

**FRONTIERS**  
**(A Company Limited by Guarantee)**

Company Registration Number - 2585745

Charity Registration Number - 1012566

**FINANCIAL STATEMENTS**

**For the year ended 31 December 2018**

# **FRONTIERS**

## **(A Company Limited by Guarantee)**

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## **FINANCIAL STATEMENTS**

### **For the year ended 31 December 2018**

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**FRONTIERS**

**COMPANY INFORMATION**

**31 December 2018**

Company Registration Number	2585745
Charity Registration Number	1012566
Directors	A Dimmock (Chairman) D A Aanderud R Bridger 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 plc PO Box 23 Northampton NN1 4YD  CAF Bank Limited 25 Kings Hill Avenue West Malling ME19 4JQ

## **FRONTIERS**

### **DIRECTORS' REPORT**

The directors (who are also trustees of the Company for the purposes of charity law) present their annual report and audited financial statements for the year ended 31 December 2018.

#### **Structure, governance and management**

The Company is 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 1.

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

The directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in Note 6 to the accounts.

The Company is part of the wider Frontiers movement, an international fellowship of organisations and semi-autonomous teams of some 1,800 adult members in 80 countries. Each organisation and team operates independently but with a strong moral commitment to the Frontiers movement's vision and values. The movement's overall governing authority is an international council of its team leaders.

Members located overseas are accountable to local team leaders and raise their own financial support. They have the backing of the Company in raising support and providing training and expertise. Members' financial support may be handled by the Company or independently, in whole or in part.

Home staff are encouraged to raise their own financial support. The Company pays modest salaries, reviewed annually, to some home members, including the chief executives, where they have difficulty in raising adequate personal support. Other home staff are unpaid volunteers.

#### **Objectives and activities**

The Company's objectives, in participating in the wider Frontiers movement, are to see increasing numbers living out the Christian faith for the benefit of local communities and making the love and teachings of Jesus Christ known, particularly among those who have had no opportunity to hear. Members use their professions and skills to serve communities in widely varying ways according to local needs, including development projects, relief work, teaching, medical work and much more. The directors have regard to the Charity Commission's published guidance on public benefit. The Company delivers a public benefit internationally to these communities through the service provided by members.

The Company's strategies for achieving these objectives are to raise awareness in Britain of the needs and opportunities for service and to encourage and offer practical support and training to those sharing a desire to serve overseas communities in these ways. The Company uses a wide variety of means to raise interest and publicise opportunities including a website, regular publications, literature, conferences and events; and works in partnership with churches and other organisations in Britain to help prepare, train and provide support for those who form or join overseas teams.

## FRONTIERS

### DIRECTORS' REPORT *continued*

Day-to-day activities centre on individuals: promoting opportunities, stimulating ongoing interest, advising and guiding those enquiring about future service and helping care for those serving overseas. The Company owns a freehold property, comprising an office base, also used for training events, and an attached house used to assist those going and returning from overseas (sometimes at short notice).

Grants are made from restricted funds for members and projects in line with donors' wishes, and from unrestricted funds for projects in line with the directors' judgment. In each case, grants are made only to members and projects operating with clear accountability, including supervision or oversight to ensure they contribute effectively to the Company's objectives.

### **Strategic report**

#### ***Achievements and performance***

Review and improvements to communications, including website, magazines, prayer information, are continuing and being well received. Partnerships with churches and wider networks continue to be extended and deepened, including training events to help local groups engage well cross-culturally with neighbours as well as nations.

Significant numbers of serious enquirers made contact during 2018, a trend that is continuing. From these, over 20 people are currently in training and preparation for long-term service overseas, including four couples applying to lead new teams to people and places with currently almost no witness to Christ. Also, some 30 mainly young people expect to join Prayer and Vision trips in 2019, taking initial steps towards possible long-term service overseas.

14 long-term members returned to the UK in 2018, both planned returns and those with visa difficulties. 8 of these aspire to return overseas in 2019-20.

Service and support of members and their families, pastorally and practically, was further developed during 2018, including care and support for those preparing to go, in transition and their wider families.

#### ***Financial review***

Income for the year, shown on page 8, at £1.76m was 2% above last year, with a welcome 10% increase in unrestricted income.

