

FRIENDS INTERNATIONAL MINISTRIES

England & Wales · Charity number 1094095

Details

Other names	FRIENDS INTERNATIONAL
Status	Registered
Legal form	Charitable company
Company number	04500270
Registered	2002-10-08
Register	View on the Charity Commission register

Contact

Address	All Nations Christian College Easneye Ware SG12 8LX
Phone	01920460006
Email	info@friendsinternational.uk
Website	www.friendsinternational.uk

Activities

Objects: THE CHARITY'S OBJECTS ("THE OBJECTS") ARE:-TO ADVANCE THE CHRISTIAN FAITH IN ACCORDANCE WITH THE STATEMENT OF BELIEFS APPEARING IN THE SCHEDULE HERETO IN THE UNITED KINGDOM OR IN SUCH OTHER PARTS OF THE WORLD AS THE DIRECTORS OF THE CHARITY (HEREIN CALLED "THE TRUSTEES") MAY FROM TIME TO TIME THINK FIT AND IN PARTICULAR (THOUGH NOT BY WAY OF LIMITATION) TO ESTABLISH AND MAINTAIN AN EVANGELICAL CHRISTIAN WITNESS TO STUDENTS FROM OTHER NATIONS STUDYING IN THE UNITED KINGDOM (OR IN SUCH OTHER COUNTRY WHERE THE CHARITY MIGHT OPERATE), AND TO FULFIL SUCH OTHER PURPOSES WHICH ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES AND ARE CONNECTED WITH THE CHARITABLE WORK OF THE CHARITY. (PLEASE SEE COPY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION ON FILE FOR DETAILS).

Activities: Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping UK churches to care for and support international students and to share with them the Christian faith.

Classification

- **How:** Provides Human Resources
- **What:** Religious Activities
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£2,913,551	£2,868,627	£1,312,518	83
2024-12-31	£2,603,240	£2,740,741	£1,312,599	81
2023-12-31	£2,430,108	£2,545,139	£1,445,100	80
2022-12-31	£2,552,149	£2,348,864	£1,560,129	79
2021-12-31	£1,892,515	£2,158,985	£1,356,844	74
2020-12-31	£1,779,444	£1,946,790	£1,623,314	70

Trustees

Name	Role	Appointed
GEOFFREY PETER JOHN SPENCE		2018-12-07
Ian Masson Roberts		2023-06-09
Jane Hutton		2024-07-23
Matthew East		2023-12-01

Accounts



FRIENDS INTERNATIONAL MINISTRIES

(Company limited by guarantee and not having a share capital)

Registered Company Number: 4500270

English and Welsh Registered Charity Number: 1094095

Scottish Registered Charity Number: SCO48838

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

FRIENDS INTERNATIONAL MINISTRIES

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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FRIENDS INTERNATIONAL MINISTRIES

Registered office: The Rowan Centre, All Nations Christian College, Easneye, Ware, Herts SG12 8LX

Administrative details of the charity, the trustees and advisors

The Trustees present their report together with the accounts of the charitable company for the year ended 31 December 2025. All of the trustees act in the role of directors.

The following trustees served from 1 January 2025 and up to the date of the approval of the accounts:-

Matthew East
Jane Hutton
Ian Roberts
Sara Slater
Geoffrey Spence (Chair)

The following trustees resigned during the year:-

Henry Lu (resigned 5 December 2025)
Natasha Rayan (resigned 14 March 2025)

The day to day operations of the charity are overseen by Alan Tower, the National Director.

Key Management Personnel :

National Director:	Alan Tower
Regional Development Directors:	Pete Edwards Iván Neira Stephanie Knell Lynette Teagle
Finance Manager:	Lydia Evans
Principal address:	The Rowan Centre All Nations Christian College Easneye Ware Herts SG12 8LX
Bankers:	Bank of Scotland
Auditor:	Griffin Stone Moscrop & Co. 21-27 Lamb's Conduit Street London WC1N 3GS
Solicitors:	Ellis-Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

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INTERNATIONAL

Friends International Trustee Report 2025

www.friendsinternational.uk

Griffin Stone Moscrop & Co
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

Chair's Report

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. International student numbers have continued at near record levels with 715,000 at UK universities, and a further estimated 500,000 in UK language schools.



As with other recent years 2025 was a year full of activities for Friends International. Overall, nearly 13,500 international students were in touch with Friends International run and supported events (up 5% on the previous year), mobilising volunteers from 318 churches, including 1,219 who took part in Bible studies, and 80 who decided to embrace Christian faith (a 19% increase on the previous year).

Social media presence continues to grow strongly, with particular encouragements from Instagram engagement and followers among young adults, and website views. The Friends International App has performed strongly with a total of over 102,000 downloads to date.

In staff recruitment, we were encouraged to appoint Centre Team Leaders in Paisley and Bournemouth after a long searching period, plus a second Staff Worker in Colchester. There were fewer joiners than the previous year, partly due to natural peaks and troughs and partly because some invited appointments did not progress owing to factors beyond our control.

However, five staff were offered posts towards the end of the year, with the expectation of appointing a Centre Team Leader in St Andrews and two second Staff workers (one an Apprentice) by March 2026. Two non-UK Reach trainees were accepted on to the Apprentice Programme (the first time an Apprentice Staff Worker had been appointed on a Minister of Religion visa). Our Reach graduate training programme has 9 participants receiving training for ministry over one or two years.

The Director team, 40% of whom are originally not from the UK, has become well established and is functioning to a high standard in supervision, setting of strategy, developing new Centres, and training.

The annual Conference held in January continues to gather staff, graduate trainees, affiliated ministry partners, engaged student representatives, Trustees and international visitors, to celebrate, train, encourage and envision for the year ahead.

A stable Support Centre Team has provided the base to address how best to serve staff in our 35 Centres, Branches, volunteer networks, and churches. Progress has been made for staff on reporting projected deficits where relevant through the Management Accounts.

Staff contributions to wider networks in Europe and globally continue, including the part secondment of a staff member to lead the European International Student Ministry network. Cross-agency collaboration among student ministry agencies in Britain has been facilitated through leader consultations.

We continued to pursue our Growth Strategy Plan aiming to recruit staff in new Centres and reinforce existing Centre staff teams, in the places where most international students are studying.

The employment of a Fundraising Manager to support the development of the General Fund and the Growth Strategy has continued to show fruitful if hard-won outcomes. Preparation for the management of an endowment fund continues, with one of two properties sold to start providing the basis of the fund.

The charity continues to fulfil its aims and greatly enriches the lives of many international students when they come to the UK.

Our Objectives and Activities

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. We seek to help international students, whatever their faith backgrounds, during their stay in the UK and elsewhere. Friends International's vision is to see international students transformed by the good news of Jesus so that they fully engage with the mission of the church in the world.

Public Benefit

The trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit. Friends International's purposes comply directly with three of the Charities Act's descriptions of "charitable purpose" namely:

- "the advancement of religion"; We aim to demonstrate to international students the relevance of Christian faith to personal life today, how Christian faith has developed and how it is variously expressed in the world of the 21st century. We partner with university chaplaincies in providing pastoral support for international students and some 25 of our staff are also university chaplains.
- "the advancement of education"; We interact with international students in a range of different ways, helping them improve their English language, understand different cultures, and sometimes with more specific training such as leadership skills and preparation for their return home.
- "the advancement of citizenship or community development"; We produce resources in multiple formats for new international students to help them integrate into our countries, and we run orientation programmes mainly in the autumn term.

In partnership with local Christian communities, we arrange cultural trips and opportunities for international students to meet with a British or Irish family. We partner with universities to offer English language practice sessions, helping international students to be effective for their time in the UK or Ireland and establishing friendships that will help them thrive on arrival.

The trustees seek to ensure that these purposes are met as the Charity works principally to support and enable Christian churches' outreach in their local communities with specific focus on international students furthering their education in the UK or Ireland.



