

**Frontline Development
Company Limited by Guarantee
Unaudited Financial Statements
31 October 2022**

Company Registration number: NI030093

Charity Registration number: NI103945

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**Frontline Development
Company Limited by Guarantee
Unaudited Financial Statements
31 October 2022**

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**Frontline Development
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 October 2022**

Reference and administrative details

Registered charity name	Frontline Development
Charity registration number	NI103945
Company registration number	NI030093
Principal office and registered office	19 Robinson Road Bangor BT19 6NJ

The trustees

Mr A George
Mr T McDowell
Mr P Betts
Ms P Smith
Mr C Williams

Company secretary Ms Pauline Smith

Independent examiner Neil Robinson
17 Grays Hill
Bangor
Co Down
BT20 3BB

Structure, governance and management

The company is limited by guarantee and has no share capital. It is recognised as a charity by HM Revenue & Customs and is registered with the Charities Commission.

**Frontline Development
Company Limited by Guarantee
Trustees' Annual report (Incorporating the Director's Report)
Year ended 31 October 2022**

Objectives and activities

The Charity's objects ("Objects") are the alleviation and relief of poverty and hardship, and the promotion of education and health among children and young adults in India and such other developing countries as may seem appropriate from time to time by:

1. providing financial support to build schools, employ teaching and support staff, purchase uniforms, books and materials, provide food and medical care in a caring and secure environment.
2. provide training and other support services
3. provide small grants for further training and micro finance to assist the establishment of small enterprises.

The charity trustees confirm due regard has been paid to the public benefit guidance published by the Charity Commission for Northern Ireland.

Achievements and performance

The dominant theme in this financial year continued to be Covid but thankfully life after Covid as many of our students' families try to rebuild their lives and their finances after a very difficult couple of years. One key factors in this has been the return to school and the relaunch of free education at UCCI's main site in Kethanakonda AP.

In last year's report we mentioned the possibility of a significant change due to the UCCI school in Hyderabad being closed. This school had been our main focus for many years, but we understood that there was increasing difficulties with the site.

During the year UCCI sold the school site and as a result have been able to reinvest £200,000 from the sale on improving facilities in Kethanakonda their main site.

These facilities will serve not only the students we sponsor but others studying in higher classes which we are glad to see.

As a result of the sale plus the lengthy Covid closure all of the children we now support are new students in Kethanakonda. Some 280 children aged 4 to 14 are already attending the school. This has been very encouraging, and it is planned to develop the use of English as the primary medium of teaching which is very important in South India where English is generally the common language of quality and higher education.

As students have returned, we have increased our support for the school and hope to maintain this higher level in the year ahead.

Already we have noted the management of the school to be much more effective and enthusiastic in contrast to the difficulties with the previous location in Hyderabad.

As always, we are deeply grateful to our sponsors for their ongoing support, without their generosity none of this could function.

We have maintained very regular contact with the UCCI team and in April we were able to visit the project for the first time after COVID which was very helpful. We anticipate more teams will follow in 2022/2023 to work directly with the students and sponsored children.

The long-term challenges to this work which we noted last year remain the same;

1. The "aging" of our support base
2. Inflationary costs in India
3. Drawing in younger trustees

We are working on issues 1 and 3 and in 2023 hope to report improvements, inflation remains a fact outside our control, but we are encouraging our partners to budget carefully and take steps to control costs.

In addition, we see the growing threat from increasing nationalism in India which is reflected in Government decision making and while South India remains largely unaffected there is likely to be more pressure on Christian organisations. In the North of India, we are seeing direct and at times violent action against Christian schools and churches and this cannot be ignored. Our partners are doing all they can to build trusting relationships with the local community and are always open to anyone regardless of faith or caste joining the school – the only entry requirement is to have low income.

Nearly all of our resources go to India but during the year we were glad to assist partners in Sri Lanka with a gift of £4000 following economic collapse there. This money was used to buy and distribute food.