Expenditure is being tightly managed, and fell slightly from the record level of 2017. This combined with higher income resulted in a modest overall surplus in 2018. Volunteer members of the home team contributed an average of 11 days per week during the year and were engaged in all areas of the Company's activities, especially pastoral care of overseas members.

Net assets at the year end, shown on page 9, totalled £784k. These comprised £146k of restricted reserves, being gifts for specific projects or members, to be expended as needs arise, and designated funds of £503k - mainly the fixed asset fund of £487k, being the net book value of the Company's tangible fixed assets, designated to indicate these funds are not available for other purposes.

Unrestricted funds not designated for a particular purpose fell again last year by £35k to £136k at 31 December 2018. The directors' policy is to maintain unrestricted funds not designated for a particular purpose at between 3 and 6 months of unrestricted expenditure. At this level the directors feel that in the event of a significant drop in donations the current activities of the Company could continue until

## FRONTIERS

### DIRECTORS' REPORT *continued*

remedial action becomes effective. The level of funds at 31 December 2018 is at the upper end of this range.

The directors' investment policy is to maintain a high level of liquidity while ensuring maximum security. To achieve this, the Company makes only low-risk investments with very high security. Investments with financial institutions are protected by the government-regulated Financial Services Compensation Scheme. The Company has no social investments.

The directors 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 Company therefore remains a going concern.

#### ***Fundraising practices***

In 2018, the Company did not engage any outside agents to approach the public on our behalf, though we work with an individual to support our relationships with trusts. All applications for funds were submitted in-house. During 2018, no complaints were received about our fundraising practices.

We seek to protect vulnerable people and others from unreasonable intrusion when receiving our fundraising communications. Where vulnerable people or those acting on their behalf request to cease communications, we act on their wishes immediately. We always remove recipients from our mailing list whenever asked.

#### ***Plans for future periods***

Much encouraged by recent new serious enquirers and applicants, the Company's first priority in the next two years is to serve well these new, mainly young people heading for long-term service overseas. A second priority is to build strong partnerships with their sending churches, so new field members and their families are well prepared, trained and supported, pastorally and practically. Training events are consequently becoming larger and more frequent, including training and development of home staff. We are also seeking to widen the network of volunteers who represent the Company, whose pastoral, prayer and financial support is vital for all these ministries.

The Company will continue to publicise overseas needs and opportunities, seeking closer partnership with church networks and other agencies of similar heart and vision. This includes working closely with those expressing interest in overseas service, linking them with existing overseas teams, and increased opportunities for short-term visits. Computer systems continue to be upgraded, along with further enhancements to the website, literature and other publicity materials, including electronic media. We continue to seek further opportunities to work with interested churches and student audiences.

The directors have reviewed the Company's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties facing the Company are considered to be the possibilities of reputational damage in the unlikely event of a high profile 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 for managing risks include maintaining effective internal controls, risk registers, incident reporting, monitoring systems and maintaining an adequate level of free reserves and insurance cover.

## FRONTIERS

### DIRECTORS' REPORT continued

#### Statement of directors' responsibilities

The directors 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for that period. In preparing these financial statements, the directors 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 disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

#### Auditor

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

This report was approved by the Board on 3 July 2019.



A Dimmock  
Director



## FRONTIERS

### 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 2018 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 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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



## FRONTIERS

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRONTIERS continued

#### 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 directors' 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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

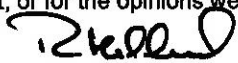
#### Auditor's responsibilities for the audit of the financial statements

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.