Strategies

Key strategies for 2025 – 2030 include:

- Growth initiatives which aim to help us reach a tipping point of students aware of Friends International so that all international students can experience a welcome to the UK and Ireland, as well as an opportunity to investigate the Christian faith. Supporter number increases are sought through attendance at key national events, staff number increases through advertising for new and strengthened key Centres, an Apprentice programme, Partnerships with other ministries, intentional programmes for language students, specific service of universities through chaplaincy and international office contact, fundraising and local structure development.
- Reaching out to students who have difficulty hearing the Christian message in their home country or who are not initially attracted to our activities is an emphasis for ministry development.
- Returnee focus, for when students return to their home countries or move elsewhere, to be built in from the first contacts with students, through friendship, to continue moving staff, Branches and Development Groups, Churches and volunteers, from acknowledging the returnee focus to influencing how they conduct their ministry. Increasingly, when a lower proportion of international students return home after finishing their studies, the emphasis is on making a good transition into the next phase of life, wherever that might be.
- Events speaking training helps to develop skills in public ministry to better achieve international student outreach, both to model contextualised Bible teaching and evangelism in a multicultural setting, and to equip others to do the same.
- Innovation in Student Engagement includes new approaches to reach out to and meet the needs of international students, as well as resources for leadership skills, international student wellbeing, discipleship and outreach.

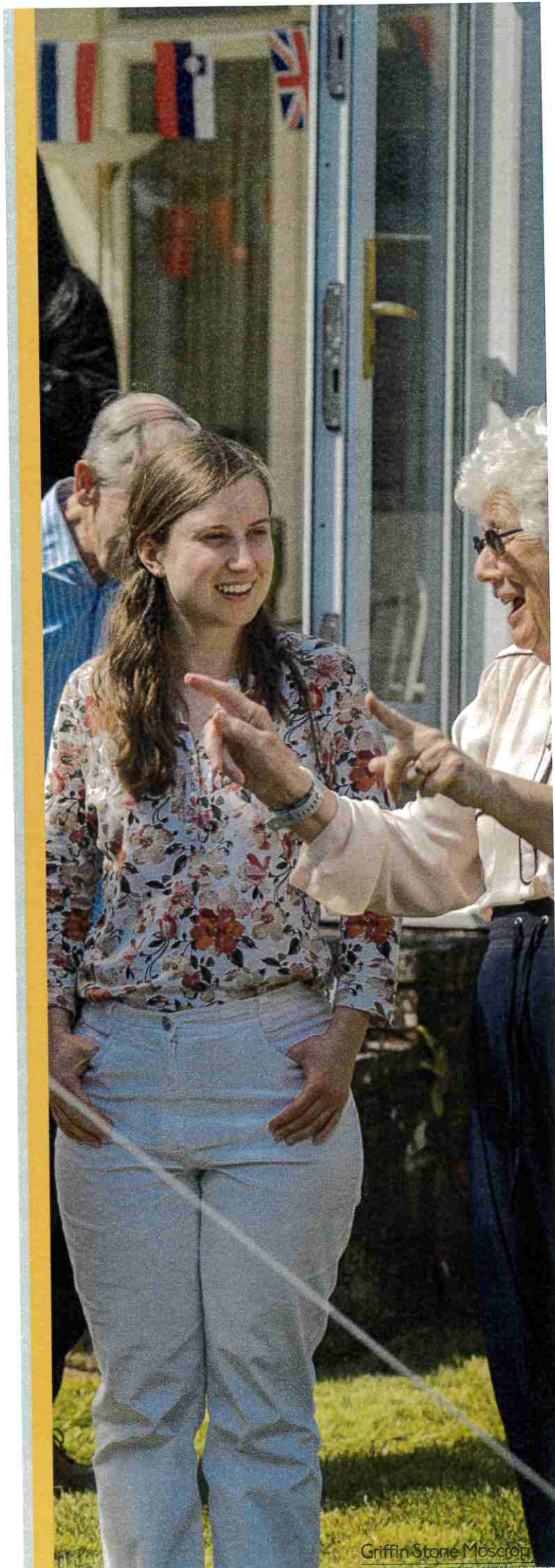


- Learning and Development are promoted as a whole life approach for staff, volunteers and partners, including training evaluation and the development of an essential skills framework.
- Member Care aims to embed good practice throughout the organisation through leadership engagement, training provision, healthy induction of new staff and academic research.
- Mission Partnership Development helps staff draw in a full schedule of financial and prayer supporters to allow their work to proceed fully resourced.

Activities

We continue to have ten major areas of activity where we seek to implement our strategies:

- Regional Development Directors (RDDs) identify areas of concentration of international students without focused international student ministry.
- RDDs then seek to develop vision among local churches and other partner agencies through establishing new Centres.
- We then aim to build local ministry teams ('Centres') with sound funding and effective support groups, through the recruitment and appointment of staff (including Apprentices and Associates), the partnering with local churches and Affiliates, and through Development Groups that become Branches.
- We encourage, model and support welcome and cultural ministries through international student cafés and seek to engage international students with biblical truth, encouragement and challenges through group and individual Bible study.
- We encourage the setting up and running of local hospitality programmes to increase the volunteer provision of appropriate contact and support for international students.
- We offer language practice-based activities, values-based leadership studies, intercultural training for future Bible teachers and other focused programmes offering relevant skills to international students through contact with Christians.
- We seek to engage with university chaplaincies and student welfare bodies to offer counselling, wellbeing and other services that help universities value, care for and add value to the student experience for international students.
- Our Reach graduate trainee programme is used to envision and train recent graduate Christians from home and abroad.
- We develop appropriate regional and national supervisory structures to provide a unifying vision and direction which supports each locality appropriately.
- We build effective and accessible regional and national resources and events using relevant communication channels to our key stakeholders.



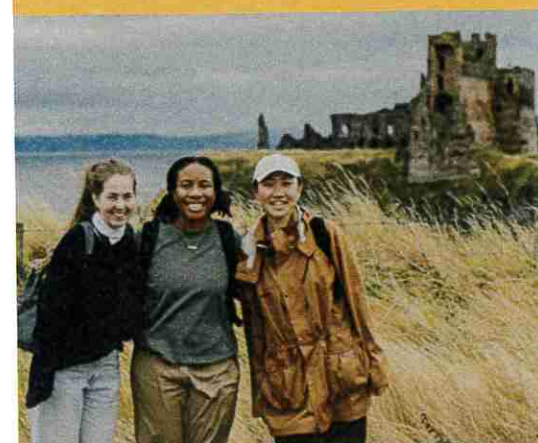
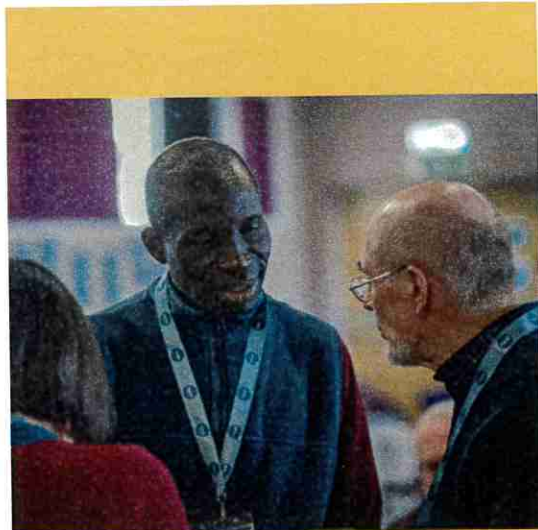
Review of Achievements and Performance

1. Centres and Staff

- In 2025 Friends International continued to develop activities through staff in 34 centres and through affiliates in 11 more.
- Through our partnership with Christian Unions Ireland, expressed through regular meetings including with senior staff and a Trustee, we seek to enhance effectiveness in international student ministry across the island.
- We continue to recruit new staff to the organisation both to establish new centres and to strengthen existing centres. We currently have 83 across full and part time patterns of work, 68% of whom are women, including Associate staff who are either seconded to us from other charities or local churches. Staff are involved in a variety of activities shaped significantly by the centres in which they serve and by the locally agreed strategy. Since a key aim of the organisation is to resource local churches in their engagement with international students, staff invest considerable time in training church members to multiply effective ministry. In some centres there are established inter-church teams offering a programme of events, hospitality and Christian teaching. In other places the work is centred around one or two churches which provide local volunteers.
- Much ministry is based around term time and weekly events. Such events can be purely social, or an event with some Christian content to introduce the Christian faith, or event of a discipleship nature for those openly professing a Christian faith or a desire to specifically explore the Christian faith.
- Summer outreaches continue to play a key part in reaching particularly language students; while it was harder to recruit team members, there remained a large number of both language and university students who were keen to take part in activities and some were willing to investigate the Christian faith for themselves.
- Across our centres we aim to help international students settle into student life, provide care and support where it is appropriate, encourage them to consider the Christian faith, and prepare them for the challenges of the reverse-culture shock they may face on their return home.

