

Charity Registration No. 1109814

Company Registration No. 05442834 (England and Wales)

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

**FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

| | | |
|-----------------------------|---|------------------------------|
| Trustees | Dr J Evans (Chair) Mr A C Gillies Mr J Harding Mrs H Watson Ms R Waldron Mr B Ravens | (Appointed 17 November 2019) |
| Charity number | 1109814 | |
| Company number | 05442834 | |
| Principal address | Frontline Centre P O Box 38 Wavertree Liverpool L15 0FH | |
| Independent examiner | Mr P H Taaffe FCA CTA DChA BWM Castle Chambers 43 Castle Street Liverpool L2 9SH | |
| Bankers | CAF Bank PO Box 289 West Malling Kent ME19 4TA Kingdom Bank Limited Ruddington Fields Business Park Mere Way Ruddington Nottingham NG11 6JS | |

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COMPANY LIMITED BY GUARANTEE
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**FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees present their report and financial statements for the year ended 31 August 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Frontline Trust is a registered charity originally constituted under a Declaration of Trust dated 9 June 1992. In May 2005 Frontline Trust was incorporated as a Private Company Limited by Guarantee, which is also a Registered Charity. The new company took over all assets, liabilities and activities of the former Trust on 1 September 2005.

An introduction to Frontline Church:

Our vision statement is 'transformed by grace'. This vision speaks of our desire to be a transforming influence throughout the Liverpool City Region and also highlights that this transformation can only be achieved by God's grace – by offering the life transforming power of a relationship with Jesus to the people around us. Within this vision is the recognition that each person that we meet is an individual, made in the image of God, with their own life journey. We believe that the good news about Jesus represents good news for all – accordingly, our priority is to welcome, accept and offer support to people wherever we can, irrespective of race, gender, sexual orientation, religious background or other irrelevant factors. We aspire to God's standards of purity and holiness and teach these accordingly, whilst also recognising that no one is perfect and Jesus died that our sins might be forgiven.

Frontline Church was founded in 1992 by the merging of two small congregations. Since then it has grown from about 60 members into a community of around 850 men, women and children. It is a church with a big heart and big vision. The primary administration base is located at Frontline Centre, 147 Lawrence Road, Wavertree, Liverpool, L15 3HA, in what was previously a Territorial Army barracks and a Post Office engineering centre. This has been Frontline's base since 1996 and the facilities have served us well over the years.

It has always been our desire to have a transforming influence in the whole of the Liverpool City Region and, in direct response to this vision, we have been developing a strategy of planting new churches in areas where we are working. The first of these new church plants was launched in September 2017 on the Wirral. Other church plants have been launched in the Old Swan area of Liverpool and in Chalkida, a Greek city where we have people serving. As well as a Sunday gathering, these new churches will be built on smaller Missional Communities with each group looking for opportunities to connect with and serve the local community they are part of.

As well as focusing on our own localities, we work with other churches and agencies across Liverpool and beyond. Our longing is to be a transforming community within our own region and a model of what can be achieved in other parts of the UK and overseas.

Objectives and activities:

The objects of Frontline Trust are:

- To advance the Christian Faith
- To relieve poverty, hardship, sickness and distress
- To advance education and promote learning and training
- To provide and maintain facilities for the benefit of the community

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

**FRONTLINE TRUST
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FOR THE YEAR ENDED 31 AUGUST 2019**

Objectives reflecting the stated aims above are translated into our core activities, as outlined below.

- **To advance the Christian faith**

Our mission is to build a vibrant church of wholehearted Christ followers who are committed to unlimited growth and influence. We have a congregation of around 850 adults and children within the church community who share this vision and purpose. Frontline has a deep-rooted mentoring ethos and we are committed to empowering our members to reach their full potential and to demonstrate their Christian values in everyday life.

Through a wide range of activities, including Christian outreach, worship, prayer, Holy Spirit ministry, teaching and personal discipleship, we see men, women and children being given a new sense of their value as human beings who are loved by God. Their lives take on a new sense of purpose as they are motivated to seek and pursue their unique destiny, strengthened and transformed through a personal relationship with Jesus and by being part of a community of believers who share a common faith and vision.

- **To relieve poverty, hardship, sickness and distress**

Over recent years our primary activity to relieve poverty, hardship, sickness and distress has been to invest heavily in the work of Imagine If Trust. We continue to do this through providing grant funding, management services and support facilities to Imagine If Trust.

