

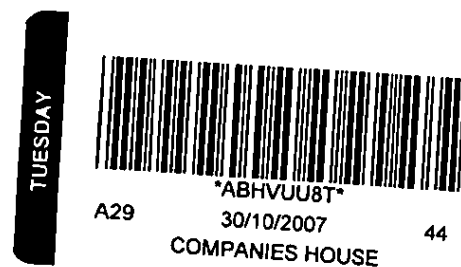
FRONTIERS INTERNATIONAL MINISTRIES LIMITED
(A Company Limited by Guarantee)

Company Registration Number - 3480241

Charity Registration Number - 1068356

FINANCIAL STATEMENTS

For the year ended 31 December 2006



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FRONTIERS INTERNATIONAL MINISTRIES LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

31 December 2006

Date of Incorporation	12 December 1997
Company Registration Number	3480241
Charity Registration Number	1068356
Chairman	A Saperstein
Other Directors	M Brandon C R Chanda P Lai R D Love L Mak T Manning C Reed
Company Secretary	B Eckheart
Chief Executive	R D Love (resigned 19 March 2007) F Leonhardt (appointed 19 March 2007)
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 5 Robin Hood Lane Sutton Surrey SM1 2SW
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 2006. The financial statements have been prepared in accordance with statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice "Accounting & Reporting by Charities (revised 2005)".

Structure, Governance & Management

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. Overall responsibility for the Company is in the hands of the directors. Vacancies are filled and/or additional directors appointed by seeking people with relevant skills and experience. Induction and training are provided on a personal basis as appropriate. The day to day running of the Company is committed to the chief executive. Policy and major financial decisions are made by the directors while the chief executive is responsible for applying these decisions in respect of home staff, overseas members and associated organisations.

Frontiers is an international fellowship of semi-autonomous organisations and teams. It has continued to expand during the year and now has some 800 workers operating in over 160 teams throughout the world. The worldwide organisation is comprised of an international office (located in the UK) and a number of semi-autonomous organisations in different countries, including the UK. This Company provides international co-ordination and support for the fellowship as a whole (International Office). The organisations 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 the other organisations but may be independently handled in whole or in part. The activities of the Company are dependent on this voluntary help.

Objectives and Activities

The Company is engaged in the advancement of the Christian religion amongst those people who have not had opportunity to consider the Christian faith as their religion. Its aims are to see the Christian religion more widely known particularly in people groups that have no current Christian witness among them.

The Company's strategies for achieving these objectives include support for associated organisations and for teams serving overseas and the establishment of associated organisations in additional countries.

The day to day activities of the Company centre on individuals, caring for those working overseas, providing them with help, encouragement and guidance, coordination with other Frontiers organisations and arranging conferences and events.

Achievements and Performance

The year 2006 saw the establishment of 20 teams in new areas and/or countries of operation, maintenance of the number of workers and the establishment of two new associated organisations.

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

DIRECTORS' REPORT Cont'd

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

Financial Review

The net incoming resources for the year, as shown on page 6, amounted to £72,874 made up of net incoming resources of £189,587 of funds restricted for purposes specified by the donors and net outgoing resources of £116,713 of funds for use at the Company's discretion. The income of the Company arises principally from donations by third parties and from allocations by the other organisations

The net assets of the Company, as shown on page 7, amount to £957,099 of which £479,041 are restricted in that they have been donated for specific purposes, and £193,624 have been designated for special purposes

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 £150,000 to £450,000 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 allocations by other organisations and/or other income.

Plans for Future Periods

The Company plans to continue to pursue vigorously its general aim of increasing the numbers serving overseas and, specifically, to effect a smooth transition in 2007 to the new chief executive

Directors

The directors in office during the year are listed below

M Brandon
C R Chanda
P Lai
R D Love
L Mak
T Manning
C Reed
A Saperstein

Auditors

The directors will, in accordance with Section 385(2) of the Companies Act 1985, be discussing a resolution to appoint auditors to the Company for the ensuing year

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

L Mak
Director


2007

29/10/2007

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (being trustees of the charitable company) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

The directors 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 its financial activities 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,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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, and
- Taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors, who held office at the date of approval of the Directors' Report each confirm that

- So far as they were aware, there is no relevant audit information (information required by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- As Directors of the Company, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

On behalf of the Board

L Mak
Director


2007

29/10/2007

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

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

We have audited the financial statements of Frontiers International Ministries Limited for the year ended 31 December 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters which 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 company and the company's members 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 in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the Directors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2006 and of its net incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The information given in the report of the Trustees is consistent with the financial statements.