2. Support Base

- Of the £2,741,877 income from donations and gifts, roughly two-thirds (including related gift aid) was donated by individuals, the remainder coming from churches and trusts. The organisation has a core support base that has been committed to our work for a long time, whilst new staff broaden our donor base with their networks of contacts and supporters. We benefit from committed support from a Christian Trust.



3. Leadership and Support Centre

Regional Development Directors and the National Director have continued to meet regularly to oversee strategy and current issues, with the RDDs also having regular supervision from the National Director.

The Leadership Forum, which meets two or three times each year, resources a wider set of Cluster and specialist Heads of Ministry leaders and Programme Coordinators. Strategy has been dually focused on future growth and specialist ministry areas.

The Support Centre team, three full-time and six part-time, seeks to provide a high level of service to staff, affiliates, graduate trainees, supporters, partner churches and trustees.

In terms of our ongoing relationship with All Nations Christian College where the Support Centre is sited, we maintain a high level of interaction with students and staff. During 2026 the Support Centre will move to Oxford, sharing with other mission agencies, as the College is itself moving site.

4. Affiliate Network

We continue to develop the Affiliate Network, aiming to support, train, encourage and partner well with affiliates in their local church roles working amongst international students. Resources available to Affiliates include Cluster days and conferences, and resources including recordings online. We now have 87 affiliates as part of the network, some based internationally.

5. Training and Development

Training and developing our staff and affiliates team is important to the future of the organisation and our work. A key fixture is the annual conference where staff, affiliates, graduate trainees and others (such as Branch and Development Group members, Trustees, retired staff, international and key student visitors) meet to share experiences, best-practice, and learn from outside speakers about different aspects of inter-cultural ministry.

There are local and regional staff training days, and training events specifically aimed at equipping volunteers and local churches. We believe training is a core role for FI and one we are seeking to grow and develop. Processes have been developed so that staff can identify areas where further growth and development are needed, as well as where they might be able to access the appropriate training resources.

6. Reach Programme

The focus of this training year is to invest in the lives of young Christian graduates who show potential in Christian ministry.

- The current cohort of 9 trainees (1 on their second year) started in September. The Reach Programme coordinator and their team bring creativity and a vision to build on the strong foundation of the programme.
- A considerable percentage of each Reach trainee cohort are international; we see this programme as a means of discipling and training promising international students who will go on to be a blessing to churches around the world.
- Reach alumni include church leaders in the UK and many other parts of the world, as well as returnees thriving in their local churches and still involved in International Student Ministry or supporting returnees.
- We currently have a number of staff workers and centre team leaders who were participants of the Reach programme in earlier years.



7. Branches and Development Groups

Branches and Development Groups exist to implement national strategy locally alongside staff. Their ethos is to be forward-looking and seeking to develop best practice. Key roles in which members contribute include strategic thinking; networking across different Christian communities in a town or city; and encouraging partnership development. Key relationships are those of the Chair, local Centre Team Leader and Regional Development Director working well together. Branch training has moved online leading to a greater uptake and wider insights into best practice.

8. Communications

Communications are continually under review with an aim to improved quality and impact; we aim to be making the most of our resources to serve those involved in international student ministry, and to draw new potential staff, volunteers and supporters in.

9. Special Student Events

Friends International and partner groups initiated the Big Weekend Away event to replicate and build on the international student track we led at a previous larger event. This has now had two successful years, drawing around 100 international students and a substantial supporting team for a long weekend of Bible teaching, seminars and fellowship to encourage the consideration of Christian themes among enquirers and discipleship growth.

The Philip Project trains future Bible teachers planning to return to their own countries for a day a month through the academic year and additionally runs a training weekend. Through substantial work by the Project Coordinator the format has been adapted to a more flexible on-line delivery. There is also an online portal allowing students a more flexible approach to learning. Philip Project has also produced a resource to help international students read the Bible.

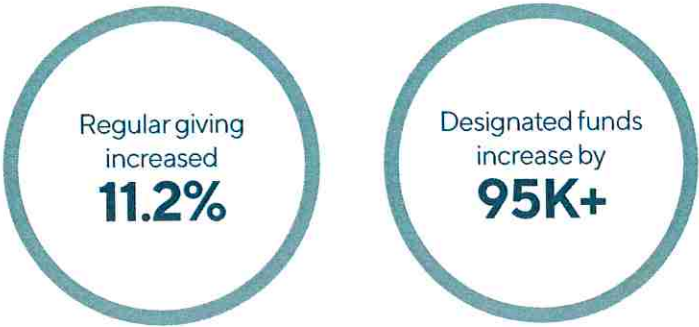
Friends International staff spoke at a number of Christian Union events weeks in 2025, and at individual meetings throughout the year, helping international students to understand the good news of Jesus.

Financial Review

The statement of financial activities (SOFA) for the year is set out later in this report together with an analysis of funds. Our regular gift income has increased by 11.2% with an increase in our expenditure of 4.3%.

Overall, there is a deficit in 2025 of £76; this includes legacy income of £48,302 and a property revaluation downwards of £45,000. After transfers between funds to ensure that the General Fund meets all under-funded staff there is a net decrease in the General Fund in 2025 of £95,726.

The financial policy of Friends International is to match and monitor funding with expenditure requirements for each area of ministry activity, mostly focused on Centres. A designated fund is therefore maintained for each venture which requires ongoing expenditure. It is acceptable to run with a current year deficit for a specific designated fund, provided there are sufficient brought forward reserves for that particular Centre to offset the loss. In 2025 designated funds increased by £95,650. Although some individual funds did decrease during the year, this is mostly because brought forward funds have been spent.



For General Fund income to meet Central costs (which are primarily the Support Centre and majority funding of the senior management team) we have continued to aim to move towards a balanced position, most recently through the appointment of a Fundraising Manager.

Each designated fund is subject to monthly monitoring and appropriate discussion where required with the relevant staff member and, if necessary, their Supervisory Manager. Before work is started in a new location, or a new member of staff is employed, it is the policy of Friends International to ensure that there is an appropriate level of pledged donor support. We continue to maintain a Strategic Growth Fund which has been resourced from the allocation of a portion of the substantial legacies received in recent years as well as the generosity of some specific supporters keen to support this venture. The Trustees continue to seek to extend this Fund as part of achieving new Strategic Ministry Centres as well as extending training opportunities for a new generation of ISM workers.

Investment Policy

The charity has freehold title to their previous Support Centre office in Putney, a small but prime location in Southwest London. This office is up for sale and is shown on the Balance Sheet within 'Properties held for resale'. Our second property, a residential building in Plymouth, was sold in 2025. We aim to use the proceeds of property sales to create an endowment fund.

Liquid Investments

The investment policy is to maintain a low-risk liquid position. The aim is therefore to maintain balances in accounts that attract market competitive deposit account bank interest but with low-risk institutions. The funds from the sale of the properties will be invested in line with this policy with the hope of an endowment fund being created, to enable us to provide more support to both the Strategic Growth Fund and other Designated Staff Support funds.

Reserves Policy

Our policy remains to hold sufficient unrestricted reserves (defined as all unrestricted funds including designated funds but excluding fixed asset related reserves) in order to protect the charity against a sudden and catastrophic fall in donations and any related gift aid for a period long enough to ensure a managed plan for survival, merger or cessation. Unrestricted reserves are held in both the general fund (which bears all central costs) as well as designated staff support funds (comprising funds designated on an ongoing basis for both specific ministry centres as well as for individual staff workers working in a ministry centre). Whilst the trustees are aware that all unrestricted reserves are available to use at their discretion in the event of a crisis, it is considered appropriate that for practical management purposes the Trustees will undertake two levels of monitoring:

1. Regular monitoring of central reserves required against general funds (comprising all unrestricted reserves excluding designated funds). These funds will be measured against both a minimum and maximum 'central' reserve level when monitoring performance and setting future budgets. The intention is to never drop below a minimum level and actively consider action to manage excess reserves where considered appropriate. Such central reserve levels are calculated in order to provide a minimum of three months and a maximum of nine months of reserves to cover projected support centre and national leadership costs.

As at 31st December 2025 unrestricted general funds stood at £575,517 (2024: £671,248) compared to a central reserve minimum at 31st December 2025 of £177,000 and a planned maximum of £530,000. This includes the properties held for resale, valued at a total of £455,000. Removing the tangible fixed assets from general funds brings the balance on free reserves down to £571,871.