Imagine If Trust runs a variety of projects including:

- Foodbank – providing food parcels for those in food poverty.
- Streetwise – working with street sex workers.
- Sticky Fingers Playgroup – a carer and toddler group.
- Bab-Ftah – combating isolation among Muslim women.
- Get Real – providing relationship and sex education.
- Love Congo – providing skills and resources to the war torn Democratic Republic of Congo (DRC).
- Sticky Fingers Nursery – a day nursery offering places to local children aged 2-4.
- Genesis Housing – offering supported living to those who were previously homeless.
- L15 Food Hub – providing low cost food to those on a restricted budget.
- Linking Lives – providing one to one friendship and support to older people
- Christmas Meal – providing a meal for around 250 homeless or isolated people on Christmas day

In addition to the support we provide to Imagine If Trust, we are also developing church programmes that make a contribution towards meeting this objective. These include:

- Forever Young – a weekly group combating isolation among older people
- Celebrate Recovery – a Christ centred programme to support those looking to overcome life controlling hurts, habits or hang-ups

- **To advance education and promote learning and training**

Lifelong learning is an implicit part of the Frontline ethos, and this is reflected in the mentoring system within the church and through our Sunday teachings, which are relevant to people's daily lives.

Our youth workers carry out assemblies and deliver lessons in schools, helping to meet the Religious Education curriculum requirements.

In addition, several of the projects run by Imagine If Trust promote learning or deliver training programmes.

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COMPANY LIMITED BY GUARANTEE
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FOR THE YEAR ENDED 31 AUGUST 2019**

- **To provide and maintain facilities for the benefit of the community**

Since purchasing our current building, we have always sought to utilise the facilities in furtherance of our objectives and for the benefit of the community. Around 500 people visit our Wavertree facility for a service each Sunday. In addition over 300 carers and children use the building during the week through the Sticky Fingers project, whilst the Foodbank sessions, held twice a week, see around 50 people who are provided with refreshments and warmth while their food parcel is being prepared.

We also provide facilities for community training courses and make facilities available to other agencies and community groups, such as providing rooms for a local residents' forum.

Other community activities that are hosted in the Frontline Centre include children's cheerleading classes, music rehearsals, food storage, birthday parties, events promoting fostering and adoption, and family fun days.

Our partners:

We would like to offer our thanks to all the organisations and individuals who have supported us in our work this year, including all of our church members, volunteers, donors and sponsors. Everything Frontline has achieved this year has been reliant on your valuable contributions, in all their various forms. Thank you!

Achievements and performance

In 2018/19 we have continued to press forward with our objectives of both promoting the Christian Faith and working to invest in the welfare of the city & region, to develop community, relieve poverty and help in times of distress.

Church:

The main focus of the year was continuing development and implementation of a strategy for planting multiple new churches across the Liverpool City Region and further afield. The first of these new church plants was launched in September 2017 on the Wirral. Subsequent church plants have been in the Old Swan area of the city and also in Chalkida, a city in Greece where we have been invited to support a team of church planters. During the year we also undertook preparatory work to start new church expressions in Toxteth and the City Centre – both of which will be established in 2019/20.

As part of our desire to serve different ethnicities in the city, we have been increasingly supporting a small Polish speaking church. This includes provision of facilities, leadership mentoring and some financial investment.

As well as providing an opportunity for people to meet others in the church and worship together, the larger services in Wavertree provide a key opportunity for people to grow and develop in their thinking and understanding of the Christian faith. Additionally these services are an opportunity for those who are developing new skills to be trained and mentored in areas such as team leadership, preaching, worship leading, etc.

Throughout the year the church has continued to develop our Missional Communities and we now have 24 separate mid-week groups with over 300 people participating in them. These diverse groups are organised by geography, life stage or particular interests and run a variety of activities in the local community, as well as supporting people in their faith. Having made the transition to this new structure a few years ago, we are pleased with the way this is increasingly being adopted by church members.

In line with our object of advancing the Christian faith, these community groups encourage members to look for ways to communicate their faith to others, both in their daily lives and also when the groups meet.

Liverpool has a large student population and Frontline Church has a long history of seeking to connect with and serve those coming to the city to study. Many of the key church leaders today were themselves first introduced to Frontline when they came to Liverpool as students. We have a number of Missional Communities that are geared specifically towards supporting and discipling students and through these students reaching out to the wider student population. At this point we have around 40 students who are part of the Frontline family representing four different universities.

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FOR THE YEAR ENDED 31 AUGUST 2019**

We have continued to develop our partnership with Kairos Connexions (Kx). This is a network of churches in the UK and further afield who carry similar core vision and values and are looking to develop Missional Communities as a central aspect of their strategy for growth. We believe the wider connection with Kx churches brings strength to Frontline, particularly through the opportunity to participate in learning communities, share best practice and access respected teachers, as well as offering the opportunity for us to support and encourage other churches in the UK.

Projects and ministries:

Our Christian ethos is the motivation for investing into and supporting people regardless of religion, gender, sexual orientation or race. Our objects speak of our priority to see the transformation of people and places by the practical impact of our Christian faith.

In pursuit of this, in 2012 we supported the establishment of a new independent charity, Imagine If Trust, to act as an umbrella organisation for the development of social transformation projects. Imagine If Trust has a separate board of trustees and is free to develop in pursuit of its own priorities. Frontline, however, continues to be a major supporter. During the year ended 31st August 2019 Frontline Trust made grants of £43,350 to Imagine If Trust (2018: £51,300) and supported over 75 church members to give their skills and time by volunteering for Imagine If Trust projects.

