

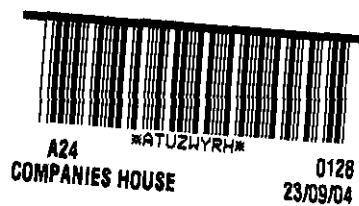
**FRONTIERS INTERNATIONAL MINISTRIES LIMITED**  
**(A Company Limited by Guarantee)**

Company Registration Number - 3480241

Charity Registration Number - 1068356

**FINANCIAL STATEMENTS**

**For the year ended 31 December 2003**



**FRONTIERS INTERNATIONAL MINISTRIES LIMITED**  
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**FINANCIAL STATEMENTS**

**For the year ended 31 December 2003**

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**FRONTIERS INTERNATIONAL MINISTRIES LIMITED**  
**(A Company Limited by Guarantee)**

**COMPANY INFORMATION**

**31 December 2003**

Date of Incorporation	12 December 1997
Company Registration Number	3480241
Charity Registration Number	1068356
Chairman	B Eckheart (resigned 17 January 2003) D Eitzen (appointed 17 January 2003)
Other Directors	L Backues (appointed 6 August 2003) S Breslin (appointed 17 January 2003 and resigned 6 August 2003) D Brown (appointed 6 August 2003) S R Holloway (resigned 17 January 2003) J S Liverman (appointed 17 January 2003) R Love (appointed 17 January 2003) R McCallum (appointed 17 January 2003 and resigned 6 August 2003) A Saperstein (appointed 17 January 2003)
Company Secretary	B Eckheart
Registered Office	5 Robin Hood Lane Sutton Surrey SM1 2SW
Principal Address	PO Box 4 High Wycombe Bucks HP14 3YX
Auditors	Jacob Cavenagh & Skeet Chartered Accountants Acorn House, Greenhill Crescent Watford Business Park Watford, Herts WD18 8AH
Principal Bankers	Lloyds Bank plc Church Path Stokenchurch Bucks HP14 3TJ  CAF BANK Limited Kings Hill West Malling Kent ME19 4PY

# **FRONTIERS INTERNATIONAL MINISTRIES LIMITED**

## **DIRECTORS' REPORT**

The directors (who are trustees of the charitable company) present their report and audited financial statements for the year ended 31 December 2003. The financial statements have been prepared in line with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000 and comply with the memorandum and articles of association and applicable law.

### **Legal Status**

The Company is limited by guarantee (company number 3480241), governed by a memorandum and articles of association and does not have any share capital. It is registered by the Charity Commission as charity number 1068356. Legal and administrative details are set out on page 1.

### **Principal Activity**

The Company is principally engaged in the advancement of the Christian religion amongst 'frontier' peoples, that is peoples who have not, in this generation, had opportunity to consider the Christian religion.

Frontiers is an international fellowship of semi-autonomous organisations and teams. It has continued to expand during the year and now has over 800 workers operating in over 120 teams throughout the world. The worldwide organisation is comprised of an international office (located in the UK) and a number of autonomous sending bases in different countries, including the UK. This Company provides international co-ordination and support for the fellowship as a whole (International Office). The sending bases around the world operate independently but with a strong moral commitment to the Frontiers fellowship.

Individual workers raise their own financial support. Such support is frequently handled by the Company or other Sending Bases but may be independently handled in whole or in part. The activities of the Company are dependent on this voluntary help.

### **Operations**

The Company's activities have continued to expand throughout the year in line with the continuing expansion of the international fellowship. The new email network that was referred to in last year's report was implemented during the year 2003.

During the year a fund raiser was appointed in the United States with a view to strengthening the Company's financial support base and providing training and expertise to new and developing sending bases in the worldwide organisation.

The Directors have updated their review of the major risks to which the Company is exposed and confirm that systems and procedures that have been established to mitigate those risks.

# FRONTIERS INTERNATIONAL MINISTRIES LIMITED

## DIRECTORS' REPORT Cont'd

### Reserves Policy

The directors have established a reserves policy whereby unrestricted funds not committed, or invested in fixed assets, and excluding the reserve for property purchase, ('the free reserves') held by the Company should be between 3 and 9 months of the annual unrestricted resources expended. This equates to £130,000 to £390,000 in general funds and takes account of the varied nature of Frontiers operations worldwide. At this level the Directors feel that they would be able to continue the current activities of the Company in the event of a significant drop in sending base allocations and other income.

### Results

The net incoming resources for the year, as shown on page 6, amounted to £40,494 made up of net incoming resources of £75,036 of funds restricted for purposes specified by the donors and net outgoing resources of £34,542 of funds for use at the Company's discretion. The income of the Company arises principally from donations by third parties and from assessments raised on the Sending Bases.