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW



Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditor

29th OCTOBER 2007

FRONTIERS INTERNATIONAL MINISTRIES LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2006

Income and expenditure account

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2006</u>	<u>Total</u> <u>2005</u>
		£	£	£	£
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	4	408,062	406,744	814,806	1,017,933
Activities in furtherance of the charity's objects	5	29,972	0	29,972	568,162
Investment income (all UK)		17,175	0	17,175	5,254
		<u>455,209</u>	<u>406,744</u>	<u>861,953</u>	<u>1,591,349</u>
Resources Expended					
Cost of generating funds					
Costs of generating voluntary income		14,000	0	14,000	31,088
Chantable Activities					
Counsel and support of members	6	521,809	217,157	738,966	750,529
Grants payable	6	30,596	0	30,596	4,873
International conference	6	669	0	669	425,132
Book and video purchases	6	2,653	0	2,653	21,353
Governance costs	6	2,195	0	2,195	1,800
		<u>571,922</u>	<u>217,157</u>	<u>789,079</u>	<u>1,234,775</u>
Net income for the year		(116,713)	189,587	72,874	356,574
Balances Brought Forward at 1 January 2006		594,771	289,454	884,225	527,651
Balances Carried Forward at 31 December 2006		<u>478,058</u>	<u>479,041</u>	<u>957,099</u>	<u>884,225</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

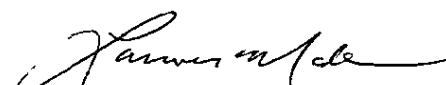
The notes on pages 8 to 12 form part of these financial statements

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

BALANCE SHEET At 31 December 2006

		<u>2006</u>	<u>2005</u>
	<u>Note</u>	<u>Total</u>	<u>Total</u>
		<u>£</u>	<u>£</u>
Fixed Assets			
Tangible assets	7	44,828	21,688
Current Assets			
Stocks		4,383	4,130
Debtors	8	526,268	644,921
Cash at bank and in hand		<u>475,321</u>	<u>257,828</u>
		1,005,972	906,879
Creditors			
Amounts falling due within one year	9	<u>(93,701)</u>	<u>(44,342)</u>
Net Current Assets		<u>912,271</u>	<u>862,537</u>
Net Assets		<u>957,099</u>	<u>884,225</u>
Income Funds			
Restricted funds	10	479,041	289,454
Designated funds	11	193,624	194,675
General charitable funds		<u>284,434</u>	<u>400,096</u>
Total Funds		<u>957,099</u>	<u>884,225</u>

The financial statements on pages 6 to 12 were approved by the Directors on 29/10/2007


L Mak, Director

29/10/2007

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 2006

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 (Revised 2005) 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 and are deferred where the donor has specified that the income is to be expended in a future period

Resources Expended

Resources expended are accounted for on an accruals basis. 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. This category includes costs in support of these charitable objectives that have been determined on the basis of an estimate, based on staff time, of the amount attributable to each activity

Governance costs represent those costs incurred in ensuring that the Company meets its legal and statutory obligations

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

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 related organisations 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 £45,856 (2005 £18,375) and incurred social security costs of £3,985 (2005 £1,630) in respect of three (full time equivalent) employees 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 eight (2005 nine) directors in the year amounting to £46,046 (2005 £12,418)

During the year the Company had one outstanding loan to one director, R Love The amount outstanding at 31 December 2005 was £622 which was also the maximum amount during 2006. This amount was repaid in full by 30 April 2006

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

4. Voluntary Income

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2006</u>	<u>Total</u> <u>2005</u>
	£	£	£	£
Donations	102,382	406,744	509,126	696,990
Sending Base Allocations	305,680	0	305,680	320,943
	<u>408,062</u>	<u>406,744</u>	<u>814,806</u>	<u>1,017,933</u>

5. Incoming Resources from Charitable Activities

International conference	0	0	0	466,277
Book and video sales	4,108	0	4,108	24,155
Other	25,864	0	25,864	77,730
	<u>29,972</u>	<u>0</u>	<u>29,972</u>	<u>568,162</u>

Incoming Resources from Charitable Activities comprises sales of books and income received in connection with events and short term assignments. The primary aim of all such activity carried on by the Company is to raise interest, awareness and understanding of the Company's aims and activities with charges being made to defray costs.