As well as supporting Imagine If Trust projects, Frontline is developing other initiatives that meet the objective of seeing transformation in the people and places around us. Our 'Forever Young' initiative, provides opportunities for friendship and support to the older members of the community. Meeting weekly, these sessions provide social interaction, fun, support and a sense of belonging to the members of the group. This initiative is now well established with a growing reputation in the local community. It has a dedicated team who serve an increasing number of older members of our community.

Over the last seven years we have partnered with Imagine If Trust to host a Christmas lunch for those who are homeless or isolated. The team of over 30 volunteers provide great food, fun and a Christmas film to a growing number of guests. Last Christmas we provided around 250 Christmas lunches - our thanks to the various partners for the enormous generosity that enables this event to happen.

During the last year we have been running a new project – Celebrate Recovery (CR). CR is a Christ centred programme to help those who want to overcome life controlling hurts, habits or hang-ups. After a period of training, the programme was launched in January 2019 and has been very beneficial to the participants.

Overseas:

Part of our core values is to see the same transformation in other nations that we are working towards in Liverpool. Most obviously this expresses itself in us sending people and giving financially to invest in various situations around the world. This year a number of our overseas workers were able to visit Frontline while on summer breaks and it was a great opportunity to profile their work to church members, to encourage the church to support them and even consider spending some time overseas themselves.

During the year ended 31st August 2019, we supported 24 people who are working in seven different countries (2018: 24 people working in seven countries). While each overseas worker has different opportunities, they all look to bring transformation to the people and places with whom and in which they are living. Some do this primarily through engaging with those in the workplace and others are more publicly hosting meetings and planting churches. We count it as a privilege to have connection with men and women who want to invest their lives in this way.

As part of our vision to support the work in other nations, we send out short term teams to work alongside our overseas workers. These teams typically visit for one to two weeks and get involved in whatever the local situation requires. This may be focussed on prayer and relationship building, helping to run a conference, support through practical service, or helping with outreach and church planting. During the year 43 people were involved in the teams we sent out (2018: 52 people).

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Volunteering:

The best way to feel part of a large church is to get involved through volunteering. At Frontline we seek to offer relevant and fulfilling opportunities to our members to volunteer in pursuit of our vision to see our city 'transformed by grace'.

During the year over 250 members of Frontline volunteered in over 400 different roles (broadly the same as in the previous year). These include leading Missional Communities, stewarding in services, assisting with Kids Zone, providing hospitality, and many, many more. Through these practical acts of service Frontline members get to contribute their gifts and also get the benefits of playing their part in a team.

Governance:

During the year the Board of Trustees have sought to ensure that there is representation from and growing connection with the different areas of the Frontline family. Additionally, we have one trustee from outside the local church who brings a specific skill, experience and perspective to the board.

Financial review

Overall the picture is one of the organisation functioning under constrained financial circumstances primarily due to the difficult economic climate in our city and the country more generally.

Our core income, which largely derives from individual donations, has fallen slightly over the year to £732,680 (2018: £739,583). We have generally managed to keep spending within budgetary limits, resulting in a small deficit for the year of £746 (2018: deficit of £38,906)

The trustees have produced a balanced budget for the current year 2019/20 with conservative income expectations. This should result in a small surplus at the end of the current financial year.

Looking ahead into 2020 and beyond, whilst the vast majority of our income comes from voluntary donations, the trustees continue to be confident in the organisation's ability to finance high quality activities and services which will enable us to achieve our primary objectives.

Investment policy

There are no restrictions on the investment powers of the trustees.
Our liquid funds are currently held in various bank savings accounts.

Reserves policy

Our reserves policy reflects our desire to maintain a liquid reserve to draw on in the event of any reduction in our donated income stream, to provide a measure of protection to our ability to deliver our core objectives. We continue to aim to have a fund of free and liquid reserves equivalent to at least £30,000.

The Trust's balance sheet is strong and well financed, but because the majority of funds are represented by fixed assets, managing the day-to-day cash flow is more challenging. Operational (free) reserves at the year-end stand at £48,518 (2018: £30,046) and are in line with the target for free reserves.

Designated funds

From time to time, we decide to set aside certain funds to allow for the development of a new project or to facilitate our desire to support external agencies or individuals, whether in the UK or abroad, whose work contributes to our overarching purposes.

The funds that were designated during 2018/19 include our:

- TOT Fund (Tithe of Tax Rebates), which is created by an allocation from our core tax refund income. The TOT Fund enables us to make both regular and occasional gifts and grants to people or organisations whose work we wish to encourage and support.
- Kairos Connexion and Emmaus are both funds that have been set aside to serve churches in the region, nation and overseas, who are pursuing similar objectives to us.
- Mission Fund is finances set aside to support those engaged in the mission of the church – primarily in other nations or to those from other nations who are now living in our region.

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FOR THE YEAR ENDED 31 AUGUST 2019**

Risk policy

The trustees have identified the following main risks to our organisation and responses to these risks are outlined below.