The net assets of the Company, as shown on page 7, amount to £388,114 of which £100,137 are restricted in that they have been donated for specific purposes, and £155,253 have been designated for special purposes.

### Directors

The directors in office during the year are listed below:

L Backues  
S Breslin  
D Brown  
B Eckheart  
D Eitzen  
S Holloway  
J S Liverman  
R Love  
R McCallum  
A Saperstein

### Auditors

Jacob Cavenagh & Skeet offer themselves for re-appointment as auditors in accordance with Section 385(2) of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



R D Love  
Director

8 September 2004

## FRONTIERS INTERNATIONAL MINISTRIES LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (being trustees of the charitable company) are required under company law 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 surplus or deficit of the Company for that period. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make reasonable and prudent judgements and estimates;
- 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 also responsible for:

- Keeping proper accounting records which 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 1985.
- Safeguarding the Company's assets;
- Taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



R D Love  
Director

8 September 2004

**FRONTIERS INTERNATIONAL MINISTRIES LIMITED**  
**REPORT OF THE INDEPENDENT AUDITORS**  
**TO THE MEMBERS OF**  
**FRONTIERS INTERNATIONAL MINISTRIES LIMITED**

We have audited the financial statements for the year ended 31 December 2003 on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the Trustees as a body, in accordance with the section 43 of the Charities Act 1993. Our work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Directors and Auditors**

As described on page 4, the company's directors are responsible for the preparation of the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions within the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

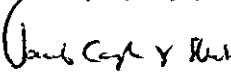
**Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the charitable company at 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Acorn House  
2 Greenhill Crescent  
Watford Business Park  
Watford, Herts  
WD18 8AH

10 September

2004

  
Jacob Cavenagh & Skeet  
Chartered Accountants  
and Registered Auditor

**FRONTIERS INTERNATIONAL MINISTRIES LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 December 2003**

**Income and expenditure account**

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2003</u>	<u>Total</u> <u>2002</u>
		£	£	£	£
<b>Incoming Resources</b>					
Donations, legacies and similar incoming resources		77,805	210,380	288,185	128,256
Activities in furtherance of the charity's objects:					
Sending base allocations		237,360	0	237,360	234,616
International conference		138,387	0	138,387	0
Book and video sales		10,708	0	10,708	3,716
Investment income		3,134	0	3,134	5,146
Other incoming resources		7,121	0	7,121	8,423
		<u>474,515</u>	<u>210,380</u>	<u>684,895</u>	<u>380,157</u>
<b>Resources Expended</b>					
Cost of generating funds:					
Fund raising and publicity		27,819	0	27,819	0
Charitable expenditure:	4				
Grants payable in furtherance of the charity's objects:		2,107	0	2,107	1,916
Costs of activities in furtherance of the charity's objects:					
Counsel and support of members		288,112	135,344	423,456	342,536
International conference		128,496	0	128,496	353
Book and video purchases		7,754	0	7,754	3,621
Management and administration of the charity		54,769	0	54,769	66,798
		<u>509,057</u>	<u>135,344</u>	<u>644,401</u>	<u>415,224</u>
<b>Net income/(expenditure) for the year</b>		(34,542)	75,036	40,494	(35,067)
Balances Brought Forward at 1 January 2003		322,519	25,101	347,620	382,687
<b>Balances Carried Forward at 31 December 2003</b>		<u>287,977</u>	<u>100,137</u>	<u>388,114</u>	<u>347,620</u>

**Total Recognised Gains and Losses**

The Company had no recognised gains or losses other than the net incoming resources for the above two financial years.

The notes on pages 8 to 12 form part of these financial statements.



# FRONTIERS INTERNATIONAL MINISTRIES LIMITED

## BALANCE SHEET At 31 December 2003

		<u>2003</u>	<u>2002</u>
	<u>Note</u>	<u>Total</u>	<u>Total</u>
		£	£
<b>Fixed Assets</b>			
Tangible assets	5	89,497	113,389
<b>Current Assets</b>			
Stocks		4,246	6,431
Debtors	6	132,549	62,953
Cash at bank and in hand		<u>193,976</u>	<u>177,880</u>
		330,771	247,264
<b>Creditors</b>			
Amounts falling due within one year	7	<u>(32,154)</u>	<u>(13,033)</u>
<b>Net Current Assets</b>		<u>298,617</u>	<u>234,231</u>
<b>Net Assets</b>		<u>388,114</u>	<u>347,620</u>
<b>Income Funds</b>			
Restricted funds	8	100,137	25,101
Designated funds	9	155,253	154,048
General charitable funds		<u>132,724</u>	<u>168,471</u>
<b>Total Funds</b>		<u>388,114</u>	<u>347,620</u>

The financial statements on pages 6 to 12 were approved by the Directors on 10 September 2004.