2. Periodic review of both the total amount and profile of designated staff support funds to ensure that they remain appropriate for the use they were designated for and to assess both the level and profile of funding capability the charity has for ongoing field ministry. As at 31st December 2025 designated staff support funds stood at £736,676 (2024: £641,026) which was spread across both ministry centres and individual staff members.

Having previously anticipated the General Fund (excluding the Putney and Plymouth properties) falling below zero, the Trustees and senior management team have been reviewing where costs can be saved and are pro-actively seeking to increase giving to the General Fund. There is now a structure in place that can support the continuing expansion of the charity's activities.

As at 31st December 2025 the charity's assets were available and adequate to fulfil the obligations to the charity and the trustees considered the financial state of affairs of the charity at that time to be satisfactory and in accordance with our budgetary expectations.

Plans for Future Periods:

We intend to continue and grow our activities in future years, particularly with a concerted effort to research ministry opportunities alongside churches and Christian student groups through further staff worker posts so that new and better resourced centres with the most international university students are helped towards thriving International Student Ministry. Through our Heads of Ministry we are developing our approaches to Learning and Development, Hard to Reach students, Returnees, Events Speaking, Mission Partnership Development, and Member Care.

Structure, Governance and Management:

Governing Document

Friends International Ministries was incorporated as a company limited by guarantee and not having a share capital (number 4500270) on 31st July 2002 and is a registered charity with the Charity Commission (number 1094095). It is governed by its Memorandum and Articles of Association. Under UK company law, all the trustees are directors of the company. The liability of the company's members in the event of the charity being wound up is limited to a sum not exceeding £10. Friends International Ministries is also registered with the Office of the Scottish Charity Regulator.

Appointment of Trustees

Potential trustees are identified from academia, business and Christian ministry backgrounds. The trustees are appointed by the board of Trustees through an invitation, application and interview process. New Trustees are given key Charity Commission information on their responsibilities and are encouraged to attend appropriate external training where this will facilitate the undertaking of their role. They undergo some induction and are linked to more experienced trustees as needed to enhance their swift integration. We are particularly focusing on the recruitment of further new Trustees through 2026.

Organisation

The board of trustees meet at least three times a year to review all aspects of the charity's activities. The board has established a sub-committee to assist with the running of the charity, namely the Executive Committee, responsible for meeting with senior staff between trustee meetings, and also tasked with specifically monitoring and managing the charity's finances.

Geoffrey Spence, Sara Slater and Ian Roberts are members of the Executive Committee.

Trustee Remuneration and Related Parties

None of the trustees receive remuneration or other benefit for their work for the charity. There were no related party transactions reported in the year between the charity and any trustee, senior manager or any of the third parties with contractual relationships with the charity.

Pay Policy for Senior Staff

No trustees received remuneration during 2025. Details of trustee expenses are disclosed in note 7 to the financial statements.

The pay of senior management is reviewed annually using a standard formula benchmarked against published pay increases awarded to Classroom Teachers.

Risk Management

The trustees review risks on a regular ongoing basis and use a risk matrix to define key risks, assess them by probability and impact before and after mitigating action is taken.

Such reviews take place within the two board sub-committees and in periodic review by the whole Board of key risks. The following are considered to be important Risks requiring Board and Senior Management focus during 2026:

- Risk of inadequate reserves: Excluding legacy income, there was a fall in general funds during 2024 and 2025 which has been addressed in part by an ongoing review of how to increase income and reduce general fund expenditure.
- Risk of failing to facilitate ISM in those areas of the UK where there is a large international student population. This requires identification of those locations where current ISM is deficient relative to the numbers of students and then focusing new ministry investment in such areas in order to build effective church partnerships supported by our staff. Plans and strategies have been formulated to enable this to happen.
- We continue to review prevailing pressures in wider society to comply with social trends and to assess how to remain true to our Christian convictions in the light of these.

Board Governance

The board has reviewed the level of salaries for all staff, especially those at the lower end of the pay scale.

Trustees' Responsibilities

The trustees (who are also directors of Friends International Ministries for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company enabling them to ensure that the financial statements comply with the Companies Act 2006. To also safeguard the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, will be proposed at a meeting of the trustees.

Statement of Disclosure of Information to Auditors

We, the directors of the company who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. Approved by the Board of Trustees on 20th March 2026 and signed on its behalf by:



GEOFFREY SPENCE
CHAIR OF TRUSTEES



Visit us online: www.friendsinternational.uk
Email us at: info@friendsinternational.uk

Friends International Ministries is a charity registered in England and Wales (1094095)
and in Scotland (SC 048838), and is a company limited by guarantee (04500270)

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2025

		Restricted Fund	Unrestricted Funds Designated Staff Support	Total 2025	Total 2024
	Note		General		
Income from:					
Donations and gifts	2	-	141,316	2,600,561	2,465,802
Legacies		-	48,302	-	9,175
Charitable activities:	2				
Training events and literature sales		-	54,316	48,191	89,618
Investment income	2	-	20,865	-	38,480
Other income		-	-	-	165
Total income		-	264,799	2,648,752	2,603,240
Expenditure on:					
Fundraising costs	3	-	69,475	42,492	69,010
Charitable activities	3	-	201,310	2,555,350	2,671,731
Total expenditure		-	270,785	2,597,842	2,740,740
Net (expenditure)/income before revaluation of investments		-	(5,986)	50,910	(137,501)
Revaluation of property held for resale		-	(45,000)	-	5,000
Net (expenditure)/income	5	-	(50,986)	50,910	(132,501)
Transfer between funds		-	(44,740)	44,740	-
Net movement in funds		-	(95,726)	95,650	(132,501)
Total funds brought forward at 1 January 2025		£ 325	671,248	641,026	1,312,599
Total funds carried forward at 31 December 2025		£ 325	575,517	736,676	1,312,599

All of the above results are derived from continuing activities.

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

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIESBALANCE SHEETCompany registration number 04500270

		31 DECEMBER 2025	2024
Fixed assets			
Tangible fixed assets	10	3,646	3,532
		<u>3,646</u>	<u>3,532</u>
Current assets			
Debtors	11	107,050	108,067
Stock held		5,927	4,211
Current asset investments - properties held for resale	12	455,000	705,000
Cash at bank and in hand		818,876	542,038
		<u>1,386,853</u>	<u>1,359,316</u>
Creditors: amounts falling due within one year	13	77,980	50,249
		<u>1,308,873</u>	<u>1,309,067</u>
Net current assets			
		<u>£ 1,312,518</u>	<u>1,312,599</u>
Net assets			
Charity Funds:			
Unrestricted funds:			
General funds		179,899	275,630
Revaluation reserve relating to former investment property		395,618	395,618
Designated funds		736,676	641,026
		<u>1,312,193</u>	<u>1,312,274</u>
Restricted fund		325	325
		<u>£ 1,312,518</u>	<u>1,312,599</u>
Total funds	14		

Approved by the board of Trustees on 20 March 2026 and signed on its behalf by:

Geoffrey Spence

GEOFFREY SPENCE

CHAIR OF TRUSTEES

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
Cash used in operating activities (see below)	258,683	(214,640)
Cash flows from investing activities		
Investment income	20,865	38,480
Purchase of tangible fixed assets	(2,712)	(3,096)
Proceeds on sale of assets	-	300
Cash provided by investing activities	18,153	35,684
Cash flows from financing activities		
Cash divestment from short-term deposit	(250,831)	(4,751)
Cash used in financing activities	(250,831)	(4,751)
Increase/(Decrease) in cash and cash equivalents in the year	26,005	(183,707)
Cash and cash equivalents at the beginning of the year	185,968	369,675
Total cash and cash equivalents at the end of the year	£ 211,973	185,968

Reconciliation of net income to net cash flow from operating activities

Net income/(expenditure)	(76)	(132,501)
Add back depreciation charge	2,598	2,330
Add back loss on disposal	-	18
Deduct interest income shown in investment activities	(20,865)	(17,347)
Deduct rental income shown in investment activities	-	(21,133)
Sale of property held for resale	205,000	-
Decrease / (increase) in value of property held for resale	45,000	(5,000)
Increase in debtors	1,015	(33,839)
Reduction / (increase) in stock	(1,718)	2,467
Increase / (decrease) in creditors	27,729	(9,635)
Net cash used in operating activities	£ 258,683	(214,640)

Analysis of net funds

	Balance 1 January 2025	Movements	Balance 31 December 2025
Cash at bank and in hand (see note 1I)	185,968	26,005	211,973
Cash on deposit for more than three months (see note 1I)	356,072	250,831	606,903
	£ 542,038	£ 276,836	£ 818,876

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024

1 Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes, as set out in the notes to the accounts.

The restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

c) Income

Donations and gifts are reflected in the financial statements in the period in which they are received.

Income tax recoverable in respect of gift aid donations is brought into account in the same period as the relevant donation.

Grant income is recognised in the financial statements in the period in which the grant offer is made.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified, or the charity is aware of the granting of probate.

d) Expenditure and irrecoverable VAT

Expenditure is charged to the statement of financial activities on the accruals basis and is mainly allocated across activities based on staff time.

Fundraising costs include all costs involved in raising income and in raising the profile of the charity.

Charitable activities are further analysed in note 4 and are split between direct charitable expenditure, support, management and administration costs and governance costs. Support costs are those costs incurred indirectly in support of expenditure on the objects of the charity or in connection with the management and administration of the charity. Governance costs reflect the costs of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets at the following rates per annum so as to write off each asset over its estimated useful working life:

- Furniture and equipment - 20% straight line
- Computers and peripherals - 33% straight line

f) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

g) Stock

Stock has been valued at the lower of cost and net realisable value.

h) Current asset investments

Current asset investments are initially measured at cost and are subsequently re-measured at their fair value except where they qualify as basic financial instruments.

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (Continued)

1 Accounting policies (continued)

i) Pensions

The charity makes payments to defined contribution pension schemes for the benefit of its employees. Contributions charged during the year are written off as incurred.

j) Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended.

k) Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount repaid net of any discounts due.

l) Cash at bank and in hand

Cash at bank and in hand includes cash and fixed term deposits of varying lengths. The statement of cash flows only reflects movements within bank accounts held where the money can be accessed within three months of the date of opening the deposit. An analysis of cash at bank at the balance sheet date, differentiating between deposits which mature 3 months after the date of opening and cash accessible within three months is provided as a note to the statement of cash flows.

m) Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

n) Taxation

Friends International Ministries is a registered charity and no tax is payable on its net income.

o) Financial Instruments

With the exception of the current asset investments, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (Continued)

2 Total Income

	Restricted fund	General fund	Designated staff support funds	Total 2025	Total 2024
Donations and gifts					
Donations	-	48,429	2,421,035	2,469,464	2,311,190
Grants received	-	92,887	179,526	272,413	154,612
Legacies	-	48,302	-	48,302	9,175
Training events and literature sales					
Conference income	-	47,888	-	47,888	44,863
Sale of literature	-	6,428	-	6,428	4,782
Income from branch activities	-	-	48,191	48,191	39,973
Investment income					
Bank deposit interest	-	20,865	-	20,865	17,347
Prior year rental received on property now held for re-sale	-	-	-	-	21,133
Other income	-	-	-	-	165
£	-	£ 264,799	£ 2,648,752	£ 2,913,551	£ 2,603,240

3 Total expenditure

	Restricted fund	General fund	Designated staff support	Total 2025	Total 2024
Fundraising costs					
Staff costs	-	-	36,953	36,953	34,965
Direct PR costs	-	66,941	-	66,941	25,957
Allocation of support & admin costs	-	2,534	5,539	8,073	8,068
	-	69,475	42,492	111,967	69,010
Charitable activities					
Staff costs - direct charitable expenditure	-	-	2,112,901	2,112,901	2,018,905
Staff costs in a supporting/admin role	-	-	148,689	148,689	141,432
Conference & resource costs	-	64,239	99,935	164,174	125,802
Travel, training & other costs related to staff	-	40,698	167,785	208,483	257,155
Grants payable	-	-	-	-	13,577
Support, management & admin costs	-	83,775	26,040	109,815	103,894
Governance costs	-	12,598	-	12,598	10,966
	-	201,310	2,555,350	2,756,660	2,671,731
£	-	£ 270,785	£ 2,597,842	£ 2,868,627	£ 2,740,741

During the year the charity's head office was based at All Nations Christian College, Hertfordshire. Here a number of staff operated, spending approximately 60 - 80% of their time in a support and administration role. Accordingly their salary costs are split between support/administration and direct charitable expenditure. The support, management and administration costs and governance costs do not relate directly to charitable expenditure and are further analysed in note 4.

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (Continued)

4 Analysis of governance and support costs

	General Support	Governance costs	Total 2025	Total 2024
Rent	22,596	-	22,596	21,656
Repairs, rates and utility costs for properties held for resale	4,004	-	4,004	8,476
Office costs	66,062	-	66,062	67,046
Legal and professional costs	17,153	-	17,153	6,716
Consultancy fees	-	-	-	-
Auditor's remuneration	-	8,562	8,562	7,343
Costs relating to trustees' meetings	-	4,036	4,036	3,623
	£ 109,815	£ 12,598	£ 122,413	£ 114,860

5 Net expenditure

The total for net expenditure of £76 (2024: £132,501) is stated after charging:

Auditor's remuneration - in relation to audit and financial statements disclosures	£ 8,562	7,343
- for other services	£ -	-
Depreciation	£ 2,598	2,330
Operating lease rentals - land and buildings	£ 22,596	21,656

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Salaries	1,891,570	1,840,036
National insurance	198,080	155,715
Pension costs	208,894	199,571
	£ 2,298,544	2,195,322

Average number of employees, analysed by function, was as follows:-

Charitable activities	80	78
Fundraising	1	1
Administration	2	2
	83	81

No employee earned more than £60,000 (2024 : same).

The trustees were not paid or received any other benefits from employment with the charity in the year (2024 : same).

The key management of the charity comprises the national director, 4 regional development directors (2024 : 4) and the finance manager. The total employee benefits of key management personnel for the charity were £283,295 (2024 : £257,473).

7 Trustees' expenses

Travel and other expenses of £128 were paid to trustees to enable them to attend meetings and generally carry out their governance responsibilities (2024: £435)

8 Pension costs

The charity operates defined contribution schemes and contributions of £208,894 were paid in the year (2024: £199,571).

9 Branches

The charity has 20 (2024: 20) branches throughout the UK which generate income and carry out activities on behalf of the charity. The accounts of the branches are maintained at a local level and are then incorporated into the charity's financial statements. In 2025 the branches contributed net incoming resources of 8,748 (2024: net outgoing resources £9,075).

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (Continued)

10 Tangible fixed assets

	Furniture & equipment	Computers & Peripherals	Total
Cost			
At 1 January 2025	6,674	23,453	30,127
Additions in the year	-	2,712	2,712
Disposals in the year		(7,221)	(7,221)
At 31 December 2025	6,674	18,944	25,618
Depreciation			
At 1 January 2025	6,179	20,416	26,595
Charge for the year	494	2,104	2,598
Disposals in the year	-	-	-
Depreciation elimination on disposal		(7,221)	(7,221)
At 31 December 2025	6,674	15,298	21,972
Net book value			
At 31 December 2025	£ -	3,646	3,646
Net book value			
At 31 December 2024	£ 495	3,037	3,532

11 Debtors

	2025	2024
Tax recoverable	21,729	14,752
Prepayments and other debtors	85,321	93,315
	£ 107,050	108,067

12 Property held for resale

	2025	2024
Crescent Stables, Putney	455,000	500,000
Mount Gould Road, Plymouth	-	205,000
	£ 455,000	£ 705,000

Crescent Stables, Putney is available for immediate sale in the present condition and has had an offer accepted of the value listed. The sale is expected to be completed within 12 months.

13 Creditors: amounts falling due within one year

	2025	2024
Trade creditors	2,580	6,073
Taxation and social security costs	41,666	32,933
Other creditors	-	-
Pension creditors	18,188	596
Accruals and deferred income	15,546	10,647
	£ 77,980	50,249

FRIENDS INTERNATIONAL MINISTRIES**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (Continued)****14 Analysis of net assets**

	Unrestricted Funds			
	Restricted		Designated staff	
Fixed assets	-	3,646	-	3,646
Current assets	325	608,186	778,342	1,386,853
Current liabilities	-	(36,314)	(41,666)	(77,980)
	£ 325	£ 575,517	£ 736,676	£ 1,312,518

Designated staff support funds

These funds consist of donations and gift income received plus funds set aside out of unrestricted funds for staff support. The balances on individually designated funds are reviewed regularly. On an annual basis the Finance Committee will determine the extent to which transfers from the general fund should be made to ensure that the carrying value of individual staff support fund balances are recoverable. Following this year's review an aggregate transfer of £44,740 was made from the general fund to designated funds as reflected in the SOFA. (2024 : £69,200)

Restricted fund

The charity has one restricted fund, and the movements on this for 2025 are shown on the face of the SOFA. This restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

15 Operating lease commitments

At 31 December 2025 the charity had the following commitment to make the minimum lease payments under a non-cancellable lease:

	2025		2024	
	Property	Franching machine	Property	Franching machine
Not later than 1 year	15,560	665	14,816	665
Later than 1 year and not later than 5 years	-	1,330	-	1,995
Expiring after five years	-	-	-	-
	£ 15,560	£ 1,995	£ 14,816	£ 2,660

Gifts from trustees of the charity totalled £8,401 (2024 : £9,334).