Health and Safety

A Health and Safety policy has been written and signed by the chairman of the board of trustees. Work has been carried out on risk assessments including an assessment of fire safety and asbestos. A staff member and a trustee have been identified as having specific responsibilities for health and safety and the former has completed their NEBOSH training. Health and Safety induction and training is provided for all staff and volunteers as appropriate.

External Risks

One of our potential risks is adverse publicity in an increasingly secular society that can be critical of Christian values. Since we are an independent organisation, our membership of the Evangelical Alliance and Together for the Harvest, both organisations focussed on the development of church co-working, along with close relationships with churches of various denominations all contribute to building our credibility. Our presence in the community also minimises this risk as we work tangibly and visibly to serve the community's needs

Child Protection & Vulnerable Adults

A Child Protection and Vulnerable Adults Policy is in place. The Trustees take very seriously their responsibility to protect and safeguard the welfare of children, young people and vulnerable adults entrusted to Frontline's care. All staff and volunteers (not just those who have access to children, young people and vulnerable adults) are briefed on their responsibilities and are made fully aware of the organisation's child protection and vulnerable adults policy and procedures. Any of our staff and volunteers involved in activities where they may have contact with children, young people or vulnerable adults are required to undergo DBS checks. A Safeguarding Team has been appointed and meets regularly to ensure that the policy is being implemented and to ensure that the policy remains both effective and up to date.

Financial Risks

Guidelines are issued to all staff on proper cash handling procedures and are updated at least once a year. Instructions are issued to avoid making purchases in cash unless it is unavoidable. Internal departmental procedures have been standardised. Departmental records and central accounts are monitored regularly and all departmental budget holders receive monthly budget performance reports.

The trustees have reviewed and updated the policies in relation to bribery and money laundering and have provided these to all staff along with training in identifying potential areas of risk and how to manage these.

The trustees have updated policies in line with the new GDPR legislation and during the year provided all staff with training in relation to their responsibilities regarding the management and use of personal data.

We receive regular guidance on financial risks from our accountant, the Charity Commission, HMRC and various third sector agencies. This keeps us up to date with newer areas of risk. Our accountant also advises us of any specific areas of weakness that may be identified during the annual independent examination, so that we can take immediate steps to correct or protect against them.

**FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2019**

Future aims

The various leadership teams have continued to focus on our core vision and values. The year ahead will see a major initiative to communicate the distinctive values of the church with growing confidence and clarity. This will build well on previous work done in this area and will continue to enable us to work out our key objectives. These are:

Vision

"Transformed by grace."

Values

Our 4 core values:

- Authentic Devotion
- Extended Family
- Confident Witness
- Kingdom Impact

These values increasingly shape the decisions we make and underpin how we outwork our objectives.

Structures

The main structures we have identified for achieving our vision and expressing our values are:

- Missional Communities
- Church Plants / Missional Hubs (gatherings of Missional Communities up to about 100 people)
- Sunday services
- Outreach projects

Structure, governance and management

The Trustee Team engages with, and delegates to, a Wider Leadership Team to implement the direction and vision of the charity. In addition to the Trustee Team, the Wider Leadership Team includes three other groups. The Executive Team (ET) is a group of 4 leaders who run the church on a day to day basis. The Senior Leadership Team (SLT) is made up of ET plus 4 other leaders, who help set the overall direction and priorities of the church. The Advisory Team comprises a group of key advisors to the Senior Pastor and who contribute to the wider vision of what we are doing and where we are going. The Trustee Team oversee the legal and financial responsibilities of the Trust, and have the overall legal responsibility for the charity. All four groups meet regularly, both separately and together.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr J Evans (Chair)

Mr A C Gillies

Mr J Harding

Mrs J Mariner

(Resigned 17 November 2019)

Mr H Watson

Mr C Allen

(Resigned 30 September 2018)

Ms R Waldron

Mr B Ravens

(Appointed 17 November 2019)

**FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2019**

Executive Team

John Harding (Senior Pastor), John Gibson (CEO / Services Pastor), Jack Mariner (Missional Communities Pastor), Hebe Ambler (PA to Senior Pastor)

Senior Leadership Team

The Executive Team plus Kerry Connolly (Pastoral Care), James Sloan (Community Projects), Anna Evans (Prophetic), Chris Kent (Youth and Missions Pastor).

Advisory Team

Al Marshall, Sharon Edmundson, Matt Edmundson, Tom Baskerville, Liddy Baskerville, John Sloan, Myra Sloan, Kate Eaglestone.

The remuneration of the key management personnel is reviewed each year by the Chair and Finance trustees. Any recommendations for adjustment are included in the annual budgets and as such approved by the full board of trustees. The trust does not use any external pay scales in deciding the remuneration of the key management personnel.

Method of appointment of trustees:

Vacancies are filled from applicants responding to either open advertisements to the church congregation or to personal invitations proffered to individuals with particular skills matching current needs. Applicants receive a comprehensive information pack including the most recent annual reports and standard Charity Commission Publications and documents on the Governance responsibilities of trustees.