Financial Review

There has been an increase in our overall income to £129,624 (2021 £111,085). We note that this increase was largely as a result of a substantial legacy. A surplus of £14,559 occurred in the year (2021 £3,766).

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 16 June 2023 and signed on behalf of the board of trustees by:

A handwritten signature in black ink, appearing to be 'A George', written over a circular stamp or seal.

Mr A George
Trustee

Independent examiner's report to the charity trustees of Frontline Development

I report on the accounts of the company for the year ended 31 October 2022 on pages 5 to 15.

Respective responsibilities of charity trustees and examiner

As the charity's trustees (and also the directors of the company 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. Having satisfied myself that the charity is not subject to audit under company law, and is eligible for independent examination, it is my responsibility to:

Examine the accounts under section 65 of the Charities Act

Follow the procedures laid down in the general Directions given by the Commission under section 65(9)(b) of the Charities Act

State whether particular matters have come to my attention.

Basis of independent examiner's report

I have examined your charity accounts as required under section 65 of the Charities Act and my examination was carried out in accordance with the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act.

My examination included a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also included consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as charity trustees concerning any such matters.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. That accounting records were not kept in accordance with section 386 of the Companies Act 2006
2. That the accounts do not accord with those accounting records
3. That the accounts do not comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the 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
4. That there is further information needed for a proper understanding of the accounts to be reached.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission for Northern Ireland, I have found no matters that require drawing to your attention.

Neil Robinson
Retired Chartered Accountant
17 Grays Hill, Bangor, Co Down

D. N. Robinson

16 June 2023

**Frontline Development
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)**

Year ended 31 October 2022

		2022	2022	2022	2021
		Unrestricted	Restricted	Total funds	Total funds
		funds	funds		
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	28,657	98,014	126,671	111,039
Charitable activities	6	2,918	0	2,918	0
Investment income	7	35	0	35	46
Total income		31,610	98,014	129,624	111,085
Expenditure					
Expenditure on charitable activities	8, 9	20,033	95,032	115,065	107,319
Total expenditure		20,033	95,032	115,065	107,319
Net income		11,577	2,982	14,559	3,766
Transfers between funds		(1,125)	1,125	0	0
Net movement in funds		10,452	4,107	14,559	3,766
Reconciliation of funds					
Total funds brought forward		37,503	12,646	50,149	46,383
Total funds carried forward		47,955	16,753	64,708	50,149

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 15 form part of these statements.

**Frontline Development
Company Limited by Guarantee
Statement of Financial Position
31 October 2022**

	Note	2022 £	2022 £	2021 £
Fixed assets				
Tangible fixed assets	15		272	340
Current assets				
Debtors	16	9,831		3,618
Cash at bank and in hand		<u>55,205</u>		<u>46,791</u>
		65,036		50,409
Creditors: amounts falling due within one year	17	<u>600</u>		<u>600</u>
Net current assets			64,436	49,809
Total assets less current liabilities			<u>64,708</u>	<u>50,149</u>
Net assets			<u>64,708</u>	<u>50,149</u>
Funds of the charity				
Restricted funds			16,753	12,646
Unrestricted funds			<u>47,955</u>	<u>37,503</u>
Total charity funds	18		<u>64,708</u>	<u>50,149</u>

For the year ending 31 October 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

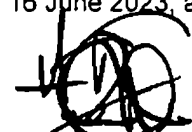
Directors' responsibilities:

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

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 16 June 2023, and are signed on behalf of the board by:



Mr A George
Trustee

The notes on pages 7 to 15 form part of these statements.