17 Post balance sheet event

The charity has been notified that it is the 10% beneficiary of an estate that is valued at over £1.5m. At this stage there is no confirmed value after taking into account sales of assets and costs incurred so no debtor has been included within these figures. The legacy income has been gifted to the General Fund and trustees will recognise income when the amount can be measured reliably.

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (Continued)

17 Statement of Financial Activities for the year ended 31 December 2024

	Restricted Fund	Unrestricted Funds General	Designated Staff Support Funds	Total 2024
Income:				
Donations and gifts	61	130,786	2,334,955	2,465,802
Legacy	-	9,175	-	9,175
Charitable activities:				
Training events and literature sales	-	49,646	39,972	89,618
Investment income	-	38,480	-	38,480
Other income	-	165		165
Total income	61	228,252	2,374,927	2,603,240
Expenditure:				
Fundraising costs	-	28,184	40,826	69,010
Charitable activities	13,577	180,885	2,477,269	2,671,731
Total expenditure	13,577	209,069	2,518,095	2,740,741
Net (expenditure)/income before revaluation of investments	(13,516)	19,183	(143,168)	(137,501)
Revaluation of property held for resale		5,000		5,000
Net (expenditure)/income	(13,516)	24,183	(143,168)	(132,501)
Transfer between funds	(2)	(69,200)	69,202	-
Net movement in funds	(13,518)	(45,017)	(73,966)	(132,501)
Total funds brought forward at 1 January 2024	£ 13,843	716,265	714,992	1,445,100
Total funds carried forward at 31 December 2024	£ 325	671,248	641,026	1,312,599

Independent Auditor's Report to the Trustees of Friends International Ministries

Opinion

We have audited the financial statements of Friends International Ministries (the 'charitable company') for the year ended 31 December 2025 which comprise statement of financial activities, balance sheet, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; *and*
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; *and*
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; *or*
- the charitable company has not kept adequate accounting records; *or*
- the financial statements are not in agreement with the accounting records and returns; *or*
- we have not received all the information and explanations we require for our audit; *or*
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures designed and implemented to detect irregularities, including fraud, are detailed below:

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- Carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed;
- Verifying the existence on a sample basis of individual employees on the payroll;
- Verifying that material balances within the balance sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date; *and*
- Enquiry of management and those charged with governance around actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Robert Smith FCA
(Senior Statutory Auditor)
for and on behalf of Griffin Stone Moscrop & Co.
Statutory Auditor
21-27 Lamb's Conduit Street
London
WC1N 3GS

Date: 27th March 2026.

Accounts

FRIENDS INTERNATIONAL MINISTRIES

(Company limited by guarantee and not having a share capital)

Registered Company Number: 4500270

English and Welsh Registered Charity Number: 1094095

Scottish Registered Charity Number: SCO48838

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

FRIENDS INTERNATIONAL MINISTRIES

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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FRIENDS INTERNATIONAL MINISTRIES

Registered office: The Rowan Centre, All Nations Christian College, Easneye, Ware, Herts SG12 8LX

Administrative details of the charity, the trustees and advisors

The Trustees present their report together with the accounts of the charitable company for the year ended 31 December 2024. All of the trustees act in the role of directors.

The following trustees served from 1 January 2024 and up to the date of the approval of the accounts:-

Stroma Beattie (resigned 18 June 2024)
Matthew East
Henry Lu
Natasha Rayan
Ian Roberts
Sara Slater
Geoffrey Spence (Chair)

The following trustees were appointed during the year:-

Jane Hutton (appointed 23 July 2024)

The day to day operations of the charity are overseen by Alan Tower, the National Director.

Key Management Personnel :

National Director:	Alan Tower
Regional Development Directors:	Pete Edwards Iván Neira Stephanie Knell (appointed 1 February 2024) Lynette Teagle (appointed 1 February 2024)
Finance Manager:	Lydia Evans
Principal address:	The Rowan Centre All Nations Christian College Easneye Ware Herts SG12 8LX
Bankers:	Bank of Scotland
Auditor:	Griffin Stone Moscrop & Co. 21-27 Lamb's Conduit Street London WC1N 3GS
Solicitors:	Ellis-Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024

Chair's Report

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. International student numbers have continued to rise with more than 740,000 at UK universities, a further estimated 500,000 in UK language schools and rising numbers of both categories in the Republic of Ireland.

2024 was a year full of activities for Friends International. Overall, 12,790 international students were in touch with Friends International run and supported events (up 6%), mobilising volunteers from 388 churches (up 10%), including 1,200 who took part in Bible studies (a 23% increase on the previous year), and 67 who decided to embrace Christian faith.

Social media presence continues to grow strongly, with particular encouragements from Instagram engagement and followers among young adults, and website views.

Recruitment of staff has been encouraging, with 11 people joining, including new Centre Team Leaders in Durham, Colchester and Portsmouth. Our Apprentice Programme continued with four people being supervised by experienced staff and being prepared for full staff roles over 2 years. Our Reach graduate training programme has 7 participants receiving training for ministry over one or two years.

The renewed Director team, 40% of whom are originally not from the UK, has become well established with two part-time appointments covering the South of Wales and England successfully.

The January 2025 Conference was a celebration of the 40th Anniversary of Friends International ministry, with previous Directors over the 40 years reporting, as well as most recent staff appointments emphasizing future prospects, and a particular emphasis on partnership historically and currently.

A stable Support Centre Team has provided the base to address how best to serve staff in our 35 Centres, Branches, volunteer networks, and churches. Progress has been made for staff on reporting through the DonorHub system to include expenses in addition to income, and for supporters in adding a GoCardless regular giving facility.

Staff contributions to wider networks in Europe and globally continue, including the part secondment of a staff member to lead the European International Student Ministry network. Cross-agency collaboration among student ministry agencies in Britain has been facilitated through leader consultations. Our partnership with Christian Unions Ireland has been renewed and refreshed with the new CUI Director being invited to our annual staff conference.

We continued to pursue our Growth Strategy Plan aiming to recruit staff in new Centres and reinforce existing Centre staff teams, in the places where most international students are studying.

The recruitment of a Fundraising Manager to support the development of the General Fund and the Growth Strategy has shown encouraging early signs. Preparation for the management of an endowment fund continues, contingent on the sale of two properties providing the basis of the fund.

The charity continues to fulfil its aims and greatly enriches the lives of many international students when they come to the UK or Ireland.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

Our Objectives and Activities:

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. We seek to help international students, whatever their faith backgrounds, during their stay in the UK and elsewhere. Friends International's vision is to see international students transformed by the good news of Jesus so that they fully engage with the mission of the church in the world.

Public Benefit:

The trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit. Friends International's purposes comply directly with three of the Charities Act's descriptions of "charitable purpose" namely:

- "the advancement of religion"; We aim to demonstrate to international students the relevance of Christian faith to personal life today, how Christian faith has developed and how it is variously expressed in the 21st century world. We partner with university chaplaincies in providing pastoral support for international students and some of our staff are also university chaplains.
- "the advancement of education"; We interact with international students in a range of different ways, helping them improve their English language, understand different cultures, and sometimes with more specific training such as leadership skills and preparation for their return home.
- "the advancement of citizenship or community development"; We produce resources in multiple formats for new international students to help them integrate into our countries, and we run orientation programmes mainly in the autumn term.

In partnership with local Christian communities, we arrange cultural trips and opportunities for international students to meet with a British or Irish family. We partner with universities to offer English language practice sessions, helping international students to be effective for their time in the UK or Ireland and establishing friendships that will help them thrive on arrival.