Appointments follow an interview with the Chair and at least one other board member.

No other person or body is involved and no individual has the power of appointment.

Induction and training of new trustees:

Relevant training and induction is offered to new trustees in line with their experience and knowledge of the workings of Frontline Trust and the wider responsibilities of a trustee. New trustees are generally invited to attend one or two board meetings as an 'observer' prior to a final decision to appoint.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of trustees

Dr J Evans (Chair)

Trustee

Dated: 3 April 2020

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees, who are also the directors of Frontline Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF FRONTLINE TRUST**

I report to the charity trustees on my examination of the accounts of Frontline Trust for the year ended 31 August 2019.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees of Frontline Trust (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peter Taaffe FCA CTA DChA

BWM

Chartered Accountants

Castle Chambers

43 Castle Street

Liverpool

L2 9SH

Dated: 11 April 2020

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019

Current financial year

| | | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ | Total 2018 £ |
|--|--------------|--|--|-----------------------------|-----------------------------|
| | Notes | | | | |
| <u>Income from</u> | | | | | |
| Donations and legacies | 3 | 635,426 | 5,000 | 640,426 | 637,488 |
| Charitable activities | 4 | 90,859 | - | 90,859 | 100,756 |
| Investments | 5 | 84 | - | 84 | 25 |
| Other income | 6 | 1,311 | - | 1,311 | 1,314 |
| Total income | | <u>727,680</u> | <u>5,000</u> | <u>732,680</u> | <u>739,583</u> |
| <u>Expenditure on:</u> | | | | | |
| Charitable activities | 7 | <u>730,602</u> | <u>2,824</u> | <u>733,426</u> | <u>778,489</u> |
| Total expenditure | | <u>730,602</u> | <u>2,824</u> | <u>733,426</u> | <u>778,489</u> |
| Net movement in funds | | (2,922) | 2,176 | (746) | (38,906) |
| Reconciliation of funds | | | | | |
| Fund balances at 1 September 2018 | | <u>500,708</u> | <u>1,549</u> | <u>502,257</u> | <u>541,163</u> |
| Fund balances at 31 August 2019 | | <u><u>497,786</u></u> | <u><u>3,725</u></u> | <u><u>501,511</u></u> | <u><u>502,257</u></u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019

Prior financial year

| | | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total 2018 £ |
|--|-------|------------------------------------|----------------------------------|-----------------------|
| | Notes | | | |
| <u>Income from</u> | | | | |
| Donations and legacies | 3 | 637,488 | - | 637,488 |
| Charitable activities | 4 | 100,756 | - | 100,756 |
| Investments | 5 | 25 | - | 25 |
| Other income | 6 | 1,314 | - | 1,314 |
| Total income | | <u>739,583</u> | <u>-</u> | <u>739,583</u> |
| <u>Expenditure on:</u> | | | | |
| Charitable activities | 7 | 771,991 | 6,498 | 778,489 |
| Total expenditure | | <u>771,991</u> | <u>6,498</u> | <u>778,489</u> |
| Net movement in funds | | (32,408) | (6,498) | (38,906) |
| Reconciliation of funds | | | | |
| Fund balances at 1 September 2017 | | <u>533,116</u> | <u>8,047</u> | <u>541,163</u> |
| Fund balances at 31 August 2018 | | <u><u>500,708</u></u> | <u><u>1,549</u></u> | <u><u>502,257</u></u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The movement in funds detailed above complies with the requirements for a statement of changes in equity under FRS102.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 AUGUST 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|--|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 449,266 | | 465,483 | |
| Investments | 13 | 2 | | 2 | |
| | | <u>449,268</u> | | <u>465,485</u> | |
| Current assets | | | | | |
| Debtors | 15 | 17,084 | | 18,121 | |
| Cash at bank and in hand | | 41,736 | | 26,778 | |
| | | <u>58,820</u> | | <u>44,899</u> | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 17 | (6,577) | | (8,127) | |
| Net current assets | | | 52,243 | | 36,772 |
| Total net assets | | | <u>501,511</u> | | <u>502,257</u> |
| The funds of the charity | | | | | |
| Restricted funds | 19 | | 3,725 | | 1,549 |
| <u>Unrestricted funds</u> | | | | | |
| Other designated funds | 20 | - | | 5,177 | |
| Other charitable funds | | | | | |
| Funds represented by fixed assets | | 449,268 | | 465,485 | |
| Free reserves | | 48,518 | | 30,046 | |
| General unrestricted funds | | <u>497,786</u> | | <u>495,531</u> | |
| Total unrestricted funds | | | 497,786 | | 500,708 |
| Total charity funds | | | <u>501,511</u> | | <u>502,257</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

**FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET (CONTINUED)**

AS AT 31 AUGUST 2019

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 3 April 2020

Dr J Evans (Chair)