Frontline Development

Company Limited by Guarantee

Notes to the Financial statements

Year ended 31 October 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is 19 Robinson Road, Bangor, BT19 6NJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity

Going concern

There are no material uncertainties about the charity's ability to continue

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The company is limited by guarantee and has no share capital. It is recognised as a charity by HM Revenue and Customs and is registered with the Charities Commission.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
General giving	15,187	97,515	112,702
Legacies	30,000	0	30,000
Gift Aid	13,470	499	13,969
	<u>28,657</u>	<u>98,014</u>	<u>126,671</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
General giving	8,884	87,139	96,023
Gift Aid	537	14,479	15,016
	<u>9,421</u>	<u>101,618</u>	<u>111,039</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Travel income	2,918	2,918	0	0

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
	35	35	46	46

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Mission support	7,932	95,032	102,964
Support costs	12,101	0	12,101
	<u>20,033</u>	<u>95,032</u>	<u>115,065</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Mission support	5,475	98,574	104,049
Support costs	3,270	0	3,270
	<u>8,745</u>	<u>98,574</u>	<u>107,319</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total funds 2021 £
Mission support	102,964	11,501	114,465	106,656
Governance costs	0	600	600	663
	<u>102,964</u>	<u>12,101</u>	<u>115,065</u>	<u>107,319</u>

10. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
General office	765	765	1,436
Governance costs	600	600	663
Travel	8,561	8,561	0
Other	2,175	2,175	1,171
	<u>12,101</u>	<u>12,101</u>	<u>3,270</u>

11. Net income

Net income is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	68	85

12. Independent examination fees

	2022 £	2021 £
Fee payable to independent examiner for: Independent examination of the financial statements	600	600

13. Staff costs

The charity has no staff. (2021 nil)

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. Mr Alan George, a trustee of the charity, received £7,500 in management fees (2021 £7,500).

15. Tangible fixed assets

	Equipment £	Total £
Cost		
At 1 November 2021 and 31 October 2022	1,037	1,037
Depreciation		
At 1 November 2021	697	697
Charge for the year	68	68
At 31 October 2022	765	765
Carrying amount		
At 31 October 2022	272	272
At 31 October 2021	340	340

16. Debtors

	2022 £	2021 £
Other debtors - Gift Aid	9,831	3,618

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	600	600

18. Analysis of charitable funds

Unrestricted funds

	At 1 November 2021	Income	Expenditure	Transfers	At 31 October 2022
	£	£	£	£	£
General funds	37,503	31,610	(20,033)	(1,125)	47,955

	At 1 November 2020	Income	Expenditure	Transfers	At 31 October 2021
	£	£	£	£	£
General funds	40,130	9,467	(8,745)	(3,349)	37,503

Restricted funds

	At 1 November 2021	Income	Expenditure	Transfers	At 31 October 2022
	£	£	£	£	£
Child Sponsorship	10,072	84,502	(80,075)	0	14,499
Israel	950	1,250	(1,500)	0	700
HIV Clinic	1,531	6,587	(6,502)	0	1,616
Coronavirus Food Project	0	0	0	0	0
Phoebe's House	(62)	0	0	0	(62)
Tajikistan	155	2,800	(2,955)	0	0
Sri Lanka	0	2,875	(4,000)	1,125	0
	12,646	98,014	(95,032)	1,125	16,753

Restricted funds

	At 1 November 2020	Income	Expenditure	Transfers	At 31 October 2021
	£	£	£	£	£
Child Sponsorship	4,143	65,429	(59,500)	0	10,072
Israel	(67)	2,267	(1,250)	0	950
HIV Clinic	745	4,394	(3,608)	0	1,531
Coronavirus Food Project	1,432	21,608	(26,389)	3,349	0
Phoebe's House	0	4,700	(4,762)	0	(62)
Tajikistan	0	3,220	(3,065)	0	155
	6,253	101,618	(98,574)	3,349	12,646

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	272	0	272
Current assets	48,283	16,753	65,036
Creditors less than 1 year	(600)	0	(600)
Net assets	47,955	16,753	64,708

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	340	0	340
Current assets	37,763	12,646	50,409
Creditors less than 1 year	(600)	0	(600)
Net assets	37,503	12,646	50,149

20. Financial instruments

For financial instruments measured at fair value, the basis for determining fair value must be disclosed. When a valuation technique is used, the assumptions applied in determining fair value for each class of financial assets or financial liabilities must be disclosed.