The trustees seek to ensure that these purposes are met as the Charity works principally to support and enable Christian churches' outreach in their local communities with specific focus on international students furthering their education in the UK or Ireland.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

Strategies:

Key strategies for 2025 – 2030 include:

- Growth initiatives aim to help us reach a tipping point of students aware of Friends International so that all international students can experience a welcome to the UK and Ireland, as well as an opportunity to investigate the Christian faith. Supporter number increases are sought through attendance at key national events, staff number increases through advertising for new and strengthened key Centres, an Apprentice programme, Partnerships with other ministries, intentional programmes for language students, specific service of universities through chaplaincy and international office contact, fundraising and local structure development.
- Reaching out to students who have difficulty hearing the Christian message in their home country or who are not initially attracted to our activities is an emphasis for ministry development.
- Returnee focus, for when students return to their home countries or move elsewhere, to be built in from the first contacts with students, through friendship, to continue moving staff, Branches and Development Groups, Churches and volunteers, from acknowledging the returnee focus to influencing how they conduct their ministry.
- Events speaking training helps to develop skills in public ministry to better achieve international student outreach, both to model contextualised Bible teaching and evangelism in a multicultural setting, and to equip others to do the same.
- Innovation in Student Engagement includes new approaches to reach out to and meet the needs of international students, as well as resources for leadership skills, international student wellbeing, discipleship and outreach.
- Learning and Development are promoted as a whole life approach for staff, volunteers and partners, including training evaluation and the development of an essential skills framework.
- Member Care aims to embed good practice throughout the organisation through leadership engagement, training provision, healthy induction of new staff and academic research.
- Mission Partnership Development helps staff draw in a full schedule of financial and prayer supporters to allow their work to proceed fully resourced.

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for 2024 (cont'd)

Activities :

We continue to have ten major areas of activity where we seek to implement our strategies:

- Regional Development Directors identify areas of concentration of international students without focused international student ministry
- RDDs then seek to develop vision among local churches and other partner agencies through establishing new Centres
- We then aim to build local ministry teams ('Centres') with sound funding and effective support groups, through the recruitment and appointment of staff (including Apprentices and Associates), the partnering with local churches and Affiliates, and through Development Groups that become Branches.
- We encourage, model and support welcome and cultural ministries through international student cafés and seek to engage international students with biblical truth, encouragement and challenges through group and individual Bible study.
- We encourage the setting up and running of local hospitality programmes to increase the volunteer provision of appropriate contact and support for international students
- We also offer language practice-based activities, values-based leadership studies, intercultural training for future Bible teachers and other focused programmes offering relevant skills to international students through contact with Christians.
- We seek to engage with university chaplaincies and student welfare bodies to offer counselling, wellbeing and other services that help universities value, care for and add value to the student experience for international students.
- Our Reach graduate trainee programme is used to envision and train recent graduate Christians from home and abroad.
- We develop appropriate regional and national supervisory structures to provide a unifying vision and direction which supports each locality appropriately.
- We build effective and accessible regional and national resources and events using relevant communication channels to our key stakeholders.

Review of Achievements and Performance:

1. Centres and Staff

· In 2024 Friends International continued to develop activities through staff in 35 centres and through affiliates in 10 more.

· Through our partnership with Christian Unions Ireland, expressed through regular meetings including with their new Director, this partnership has been refreshed.

· We continue to recruit new staff to the organisation both to establish new centres and to strengthen existing centres. We currently have 78 across full and part time patterns of work, 60% of whom are women, including Associate staff who are either seconded to us from other charities or local churches. Staff are involved in a variety of activities shaped significantly by the centres in which they serve and by the locally agreed strategy. Since a key aim of the organisation is to resource local churches in their engagement with international students, staff invest considerable time in training church members to multiply effective ministry. In some centres there are established inter-church teams offering a programme of events, hospitality and Christian teaching. In other places the work is centred around one or two churches which provide local volunteers.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

· Much ministry is based around term time and weekly events. Such events can be purely social, or an event with some Christian content to introduce the Christian faith, or events of a discipleship nature for those openly professing a Christian faith or a desire to explore specifically the Christian faith.

Summer outreaches continue to play a key part in reaching particularly language students; while it was harder to recruit team members, there remained a large number of both language and university students who were keen to take part in activities and some were willing to investigate the Christian faith for themselves.

· Across our centres we aim to help international students settle into student life, provide care and support where it is appropriate, encourage them to consider the Christian faith, and prepare them for the challenges of the reverse-culture shock they may face on their return home.

2. Support Base

Of the £2,465,802 income from donations and gifts, roughly two-thirds (including related gift aid) was donated by individuals, the remainder coming from churches and trusts. The organisation has a core support base that has been committed to our work for a long time, whilst new staff broaden our donor base with their networks of contacts and supporters. We benefit from committed support from a Christian Trust.

3. Leadership and Support Centre

· Regional Development Directors and the National Director have continued to meet regularly to oversee strategy and current issues, with the RDDs also having regular supervision from the National Director.

· The Leadership Forum, which meets three times each year, resources a wider set of Cluster and 7 specialist Heads of Ministry leaders. Strategy has been dually focused on future growth and specialist ministry areas.

· The Support Centre team, 4 full-time and 5 part-time, seeks to provide a high level of service to staff, affiliates, graduate trainees, supporters, partner churches and trustees.

In terms of our ongoing relationship with All Nations Christian College where the Support Centre is sited, we maintain a high level of interaction with students and staff, including participating in College events and taking up speaking engagements.

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for 2024 (cont'd)

4. Affiliate Network

We continue to develop the Affiliate Network, aiming to support, train, encourage and partner well with affiliates in their local church roles working amongst international students. Resources available to Affiliates include Cluster days and conferences, and resources including recordings online. We now have 88 affiliates as part of the network, some based internationally.

5. Training and Development

Training and developing our staff and affiliates team is important to the future of the organisation and our work. A key fixture is the annual conference where staff, affiliates, graduate trainees and others (such as Branch and Development Group members, Trustees, retired staff, international and key student visitors) meet to share experiences, best-practice, and learn from outside speakers about different aspects of inter-cultural ministry.

There are local and regional staff training days, and training events specifically aimed at equipping volunteers and local churches. We believe training is a core role for FI and one we are seeking to grow and develop. Processes have been developed so that staff can identify areas where further growth and development are needed, as well as where they might be able to access the appropriate training resources.

6. Reach Programme

The focus of this training year is to invest in the lives of young Christian graduates who show potential in Christian ministry. The current cohort of 7 trainees (2 on their second year) started in September. The Reach Programme coordinator and their team bring creativity and a vision to build on the strong foundation of the programme.

- A considerable percentage of each Reach trainee cohort are international, and this year none are UK-born; we see this programme as a means of discipling and training promising international students who will go on to be a blessing to churches around the world.

- Reach alumni include church leaders in the UK and many other parts of the world, and returnees thriving in their local churches and still involved in International Student Ministry or supporting returnees.

- We currently have a number of staff workers and centre team leaders who were participants of the Reach programme in earlier years.

7. Branches and Development Groups

Branches and Development Groups exist to implement national strategy locally alongside staff.

Their ethos is to be forward-looking and seeking to develop best practice. Key roles in which members contribute include strategic thinking; networking across different Christian communities in a town or city; and encouraging partnership development. Key relationships are those of the Chair, local Centre Team Leader and Regional Development Director working well together. Branch training has moved online leading to a greater uptake and wider insights into best practice.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

8. Communications

Communications have been reassessed, and refreshed during 2024, and we aim to be making the most of our resources to serve those involved in international student ministry, and to draw new potential staff, volunteers and supporters in.

9. Special Student Events

When the Word Alive event was unable to continue, Friends International and partner groups initiated the Big Weekend Away event to replace the former international student track, and this had a successful first year in 2024, drawing around 100 international students and a substantial supporting team for a long weekend of Bible teaching, seminars and fellowship to encourage the consideration of Christian themes among enquirers and discipleship growth.

The Philip Project trains future Bible teachers planning to return to their own countries for a day a month through the academic year and additionally runs a training weekend. Through substantial work by the Project Coordinator the format has been adapted to a more flexible on-line delivery. There is also an online portal allowing students a more flexible approach to learning. Philip Project has also produced a resource to help international students read the Bible.

Friends International staff regularly spoke at Christian Union events weeks in 2024, helping international students to understand the good news of Jesus.

Financial Review:

The statement of financial activities (SOFA) for the year is set out on page 14 together with an analysis of funds on page 21. Our regular gift income has increased by 5.4% with an increase in our expenditure of 7.7%.

