

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 2001



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For the year ended 31 December 2001

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FRONTIERS INTERNATIONAL MINISTRIES LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

31 December 2001

Date of Incorporation	12 December 1997
Company Registration Number	3480241
Charity Registration Number	1068356
Chairman	B Eckheart
Other Directors	S R Holloway
Company Secretary	B Eckheart
Registered Office	6/8 Tudor Court Brighton Road Sutton Surrey SM2 5AE
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 Cash 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 2001.

Legal Status

The Company was incorporated on 12 December 1997. The Company is limited by guarantee (company number 3480241) and governed by a memorandum and articles of association. It is registered by the Charity Commission as charity number 1068356. As stated in note 11 to the financial statements, the Company is limited by guarantee and does not have any share capital. 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 650 workers operating in over 100 teams throughout the world. The world-wide 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 during the year in line with the continuing expansion of the international fellowship.

The Directors have carried out a review of the major risks to which the Company is exposed and systems and procedures have been established to mitigate those risks.

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 £80,000 to £240,000 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.

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

DIRECTORS' REPORT Cont'd

Results

The net incoming resources for the year, as shown on page 6, amounted to £62,685 made up of £57,109 of funds restricted for purposes specified by the donors and £5,576 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 £382,687 of which £65,984 are restricted in that they have been donated for specific purposes, and £164,229 have been designated for special purposes.

Directors

The directors in office during the year are listed below:

B Eckheart

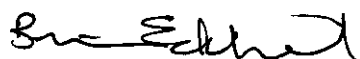
S Holloway

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



B Eckheart
Director

21 October 2002

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.

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 2001 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. 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 Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Directors' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

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 in the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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.

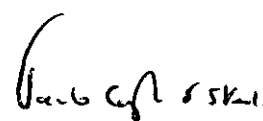
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 charitable company's affairs as at 31 December 2001 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

24 October 2002

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



Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditors

FRONTIERS INTERNATIONAL MINISTRIES LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2001

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2001</u>	<u>Total</u> <u>2000</u>
		£	£	£	£
Incoming Resources					
Sending base allocations		222,577	0	222,577	191,906
Donations		16,087	122,300	138,387	46,587
Investment income		7,678	0	7,678	11,051
Operating activities to further the charity's objectives					
International conference		53,338	10,081	63,419	249,498
Book and video sales		12,008	0	12,008	19,661
Sundry income		13,552	0	13,552	11,379
Total Incoming Resourcees		325,240	132,381	457,621	530,082
Resources Expended					
Cost of generating funds:					
Direct charitable expenditure	2 & 4	220,662	66,000	286,662	186,722
Book and video purchases		9,034	0	9,034	16,963
International conference		41,931	9,272	51,203	304,680
Donations		4,226	0	4,226	3,044
Management and administration	4	43,811	0	43,811	48,148
Total Resources Expended		319,664	75,272	394,936	559,557
Net Income/Expenditure for the year		5,576	57,109	62,685	-29,475
Balances Brought Forward at 1 January 2001		311,127	8,875	320,002	349,477
Balances Carried Forward					
at 31 December 2001		316,703	65,984	382,687	320,002

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 2001

		<u>2001</u>	<u>2000</u>
	<u>Note</u>	<u>Total</u>	<u>Total</u>
		<u>£</u>	<u>£</u>
Fixed Assets			
Tangible assets	5	29,235	27,108
Current Assets			
Stocks		4,867	4,556
Debtors	6	101,497	94,079
Cash at bank and in hand		<u>264,908</u>	<u>212,052</u>
		371,272	310,687
Creditors			
Amounts falling due within one year	7	<u>-17,820</u>	<u>-17,793</u>
Net Current Assets		<u>353,452</u>	<u>292,894</u>
Net Assets		<u><u>382,687</u></u>	<u><u>320,002</u></u>
Income Funds			
Restricted funds	8	65,984	8,875
Designated funds	9	164,229	160,833
General charitable funds		<u>152,474</u>	<u>150,294</u>
Total Funds		<u><u>382,687</u></u>	<u><u>320,002</u></u>

The financial statements on pages 6 to 12 were approved by the Directors on 21 October 2002.



B Eckheart, 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 2001

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 direct charitable expenditure, fundraising and publicity, and management and administration costs.