Trustee

Company Registration No. 05442834

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

| | | 2019 | | 2018 | |
|---|-------|---------|---------|---------|----------|
| | Notes | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| <i>Net cash used in operating activities</i> | 23 | | 15,973 | | (14,260) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (1,099) | | (8,970) | |
| Interest received | | 84 | | 26 | |
| Net cash used in investing activities | | | (1,015) | | (8,944) |
| Net increase/(decrease) in cash and cash equivalents | | | 14,959 | | (23,204) |
| Cash and cash equivalents at beginning of year | | | 26,778 | | 49,983 |
| Cash and cash equivalents at end of year | | | 41,736 | | 26,778 |

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Charity information

Frontline Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Frontline Centre, P O Box 38, Wavertree, Liverpool, L15 0FH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Funds held by the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Capital grants receivable are treated as restricted income until they are expended. Thereafter they are treated as designated funds, provided the restriction has been discharged, and then released to general funds over the life of the related asset. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Voluntary income including donations and gifts are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

On occasions where the charity received assistance in the form of donated goods and facilities, and the benefit is quantifiable and material, an appropriate amount is included in income and an equivalent amount as expenditure under the relevant heading. The value of services provided by volunteers has not been included in these accounts.

Income from donated services and facilities is included at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expenses to which it relates as this cannot be recovered by the charitable company.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs

This category includes those costs associated with meeting the constitutional and statutory requirements of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost or deemed cost for land and buildings on transition to FRS 102, net of depreciation and any impairment losses. All assets costing more than £1,000 are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|--|
| Land and buildings | 2% p.a. on a straight line basis |
| Fixtures, fittings & equipment | 33%p.a. on a straight line basis (computers) and 20% p.a. on a reducing balance basis (fixtures, fittings and equipment) |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies **(Continued)**

1.7 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The wholly-owned trading subsidiary, Frontline Trading (UK) Limited is incorporated in the United Kingdom. The company ceased trading on 1 September 2013.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and only measured at amortised cost using the effective interest method if payable in more than one year.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company makes contributions into employees' private pension plans. The contributions are charged as expenditure in the year in which they are paid.

1.13 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on qualifying income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds general 2019 £ | Restricted funds 2019 £ | Total 2019 £ | Unrestricted funds general 2018 £ |
|---------------------|---|----------------------------------|--------------------|---|
| Donations and gifts | 635,426 | 5,000 | 640,426 | 637,488 |

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

4 Charitable activities

| | Unrestricted funds general Church 2019 £ | Unrestricted funds general Church 2018 £ |
|-----------------------------------|---|---|
| Income from charitable activities | 17,610 | 23,077 |
| Performance related grants | - | 700 |
| Other income | 73,249 | 76,979 |
| | <u>90,859</u> | <u>100,756</u> |

5 Investments

| | Unrestricted funds general 2019 £ | Unrestricted funds general 2018 £ |
|---------------------|--|--|
| Interest receivable | 84 | 25 |
| | <u>84</u> | <u>25</u> |

6 Other income

| | Unrestricted funds general 2019 £ | Unrestricted funds general 2018 £ |
|--------------|--|--|
| Other income | 1,311 | 1,314 |
| | <u>1,311</u> | <u>1,314</u> |

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities

| | Church 2019 £ | Church 2018 £ |
|--|------------------------------|------------------------------|
| Staff costs | 439,492 | 475,449 |
| Depreciation and impairment | 17,316 | 18,996 |
| Premises expenses | 43,554 | 42,625 |
| Repairs and renewals | 10,138 | 4,318 |
| Motor and travel | 6,969 | 11,099 |
| Legal and professional | 11,313 | 8,262 |
| Self employed workers | 13,081 | 17,307 |
| Course and conference expenses | 13,999 | 14,858 |
| IT costs | 24,657 | 26,059 |
| Office expenses | 23,408 | 29,885 |
| Food, drink and other purchases | 27,294 | 26,696 |
| Sundry expenses | 13,763 | 10,523 |
| | <u>644,984</u> | <u>686,077</u> |
| Grant funding of activities (see note 8) | 83,378 | 87,288 |
| Share of governance costs (see note 9) | 5,064 | 5,124 |
| | <u>733,426</u> | <u>778,489</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 730,602 | 771,991 |
| Restricted funds | 2,824 | 6,498 |
| | <u>733,426</u> | <u>778,489</u> |

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

8 Grants payable

| | 2019 £ | 2018 £ |
|---------------------------|----------------------|----------------------|
| Church | | |
| Grants to institutions: | | |
| Imagine If Trust | 43,350 | 51,300 |
| Tear Fund | 3,600 | - |
| Together for the Harvest | 3,600 | 3,600 |
| Fusion | 500 | - |
| The Bridge Trust | 2,500 | 500 |
| Kairos Connexions | 3,000 | 4,000 |
| Elptithah | 2,000 | - |
| Iris Ministry | 3,976 | - |
| | <u>58,926</u> | <u>59,400</u> |
| Grants to individuals | <u>24,452</u> | <u>27,888</u> |
| | <u><u>83,378</u></u> | <u><u>87,288</u></u> |

