u>Designated</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>£</u>
Fund balances at 31 December 2019 are represented by:				
Fixed assets	-	483,213	-	483,213
Current assets	340,917	14,898	105,647	461,462
Current liabilities	(208,000)	-	-	(208,000)
Total net assets	<u>132,917</u>	<u>498,111</u>	<u>105,647</u>	<u>736,675</u>

15. 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.

16. CASH FLOWS RECONCILIATION

	<u>2020</u> £	<u>2019</u> £
Net expenditure	(17,691)	(47,785)
Adjustments for:		
Depreciation charge	6,201	6,709
Decrease in stocks	475	(95)
Decrease in debtors	48,497	(18,705)
Increase in creditors	10,916	45,238
Cash provided by operating activities	<u>48,398</u>	<u>(14,638)</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 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 government assistance – furlough income, management override of controls and payments to third parties.

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

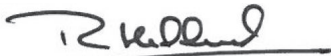
- testing the calculation of claims made under the Coronavirus Job Retention Scheme
- identifying and testing journal entries
- reviewing Trustees meeting minutes
- evaluating the charity's internal controls
- verifying payments to third parties on a sample basis

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



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

5 Robin Hood Lane
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Surrey
SM1 2SW

Dated: 20 August 2011