  
R D Love, Director

The notes on pages 8 to 12 form part of these financial statements.

# FRONTIERS INTERNATIONAL MINISTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 1. Accounting Policies

#### **Basis of Accounting**

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention and in accordance with the Statement of Recommended Practice for Charities issued in October 2000 ('The Charities SORP') and include the results of the charity's operations, as indicated in the annual report, all of which are continuing.

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by the Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available for small companies in Sections 246 and 247 of the Companies Act 1985.

#### **Incoming Resources and Fund Accounting**

Income received for a specific restricted purpose as declared by the donor is credited to a separate restricted fund, which is shown in a note to the financial statements. Total incoming resources credited to restricted funds are disclosed in the statement of financial activities, which also shows incoming resources in respect of unrestricted funds.

Unrestricted funds are expendable at the discretion of the Directors in furtherance of the objects of the Company. Designated funds are a type of unrestricted fund, the Directors merely earmarking certain funds for a particular purpose. It is not a legally binding restriction, the Directors being free to redesignate should this be appropriate.

Grants received for a specific purpose are accounted for as restricted funds. They are recognised in the Statement of Financial Activities only when the conditions for receipt have been fulfilled.

Donations received are credited in the statement of financial activities in the year to which they relate.

#### **Resources Expended**

Expenditure is allocated in the statement of financial activities between restricted and unrestricted funds and is further analysed between the costs of the various activities of the charity.

Fund raising and publicity costs are the expenses incurred, including consultancy and direct costs, to raise support for the Company's operations and projects.

Counsel and support of members comprises the expenses incurred in providing counsel and support to teams and individual members overseas.

Management and administration of the charity represents costs incurred attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Certain shared costs are apportioned between 'counsel and support of members' and 'management and administration' on the basis of an estimate, based on staff time, of the amount attributable to each activity.

# FRONTIERS INTERNATIONAL MINISTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 1. Accounting Policies continued

#### Fixed Assets and Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computers & related equipment	3 years
Office equipment	4 or 5 years
Motor vehicles	5 years

Global Resource Computing comprises the development cost of the secure communication system operated by the International Office and Sending Bases world-wide.

#### Operating Leases

Rentals paid under operating leases are charged in the statement of financial activities on a straight-line basis over the period of the lease.

#### Stocks

Stocks comprise books etc. held for resale and are valued at the lower of cost and net realisable value.

#### Foreign Currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are included in management and administration expenses in the statement of financial activities.

#### Funds

General unrestricted funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity. Funds designated for a particular purpose by the trustees are also unrestricted.

Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of the Frontiers International Ministries Limited are restricted income funds which are expendable at the discretion of the trustees in furtherance of some particular aspects of the activities of the company.

### 2. Direct Charitable Expenditure

Direct Charitable Expenditure comprises the expenses incurred in providing counsel and support to teams and individual members overseas.

### 3. Staff Costs

During the year the Company paid salary of £16,500 and incurred social security costs of £1,491 in respect of one employee. Apart from this all of the Company's staffing is on a voluntary basis. The directors received no remuneration during the period. Expenses were reimbursed to three (2002 two) directors in the year amounting to £1,143 (2002 £2,900).

During the year the Company made loans to two directors, R Love and J Liverman. The amounts outstanding at 31 December 2003 (and the maximum amounts during the year) were £1,513 and £713 respectively. These amounts will be repaid in full by 30 September 2004.

# FRONTIERS INTERNATIONAL MINISTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 4. Resources Expended - Unrestricted Funds

	<u>Counsel and support of members</u> £	<u>Management &amp; Administration</u> £	<u>Total 2003</u> £	<u>Total 2002</u> £
Travel & hospitality	75,274	4,536	79,810	74,392
Rent	29,656	13,324	42,980	34,610
Office supplies	11,597	3,474	15,071	26,258
Professional Services	79,173	16,019	95,192	82,751
Telephone and e-mail	9,087	3,294	12,381	12,448
Depreciation	44,762	4,827	49,589	19,033
Auditors' remuneration	0	1,500	1,500	1,500
Other expenses	38,563	7,795	46,358	45,085
	<u>288,112</u>	<u>54,769</u>	<u>342,881</u>	<u>296,077</u>
Book & video purchases			7,754	3,621
International conference			128,496	353
Grants payable			<u>2,107</u>	<u>1,916</u>
			<u>481,238</u>	<u>301,967</u>

The above expenses were all payable out of unrestricted funds.