9 Support costs

| | Support costs £ | Governance costs £ | 2019 £ | Support costs £ | Governance costs £ | 2018 £ |
|------------------------------|--------------------|--------------------------|--------------|--------------------|--------------------------|--------------|
| Independent examination fees | - | 1,750 | 1,750 | - | 1,750 | 1,750 |
| Accountancy fees | - | 3,314 | 3,314 | - | 3,374 | 3,374 |
| | <u>-</u> | <u>5,064</u> | <u>5,064</u> | <u>-</u> | <u>5,124</u> | <u>5,124</u> |
| Analysed between | | | | | | |
| Charitable activities | - | 5,064 | 5,064 | - | 5,124 | 5,124 |
| | <u>-</u> | <u>5,064</u> | <u>5,064</u> | <u>-</u> | <u>5,124</u> | <u>5,124</u> |

Support and governance costs are recharged to church activities.

Governance costs includes payments to the independent examiner of £1,750 for independent examination fees (2018- £1,750) and payments to the independent examiner for accountancy services of £3,314 (2018- £3,374).

10 Trustees

One trustee was reimbursed travel expenses of £25 during the year (2018- one trustee was reimbursed travel expenses of £146).

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2019 | 2018 |
|------------|-------------------|-------------------|
| | Number | Number |
| Charitable | 20 | 24 |
| | <u> </u> | <u> </u> |

Employment costs

| | 2019 | 2018 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 391,824 | 425,229 |
| Social security costs | 29,417 | 31,083 |
| Other pension costs | 18,251 | 19,137 |
| | <u> </u> | <u> </u> |
| | 439,492 | 475,449 |
| | <u> </u> | <u> </u> |

Included in wages and salaries are redundancy and ex-gratia payments totalling £12,000 (2018: £1,876).

There were no employees whose annual remuneration was £60,000 or more.

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

| | Land and buildings £ | Fixtures, fittings & equipment £ | Total £ |
|----------------------------------|----------------------------|---|------------|
| Cost | | | |
| At 1 September 2018 | 475,000 | 300,408 | 775,408 |
| Additions | - | 1,099 | 1,099 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2019 | 475,000 | 301,507 | 776,507 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 September 2018 | 47,500 | 262,425 | 309,925 |
| Depreciation charged in the year | 9,500 | 7,816 | 17,316 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2019 | 57,000 | 270,241 | 327,241 |
| | <hr/> | <hr/> | <hr/> |
| Carrying amount | | | |
| At 31 August 2019 | 418,000 | 31,266 | 449,266 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2018 | 427,500 | 37,983 | 465,483 |
| | <hr/> | <hr/> | <hr/> |

The assets are all used for direct charitable purposes.

13 Fixed asset investments

| | Other investments |
|--|----------------------|
| Cost | |
| At 1 September 2018 and 31 August 2019 | 2 |
| | <hr/> |
| Carrying amount | |
| At 31 August 2019 | 2 |
| | <hr/> |
| At 31 August 2018 | 2 |
| | <hr/> |

| | Notes | 2019 £ | 2018 £ |
|-----------------------------|-------|-----------|-----------|
| Other investments comprise: | | | |
| Investments in subsidiaries | 14 | 2 | 2 |
| | | <hr/> | <hr/> |

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

14 Subsidiaries

Details of the charity's subsidiaries at 31 August 2019 are as follows:

| Name of undertaking and country of incorporation or residency | Nature of business | Class of shareholding | % Held | |
|---|--------------------|-----------------------|--------|----------|
| | | | Direct | Indirect |
| Frontline Trading (UK) Limited England and Wales | Dormant | Ordinary | 100.00 | - |

The aggregate capital and reserves for the year of subsidiaries excluded from consolidation was as follows:

| Name of undertaking | Capital and Reserves £ |
|--------------------------------|---------------------------|
| Frontline Trading (UK) Limited | 2 |

15 Debtors

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 17,084 | 18,121 |

16 Financial instruments

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at cost | 42,025 | 28,433 |
| Equity instruments measured at cost | 2 | 2 |
| Carrying amount of financial liabilities | | |
| Measured at cost | 6,577 | 8,127 |

17 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|-----------------|-----------|-----------|
| Other creditors | 2,078 | 3,626 |
| Accruals | 4,499 | 4,501 |

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £18,251 (2018 £19,137)

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | | |
|-------------------|------------------------|------------------|-------------------|------------------|----------------|----------------|
| | Balance at Expenditure | | Balance at Income | | Expenditure | |
| | 1 September 2017 | 1 September 2018 | 1 September 2018 | 1 September 2018 | 31 August 2019 | 31 August 2019 |
| | £ | £ | £ | £ | £ | £ |
| Emmaus | - | - | - | 5,000 | (1,612) | 3,388 |
| Mighty Men | 3,280 | (1,816) | 1,464 | - | (1,212) | 252 |
| Emergency appeals | 4,000 | (4,000) | - | - | - | - |
| Other funds | 767 | (682) | 85 | - | - | 85 |
| | <u>8,047</u> | <u>(6,498)</u> | <u>1,549</u> | <u>5,000</u> | <u>(2,824)</u> | <u>3,725</u> |

Mighty Men is a project working with young people at risk of becoming involved in crime.