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

#### Use of our report

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



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

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

# FRONTIERS

## STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income & expenditure account)

for the year ended 31 December 2018

		<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>2018</u>	<u>Funds</u>	<u>Funds</u>	<u>2017</u>
	Note	£	£	£	£	£	£
<b>INCOME &amp; ENDOWMENTS</b>							
Donations & legacies	2	241,407	1,503,700	1,745,107	217,402	1,496,436	1,713,838
Charitable activities	3	6,381		6,381	6,615		6,615
Investments		3,384	821	4,205	4,849	352	5,201
<b>Total income &amp; endowments</b>		<u>251,172</u>	<u>1,504,521</u>	<u>1,755,693</u>	<u>228,866</u>	<u>1,496,788</u>	<u>1,725,654</u>
<b>EXPENDITURE</b>							
Raising funds	4	21,210	1,916	23,126	13,141	1,201	14,342
Charitable activities:	5						
Programme development & support		202,899	1,438,350	1,641,249	217,795	1,495,142	1,712,937
Information & education		33,875	20,682	54,557	39,079	13,580	52,659
Management & administration		25,387	4,311	29,698	32,865	5,842	38,707
<b>Total expenditure</b>	7	<u>283,371</u>	<u>1,465,259</u>	<u>1,748,630</u>	<u>302,880</u>	<u>1,515,765</u>	<u>1,818,645</u>
<b>Net expenditure</b>		<u>(32,199)</u>	<u>39,262</u>	<u>7,063</u>	<u>(74,014)</u>	<u>(18,977)</u>	<u>(92,991)</u>
<b>Total funds brought forward</b>		<u>670,833</u>	<u>106,564</u>	<u>777,397</u>	<u>744,847</u>	<u>125,541</u>	<u>870,388</u>
<b>Total funds carried forward</b>		<u>638,634</u>	<u>145,826</u>	<u>784,460</u>	<u>670,833</u>	<u>106,564</u>	<u>777,397</u>

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

The notes on pages 11 to 17 form part of these financial statements.

**FRONTIERS**  
**BALANCE SHEET**  
**At 31 December 2018**

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	486,966	493,622
Investments	10	<u>32,000</u>	<u>149,000</u>
		<u>518,966</u>	<u>642,622</u>
<b>CURRENT ASSETS</b>			
Stock		1,364	612
Debtors	11	117,805	123,343
Investments	10	117,000	57,000
Cash at bank and in hand		<u>192,087</u>	<u>136,855</u>
		<u>428,256</u>	<u>317,810</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(162,762)</u>	<u>(183,035)</u>
<b>NET CURRENT ASSETS</b>		<u>265,494</u>	<u>134,775</u>
<b>NET ASSETS</b>		<u><u>784,460</u></u>	<u><u>777,397</u></u>
<b>FUNDS</b>			
Unrestricted funds:			
General fund		135,697	170,996
Designated funds	13	<u>502,937</u>	<u>499,837</u>
		<u>638,634</u>	<u>670,833</u>
Restricted funds	13	<u>145,826</u>	<u>106,564</u>
Total funds		<u><u>784,460</u></u>	<u><u>777,397</u></u>

The financial statements on pages 8 to 17 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 03 July 2019 and are signed on their behalf by:

  
A Dimmock  
Director

**FRONTIERS**

**CASH FLOW STATEMENT**

**for the year ended 31 December 2018**

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		£	£
<b>Cash outflow from operating activities</b>	<b>16</b>	<u>(1,566)</u>	<u>(123,324)</u>
<b>Cash flows from investing activities:</b>			
Decrease in investments		57,000	72,020
Purchase of tangible fixed assets		(1,286)	(2,702)
Proceeds of sale of tangible fixed assets		<u>1,084</u>	<u>0</u>
<b>Cash provided by investment activities</b>		<b>56,798</b>	<b>69,318</b>
 <b>Decrease in cash and cash equivalents in the year</b>		<b>55,232</b>	<b>(54,006)</b>
Cash and cash equivalents at the beginning of the year		<u>136,855</u>	<u>190,861</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>192,087</b></u>	<u><b>136,855</b></u>

# FRONTIERS

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The Company 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 directors' discretion in furtherance of the Company's charitable objectives. Designated funds are set aside by the directors 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 directors' report.

Individual members make contributions to the general funds of the Company 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 Company. 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 Company 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 2018

### 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 directors 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 directors 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 Company has a legal or constructive financial obligation that can be reliably estimated for which payment is expected to be made.

#### Financial instruments

The Company 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 2018

### 2. DONATIONS & LEGACIES

	<u>Unrestricted</u> <u>funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2018</u> £	<u>Total</u> <u>2017</u> £
Donations	127,501	1,504,521	1,632,022	1,603,173
Contributions from members	113,906	-	113,906	110,665
	<u>241,407</u>	<u>1,504,521</u>	<u>1,745,928</u>	<u>1,713,838</u>

### 3. INCOME & ENDOWMENTS FROM CHARITABLE ACTIVITIES

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

### 4. EXPENDITURE ON RAISING FUNDS

Most voluntary income is generated by members on an unpaid voluntary basis. Costs to the Company of generating voluntary income are those incurred in seeking donations and do not include the costs of disseminating general information about the Company'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 directors, key management personnel (considered to be the chief executives) and their close family members.