### 5. Tangible Fixed Assets

	<u>Motor Vehicles</u> £	<u>Global Resource Computing</u> £	<u>Office Furniture &amp; Equipment</u> £	<u>Total</u> £
<b>COST</b>				
At 1 January 2003	2,200	64,679	109,665	176,544
Additions	0	24,045	2,050	26,095
Disposals	0	0	0	0
At 31 December 2003	<u>2,200</u>	<u>88,724</u>	<u>111,715</u>	<u>202,639</u>
<b>DEPRECIATION</b>				
At 1 January 2003	1,540	0	61,615	63,155
Provision for year	440	29,187	20,360	49,987
Disposals			0	0
At 31 December 2003	<u>1,980</u>	<u>29,187</u>	<u>81,975</u>	<u>113,142</u>
<b>NET BOOK VALUE</b>				
At 31 December 2003	<u>220</u>	<u>59,537</u>	<u>29,740</u>	<u>89,497</u>
At 31 December 2002	<u>660</u>	<u>64,679</u>	<u>48,050</u>	<u>113,389</u>

The Tangible Fixed Assets are all unrestricted (see note 11).

The depreciation provision has been charged £398 to restricted funds and £49,589 to unrestricted funds.

# FRONTIERS INTERNATIONAL MINISTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

### 6. Debtors

	<u>2003</u>	<u>2002</u>
	£	£
Amounts falling due within one year		
Sending Bases	100,722	24,470
Sundry debtors	21,223	30,048
Prepayments and accrued income	10,604	8,435
	<u>132,549</u>	<u>62,953</u>

### 7. Creditors

	<u>2003</u>	<u>2002</u>
	£	£
Amounts falling due within one year		
Sending Bases	5,936	3,867
Accruals	26,218	9,166
	<u>32,154</u>	<u>13,033</u>

### 8. Restricted Funds

The income funds of the Company include restricted funds comprising the following unexpended balances of donations held on trusts to be applied for specific purposes:

	<u>At</u>				<u>At</u>
	<u>1 January</u>	<u>Incoming</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 December</u>
	<u>2003</u>	<u>Resources</u>			<u>2003</u>
	£	£	£	£	£
Project and Other Funds	25,101	210,380	(135,344)		100,137

Project Funds comprise gifts received for specific projects that are drawn down for the projects to meet expenditure as the need arises.

Other funds are amounts received for or on behalf of individual workers.

It is Company policy to strengthen the direct links between donor and worker/project wherever possible.

# FRONTIERS INTERNATIONAL MINISTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2003

### 9. Designated Funds

The income funds of the Company include the following designated funds that have been set aside out of unrestricted funds by the Directors for specific purposes:

	<u>At 1</u> <u>January</u> <u>2003</u> £	<u>New</u> <u>Designations</u> £	<u>Utilised/</u> <u>Released</u> £	<u>Transfers</u> £	<u>At</u> <u>31 December</u> <u>2003</u> £
Reserve for Property Purchase	146,800	0	0	0	146,800
Emergency Reserve	4,061	740	(407)	0	4,394
General Discretionary Funds	3,187	12,952	(12,080)	0	4,059
	<u>154,048</u>	<u>13,692</u>	<u>(12,487)</u>	<u>0</u>	<u>155,253</u>

The Reserve for Property Purchase is designated to providing an adequate facility and equipment for operations of the International Office in England.

The Emergency Reserve comprises amounts set aside for emergency situations of teams and individual members. Funds were released during the year as required to meet emergency situations.

### 10. Analysis of Net Assets between Funds

	<u>Restricted</u> <u>Funds</u> £	<u>Designated</u> <u>Funds</u> £	<u>Unrestricted</u> <u>Funds</u> £	<u>Total</u> £
Fund balances at 31 December 2003 are represented by:				
Tangible fixed assets	0	0	89,497	89,497
Current assets	100,137	155,253	75,381	330,771
Current liabilities	0	0	(32,154)	(32,154)
Total Net Assets	<u>100,137</u>	<u>155,253</u>	<u>132,724</u>	<u>388,114</u>

### 11. Called Up Share Capital

The Company is limited by guarantee and does not have an issued share capital. Every 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.

### 13. Contingent Liabilities

The Company had no contingent liabilities at 31 December 2003 or 31 December 2002.

### 14. Capital commitments

The Company had Capital Commitments at 31 December 2003 amounting to £13,128 (2002 - £13,128).

### 15. Lease Commitments

Financial commitments under non-cancellable operating leases in respect of property will result in the following payments becoming due in the year to 31 December 2003:

	<u>2003</u> £	<u>2002</u> £
Leases which expire within 2 - 5 years	<u>45,081</u>	<u>37,271</u>