Emmaus consists of funds to support the work of this two project which focuses on supporting church leaders across the UK.

The *Emergency Appeals* and *Other Funds* consist of small projects / initiatives for which finances were specifically raised and utilised.

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Movement in funds | | | Movement in funds | | |
|----------------------|--|-------------|-----------|--|-------------|-----------|
| | Balance at income 1 September 2017 | Expenditure | Transfers | Balance at income 1 September 2018 | Expenditure | Transfers |
| | £ | £ | £ | £ | £ | £ |
| Mission Fund | 4,000 | 30,463 | (32,417) | - | 2,046 | - |
| Kairos Connexion | - | 82,067 | (78,936) | - | 3,132 | - |
| Tithe of Tax Rebates | - | 3,600 | (3,600) | - | 3,600 | - |
| Emmaus | - | 45,374 | (48,881) | - | 47,338 | - |
| Conferences | - | 3,974 | (4,105) | - | - | - |
| | 4,000 | 165,478 | (167,939) | 3,638 | 5,178 | 50,938 |
| | | | | | | (53,470) |
| | | | | | | (2,646) |
| | | | | | | - |

The Mission Fund consists of funds that are designated for use in supporting work in other countries that are aligned to our charitable objectives.

Tithe of Tax Rebates was a percentage of tax rebates allocated to external charitable causes.

Kairos Connexion and Emmaus consist of funds that are designated to support the work of these two projects. Both Kairos Connexion and Emmaus focus on supporting church leaders across the UK.

Conferences was a small fund to invest in specific conferences that Frontline Church wanted to initiate.

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

21 Analysis of net assets between funds

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total 2018 £ |
|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 August 2019 are represented by: | | | | | | |
| Tangible assets | 449,266 | - | 449,266 | 465,483 | - | 465,483 |
| Investments | 2 | - | 2 | 2 | - | 2 |
| Current assets/(liabilities) | 48,518 | 3,725 | 52,243 | 35,223 | 1,549 | 36,772 |
| | <u>497,786</u> | <u>3,725</u> | <u>501,511</u> | <u>500,708</u> | <u>1,549</u> | <u>502,257</u> |

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2019 £ | 2018 £ |
|----------------------------|--------------|--------------|
| Within one year | 1,885 | 4,131 |
| Between two and five years | 3,770 | 5,655 |
| | <u>5,655</u> | <u>9,786</u> |

23 Cash generated from operations

| | 2019 £ | 2018 £ |
|--|---------------|-----------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | (746) | (38,906) |
| Adjustments for: | | |
| Investment income recognised in the statement of financial activities | (84) | (25) |
| Depreciation of tangible fixed assets | 17,316 | 18,996 |
| Movements in working capital: | | |
| Decrease in debtors | 1,037 | 4,671 |
| (Decrease)/increase in creditors | (1,550) | 1,004 |
| Cash generated from/(absorbed by) operations | <u>15,973</u> | <u>(14,260)</u> |

FRONTLINE TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2019 | 2018 |
|------------------------|-------------------|-------------------|
| | £ | £ |
| Aggregate remuneration | 123,924 | 123,803 |
| | <u> </u> | <u> </u> |

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Jennifer Mariner is a trustee and her husband Jack Mariner was employed by the charity during the year. Jennifer Mariner retired as trustee in November 2019.

John Harding is a trustee and was also employed by the charity during the year.

The governing document permits trustees to receive grants and remuneration, provided such trustees are not in the majority. Any such remuneration level is set by the board, excluding those members with a conflict of interest.

John Gibson was employed by the charity during the year as the CEO. He is a director of Imagine If Trust.

Imagine If Trust is an independent charitable company. During the year Frontline Trust has assisted Imagine If Trust by providing grants (see note 8). Imagine If Trust are also recharged sundry expenses.

Kairos Connexion is an organisation that supports church leaders around the nation. Frontline Trust part funded their key management. Frontline Trust received £50,290 in respect of the key management services and provided grants (see note 8). Frontline Trust received £10,294 in respect of key management services provided to Together for the Harvest and also provided grants (see note 8). Toxteth Tabernacle is a local church in Liverpool and their key management is part funded by Frontline Trust. During the year, Frontline Trust received £12,000 in respect of the key management and other services.

In relation to Kairos Connexion, Together for the Harvest and Toxteth Tabernacle, the Trust provides management personnel to these organisations. The Trust does not charge these organisations the full cost. The costs recharged equate to 62% in the case of Kairos Connexion, 20% in the case of Together for the Harvest and 24% in the case of Toxteth Tabernacle.

Trustees donated £37,109 to the charity in the year.

There were no other related party transactions in the year.

25 Company limited by guarantee

The Frontline Trust is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £10.

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