The directors receive no remuneration for their services. In 2018, total compensation paid to the chief executives was £41,008 (2017: £38,494).

In 2018, one director was reimbursed travel expenses of £148 for work on behalf of the Company (2017: £267).

In 2018, total donations received from the directors were £1,550 (2017: 1,500), of which donations of £600 (2017: £600) were for restricted purposes.



**FRONTIERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

**7. EXPENDITURE**

	<u>Raising funds</u>	<u>Programme development &amp; support</u>	<u>Information &amp; education</u>	<u>Management &amp; administration</u>	<u>Total 2018</u>	<u>Total 2017</u>
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
Member support	14,624	124,694	11,507	15,595	166,420	181,676
Travel	1,406	9,986	1,622	682	13,696	17,875
Office running costs	1,199	11,549	1,374	2,071	16,193	17,114
Training & conferences	327	7,209	412	20	7,968	12,999
Website, literature & displays	2,137	3,067	16,169	-	21,373	12,581
Specialist assistance	1,080	3,959	3	873	5,915	9,536
House running costs	-	3,937	-	-	3,937	3,883
Project support	-	2,679	-	-	2,679	3,358
Auditor's remuneration	-	-	-	2,760	2,760	2,760
Cost of books sold	-	1,546	-	-	1,546	1,107
Other expenses	-	1,828	-	203	2,031	1,703
Frontiers International Office	-	27,123	2,436	2,436	31,995	30,674
Depreciation	437	5,322	352	747	6,858	7,614
	21,210	202,899	33,875	25,387	283,371	302,880
<b>Restricted Funds</b>						
Member support	1,916	1,135,961	20,682	4,311	1,162,870	1,243,284
Project support	-	302,389	-	-	302,389	272,481
	1,916	1,438,350	20,682	4,311	1,465,259	1,515,765
<b>Totals</b>	<b>23,126</b>	<b>1,641,249</b>	<b>54,557</b>	<b>29,698</b>	<b>1,748,630</b>	<b>1,818,645</b>
<b>Totals in 2017</b>	<b>14,342</b>	<b>1,712,937</b>	<b>52,659</b>	<b>38,707</b>	<b>1,818,645</b>	

**8. EMPLOYEES**

	<u>2018</u>	<u>2017</u>
	£	£
Salaries	224,337	228,340
Employer's national insurance	10,972	12,205
Employer's pension contributions	5,291	4,840
	<u>240,600</u>	<u>245,385</u>
Average number of employees	<u>16</u>	<u>16</u>
Average number of full-time equivalent employees	<u>11</u>	<u>10</u>

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

The Company operates a defined contribution pension scheme. Contributions of £859 (2017: £1,069) were outstanding at the year end.

**FRONTIERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

**9. TANGIBLE FIXED ASSETS**

	<u>Freehold Land &amp; Buildings</u>	<u>Furniture &amp; Equipment</u>	<u>Total</u>
	£	£	£
<b>COST</b>			
At 1 January 2018	513,718	35,066	548,784
Additions	-	1,286	1,286
Disposals	-	(1,330)	(1,330)
At 31 December 2018	<u>513,718</u>	<u>35,022</u>	<u>548,740</u>
<b>DEPRECIATION</b>			
At 1 January 2018	25,942	29,220	55,162
Provision for year	4,320	2,538	6,858
Disposals	-	(246)	(246)
At 31 December 2018	<u>30,262</u>	<u>31,512</u>	<u>61,774</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>483,456</u>	<u>3,510</u>	<u>486,966</u>
At 31 December 2017	<u>487,776</u>	<u>5,846</u>	<u>493,622</u>

**10. INVESTMENTS**

	<u>2018</u>	<u>2017</u>
	£	£
Amounts falling due after more than one year:		
Loan to another Frontiers office	32,000	64,000
Deposits with financial institutions	-	85,000
	<u>32,000</u>	<u>149,000</u>
Amounts falling due within one year:		
Loan to another Frontiers office	32,000	32,000
Deposits with financial institutions	85,000	25,000
	<u>117,000</u>	<u>57,000</u>