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	5 years
Motor vehicles	5 years

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

1. Accounting Policies continued

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.

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

All of the Company's staffing is on a voluntary basis. The directors received no remuneration during the period. Expenses were reimbursed to the two (2000 two) directors in the year amounting to £3,694 (2000 £4,771).

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2001

4. Resources Expended - Unrestricted Funds

	<u>Direct Charitable Expenditure</u> £	<u>Management & Administration</u> £	<u>Total 2001</u> £	<u>Total 2000</u> £
Travel & hospitality	68,663	5,329	73,992	54,705
Rent	23,223	10,790	34,013	26,423
Office supplies	25,195	10,947	36,142	11,852
Telephone and e-mail	8,745	3,730	12,475	10,677
Depreciation	13,137	3,838	16,975	12,457
Auditors' remuneration	0	1,400	1,400	1,400
Other expenses	81,699	7,777	89,476	19,753
	<u>220,662</u>	<u>43,811</u>	<u>264,473</u>	<u>137,267</u>
Book & video purchases			9,034	7,871
International conference			41,931	39,772
Donations			4,226	6,987
			<u>319,664</u>	<u>191,897</u>

The above expenses were all payable out of unrestricted funds.

5. Tangible Fixed Assets

	<u>Motor Vehicles</u> £	<u>Office Furniture & Equipment</u> £	<u>Total</u> £
COST			
At 1 January 2001	2,200	80,184	82,384
Additions	0	19,102	19,102
Disposals	0	-6,339	-6,339
At 31 December 2001	<u>2,200</u>	<u>92,947</u>	<u>95,147</u>
DEPRECIATION			
At 1 January 2001	660	54,616	55,276
Provision for year	440	16,535	16,975
Disposals		-6,339	-6,339
At 31 December 2001	<u>1,100</u>	<u>64,812</u>	<u>65,912</u>
NET BOOK VALUE			
At 31 December 2001	<u>1,100</u>	<u>28,135</u>	<u>29,235</u>
At 31 December 2000	<u>1,540</u>	<u>25,568</u>	<u>27,108</u>

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

All the above assets are for the charity's use.

FRONTIERS INTERNATIONAL MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2001

6. Debtors

	<u>2001</u> £	<u>2000</u> £
Amounts falling due within one year		
Sending Bases	93,704	81,303
Sundry debtors	6,693	11,676
Prepayments and accrued income	1,100	1,100
	<u>101,497</u>	<u>94,079</u>

7. Creditors

	<u>2001</u> £	<u>2000</u> £
Amounts falling due within one year		
Sending Bases	2,122	495
Accruals	15,698	17,298
	<u>17,820</u>	<u>17,793</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>1 January</u> <u>2001</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Expenditure</u> £	<u>Transfers</u> £	<u>At</u> <u>31 December</u> <u>2001</u> £
Project and Other Funds	8,875	132,381	(75,272)		65,984

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 2001

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 January 2001</u>	<u>New Designations</u>	<u>Utilised/ Released</u>	<u>Net incoming/ outgoing resources before transfers</u>	<u>Transfers</u>	<u>At 31 December 2001</u>
	£	£	£		£	£
Reserve for Property Purchase	146,800	0	0	0	0	146,800
Emergency Reserve	10,846	8,993	(5,597)	3,396	0	17,638
General Discretionary Funds	3,187	0	0	0	0	3,187
	<u>160,833</u>	<u>8,993</u>	<u>(5,597)</u>	<u>3,396</u>	<u>0</u>	<u>164,229</u>

10. Analysis of Net Assets between Funds

	<u>Restricted Funds</u>	<u>Designated Funds</u>	<u>Unrestricted Funds</u>	<u>Total</u>
	£	£	£	£
Fund balances at 31 December 2001 are represented by:				
Tangible fixed assets	0	0	29,235	29,235
Current assets	65,984	164,229	141,059	371,272
Current liabilities	0	0	(17,820)	(17,820)
Total Net Assets	<u>65,984</u>	<u>164,229</u>	<u>152,474</u>	<u>382,687</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 2001 or 31 December 2000.

14. 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 2001:

	<u>2001</u>	<u>2000</u>
	£	£
Leases which expire within 2 - 5 years	<u>31,197</u>	<u>31,197</u>