6. Resources Expended - Unrestricted Funds

	<u>Counsel</u> <u>and support</u> <u>of members</u>	<u>Support</u> <u>costs</u>	<u>Governance</u>	<u>Total</u> <u>2006</u>	<u>Total</u> <u>2005</u>
	£	£	£	£	£
Travel & hospitality	176,526	17,398	0	193,924	111,548
Rent	39,493	15,233	0	54,726	47,114
Office supplies	26,765	8,215	0	34,980	18,420
Professional Services	77,909	27,880	0	105,789	78,003
Telephone and e-mail	12,387	3,256	0	15,643	8,854
Depreciation	15,960	5,376	0	21,336	11,173
Auditors' remuneration	0	0	2,195	2,195	1,800
Other expenses	71,336	24,075	0	95,411	34,771
	<u>420,376</u>	<u>101,433</u>	<u>2,195</u>	<u>524,004</u>	<u>311,683</u>
Book & video purchases				2,653	21,353
International conference				669	425,132
Grants payable				30,596	4,873
				<u>557,922</u>	<u>763,041</u>

The above expenses were all payable out of unrestricted funds

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2006

7. Tangible Fixed Assets

	<u>Motor Vehicles</u>	<u>Global Resource Computing</u>	<u>Office Furniture & Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COST				
At 1 January 2006	2,200	88,724	116,808	207,732
Additions	10,779	16,310	19,463	46,552
Disposals	(2,200)	(14,497)	(3,687)	(20,384)
At 31 December 2006	10,779	90,537	132,584	233,900
DEPRECIATION				
At 1 January 2006	2,200	88,336	95,508	186,044
Provision for year	2,068	4,869	16,091	23,028
Disposals	(2,200)	(14,497)	(3,303)	(20,000)
At 31 December 2006	2,068	78,708	108,296	189,072
NET BOOK VALUE				
At 31 December 2006	8,711	11,829	24,288	44,828
At 31 December 2005	0	388	21,300	21,688

The depreciation provision has been charged £1,378 to restricted funds and £21,650 to unrestricted funds of which £21,336 is shown in note 6 and £314 is included in Fund Raising and Publicity

8. Debtors

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year		
Sending Bases	488,166	621,528
Sundry debtors	9,977	10,053
Prepayments and accrued income	28,125	13,340
	<u>526,268</u>	<u>644,921</u>

9. Creditors

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year		
Sending Bases	46,401	10,741
Accruals	47,300	33,601
	<u>93,701</u>	<u>44,342</u>

10. 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 1 January 2006</u>	<u>Incoming Resources</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>At 31 December 2006</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Project and Other Funds	289,454	406,744	(217,157)	0	479,041

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

The transfers to income are for expenses of attending conferences run by the Company

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 2006

11. 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>2006</u> £	<u>New</u> <u>Designations</u> £	<u>Utilised/</u> <u>Released</u> £	<u>Transfers</u> £	<u>At</u> <u>31 December</u> <u>2006</u> £
Reserve for Property Purchase	146,800	0	0	0	146,800
Emergency Reserve	4,394	0	(1,051)	0	3,343
International Conference 2009	35,000	0	0	0	35,000
General Discretionary Funds	8,481	0	0	0	8,481
	<u>194,675</u>	<u>0</u>	<u>(1,051)</u>	<u>0</u>	<u>193,624</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

International Conference 2009 is a designation towards the costs of the next international conference and is the bu of the surplus that arose on the international conference in 2005

12. 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 2006 are represented by				
Tangible fixed assets	0	0	44,828	44,828
Current assets	479,041	193,624	333,307	1,005,972
Current liabilities	0	0	(93,701)	(93,701)
Total Net Assets	<u>479,041</u>	<u>193,624</u>	<u>284,434</u>	<u>957,099</u>

13. 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.

14. Contingent Liabilities

The Company had no contingent liabilities at 31 December 2006 or 31 December 2005.

15. Capital commitments

The Company had capital commitments at 31 December 2006 amounting to £ Nil (2005 £12,789).

16. 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 2007

	<u>2006</u> £	<u>2005</u> £
Leases which expire within 1 year	0	0
Rent & std util lease which expires within 2 to 5 years	<u>61,200</u>	<u>52,425</u>