**11. DEBTORS**

	<u>2018</u>	<u>2017</u>
	£	£
Amounts falling due within one year:		
Other Frontiers offices	70,217	68,744
Gift Aid receivable	39,270	42,364
Members	4,900	8,255
Prepayments and accrued income	3,418	3,980
	<u>117,805</u>	<u>123,343</u>

**FRONTIERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

**12. CREDITORS**

	<u>2018</u>	<u>2017</u>
	£	£
Amounts falling due within one year:		
Members and projects	144,945	129,902
Other Frontiers offices	4,519	39,611
Other creditors	8,105	13,522
	<u>162,762</u>	<u>183,035</u>

**13. MOVEMENT IN FUNDS**

	<u>At 1 January</u>				<u>At 31 December</u>
	<u>2018</u>	<u>Income</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>2018</u>
	£	£	£	£	£
<b>General fund</b>	170,996	251,172	(10,968)	(275,503)	135,697
<b>Designated funds:</b>					
Fixed asset fund	493,622	-	(6,656)	-	486,966
Member support fund	-	-	5,193	-	5,193
Generosity fund	6,215	-	12,431	(7,868)	10,778
	<u>499,837</u>	<u>-</u>	<u>10,968</u>	<u>(7,868)</u>	<u>502,937</u>
<b>Total unrestricted funds</b>	<u>670,833</u>	<u>251,172</u>	<u>-</u>	<u>(283,371)</u>	<u>638,634</u>
<b>Restricted funds:</b>					
Members' support funds	45,754	1,224,972	-	(1,162,870)	107,856
Project funds	60,810	279,549	-	(302,389)	37,970
<b>Total restricted funds</b>	<u>106,564</u>	<u>1,504,521</u>	<u>-</u>	<u>(1,465,259)</u>	<u>145,826</u>
<b>Total funds</b>	<u>777,397</u>	<u>1,755,693</u>	<u>-</u>	<u>(1,748,630)</u>	<u>784,460</u>

	<u>At 1 January</u>				<u>At 31 December</u>
	<u>2017</u>	<u>Income</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>2017</u>
	£	£	£	£	£
<b>General fund</b>	239,219	228,866	(5,252)	(291,837)	170,996
<b>Designated funds:</b>					
Fixed asset fund	498,534	-	(4,912)	-	493,622
Generosity fund	7,094	-	10,164	(11,043)	6,215
	<u>505,628</u>	<u>-</u>	<u>5,252</u>	<u>(11,043)</u>	<u>499,837</u>
<b>Total unrestricted funds</b>	<u>744,847</u>	<u>228,866</u>	<u>-</u>	<u>(302,880)</u>	<u>670,833</u>
<b>Restricted funds:</b>					
Members' support funds	65,464	1,223,574	-	(1,243,284)	45,754
Project funds	60,077	273,214	-	(272,481)	60,810
<b>Total restricted funds</b>	<u>125,541</u>	<u>1,496,788</u>	<u>-</u>	<u>(1,515,765)</u>	<u>106,564</u>
<b>Total funds</b>	<u>870,388</u>	<u>1,725,654</u>	<u>-</u>	<u>(1,818,645)</u>	<u>777,397</u>

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. These are drawn down to meet expenditure as needs arise.

During the year, payments were made to 168 (2017 - 164) members and projects.

# FRONTIERS

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2018

#### 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> £
Fund balances at 31 December 2018 are represented by:				
Fixed assets	32,000	486,966	-	518,966
Current assets	266,459	15,971	145,826	428,256
Current liabilities	(162,762)	-	-	(162,762)
Total net assets	135,697	502,937	145,826	784,460

	<u>General</u> <u>Fund</u> £	<u>Designated</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> £
Fund balances at 31 December 2017 are represented by:				
Fixed assets	149,000	493,622	-	642,622
Current assets	205,031	6,215	106,564	317,810
Current liabilities	(183,035)	-	-	(183,035)
Total net assets	170,996	499,837	106,564	777,397

#### 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>2018</u> £	<u>2017</u> £
Net expenditure	7,063	(92,991)
Adjustments for:		
Depreciation charge	6,858	7,614
Decrease in stocks	(752)	243
Increase in debtors	5,538	(12,340)
Decrease in creditors	(20,273)	(25,850)
Cash provided by operating activities	<u>(1,566)</u>	<u>(123,324)</u>