Overall, there is a deficit in 2024 of £ 132,501; this includes legacy income of £9,175 and a property revaluation of £5,000. After transfers between funds to ensure that the General Fund meets all under-funded staff there is a net decrease in the General Fund in 2024 of £45,017.

The financial policy of Friends International is to match and monitor funding with expenditure requirements for each area of ministry activity, mostly focused on Centres. A designated fund is therefore maintained for each venture which requires ongoing expenditure. It is acceptable to run with a current year deficit for a specific designated fund, provided there are sufficient brought forward reserves for that particular Centre to offset the loss. In 2024 designated funds fell by £73,966. Much of this deficit arises from the spending of designated reserves that have been carried forward from the previous year.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

For General Fund income to meet Central costs (which are primarily the Support Centre and majority funding of the senior management team) we have continued to aim to move towards a balanced position, most recently through the appointment of a Fundraising Manager.

Each designated fund is subject to monthly monitoring and appropriate discussion where required with the relevant staff member and, if necessary, their Supervisory Manager.

Before work is started in a new location, or a new member of staff is employed, it is the policy of Friends International to ensure that there is an appropriate level of pledged donor support. We continue to maintain a Strategic Growth Fund which has been resourced from the allocation of a portion of the substantial legacies received in recent years as well as the generosity of some specific supporters keen to support this venture. The Trustees continue to seek to extend this Fund as part of achieving new Strategic Ministry Centres as well as extending training opportunities for a new generation of ISM workers. the generosity of some specific supporters keen to support this venture. The Trustees continue to seek to extend this Fund as part of achieving new Strategic Ministry Centres as well as extending training opportunities for a new generation of ISM workers.

Investment Policy:

The charity has freehold title to their previous Support Centre office in Putney, a small but prime location in Southwest London. This office is up for sale and is shown on the Balance Sheet within 'Properties held for resale' along with one other property which is a residential building in Plymouth, bequeathed to us in 2022, which has now been sold. We aim to use the proceeds of property sales to create an endowment fund here.

Liquid Investments: The investment policy is to maintain a low-risk liquid position. The aim is therefore to maintain balances in accounts that attract market competitive deposit account bank interest but with low-risk institutions. The funds from the sale of the properties will be invested in line with this policy with the hope of an endowment fund being created, to enable us to provide more support to both the Strategic Growth Fund and other Designated Staff Support funds.

Reserves Policy:

Our policy remains to hold sufficient unrestricted reserves (defined as all unrestricted funds including designated funds but excluding fixed asset related reserves) in order to protect the charity against a sudden and catastrophic fall in donations and any related gift aid for a period long enough to ensure a managed plan for survival, merger or cessation.

Unrestricted reserves are held in both the general fund (which bears all central costs) as well as designated staff support funds (comprising funds designated on an ongoing basis for both specific ministry centres as well as for individual staff workers working in a ministry centre).

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

Whilst the trustees are aware that all unrestricted reserves are available to use at their discretion in the event of a crisis, it is considered appropriate that for practical management purposes the Trustees will undertake two levels of monitoring:

1) Regular monitoring of central reserves required against general funds (comprising all unrestricted reserves excluding designated funds). These funds will be measured against both a minimum and maximum 'central' reserve level when monitoring performance and setting future budgets. The intention is to never drop below a minimum level and actively consider action to manage excess reserves where considered appropriate.

Such central reserve levels are calculated in order to provide a minimum of 3 months and a maximum of 9 months of reserves to cover projected support centre and national leadership costs.

As at 31 December 2024 unrestricted general funds stood at £671,248 (2023: £716,265) compared to a central reserve minimum at 31 December 2024 of £147,000 and a planned maximum of £ 440,000. This includes the properties held for resale, valued at a total of £705,000. Removing the tangible fixed assets from general funds brings the balance on free reserves down to £ 667,716.

2) Periodic review of both the total amount and profile of designated staff support funds to ensure that they remain appropriate for the use they were designated for and to assess both the level and profile of funding capability the charity has for ongoing field ministry.

As at 31 December 2024 designated staff support funds stood at £641,026 (2023: £714,992) which was spread across both ministry centres and individual staff members.

If we exclude the Putney and Plymouth properties, the General Fund has, as previously anticipated, fallen below zero. In light of this, the Trustees and senior management team have been reviewing where costs can be saved and are proactively seeking to increase giving to the General Fund. There is now a structure in place that can support the continuing expansion of the charity's activities.

As at 31 December 2024 the charity's assets were available and adequate to fulfil the obligations to the charity and the trustees considered the financial state of affairs of the charity at that time to be satisfactory and in accordance with our budgetary expectations.

Plans for Future Periods:

We intend to continue and grow our activities in future years, particularly with a concerted effort to research ministry opportunities alongside churches and Christian student groups through further staff worker posts so that new and better resourced centres with the most international university students are helped towards thriving International Student Ministry. Through seven Heads of Ministry we are developing our approaches to Learning and Development, Hard to Reach students, Returnees, Events Speaking, Innovation in Student Engagement, Mission Partnership Development, and Member Care.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

Structure, Governance and Management:

Governing Document

Friends International Ministries was incorporated as a company limited by guarantee and not having a share capital (number 4500270) on 31 July 2002 and is a registered charity with the Charity Commission (number 1094095). It is governed by its Memorandum and Articles of Association. Under UK company law, all the trustees are directors of the company. The liability of the company's members in the event of the charity being wound up is limited to a sum not exceeding £10. Friends International Ministries is also registered with the Office of the Scottish Charity Regulator.

Appointment of Trustees

Potential trustees are identified from academia, business and Christian ministry backgrounds. The trustees are appointed by the board of Trustees through advertising or invitation, followed by an application and interview process. New Trustees are given key Charity Commission information on their responsibilities and are encouraged to attend appropriate external training where this will facilitate the undertaking of their role. They undergo some induction and are linked to more experienced trustees as needed to enhance their swift integration.

Organisation

The board of trustees meet at least three times a year to review all aspects of the charity's activities. The board has established a sub-committee to assist with the running of the charity, namely the Executive Committee, responsible for meeting with senior staff between trustee meetings, and also tasked with specifically monitoring and managing the charity's finances.

Geoffrey Spence, Sara Slater and Ian Roberts are members of the Executive Committee.

Trustee Remuneration and Related Parties

None of the trustees receive remuneration or other benefit for their work for the charity. There were no related party transactions reported in the year between the charity and any trustee, senior manager or any of the third parties with contractual relationships with the charity.

Pay Policy for Senior Staff

No trustees received remuneration during 2024. Details of trustee expenses are disclosed in note 7 to the financial statements.

The pay of senior management is reviewed annually using a standard formula benchmarked against published pay increases awarded to Classroom Teachers.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

Risk Management

The trustees review risks on a regular ongoing basis and use a risk matrix to define key risks, assess them by probability and impact before and after mitigating action is taken.

Such reviews take place within the sub-committee and in periodic review by the whole Board of key risks.

The following are considered to be important Risks requiring Board and Senior Management focus during 2025:

- Risk of inadequate reserves: There was a fall in general funds during 2024 which has been addressed in part by a review of how to increase income and reduce general fund expenditure. During 2024 legacy income of £9,175 has been recognised within the general fund.
- Risk of failing to facilitate ISM in those areas of the UK where there is a large international student population. This requires identification of those locations where current ISM is deficient relative to the numbers of students and then focusing new ministry investment in such areas in order to build effective church partnerships supported by our staff. Plans and strategies have been formulated to enable this to happen.
- We continue to review prevailing pressures in wider society to comply with social trends and to assess how to remain true to our Christian convictions in the light of these.

Board Governance

The board has reviewed the level of salaries for all staff, especially those at the lower end of the pay scale.

Trustees' Responsibilities

The trustees (who are also directors of Friends International Ministries for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for 2024 (cont'd)

Auditors

A resolution to re-appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, will be proposed at a meeting of the trustees.

Statement of Disclosure of Information to Auditors

We, the directors of the company who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006

relating to small companies.

Approved by the Board of Trustees on 14 March 2025 and signed on its behalf by:

Geoffrey Spence

GEOFFREY SPENCE
CHAIR OF TRUSTEES

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

		Restricted Fund	Unrestricted Funds Designated Staff Support	Total 2024	Total 2023
	Note	General			
Income from:					
Donations and gifts		61	130,786	2,334,955	2,465,802
Legacies		-	9,175	-	9,175
Charitable activities:					
Training events and literature sales		-	49,646	39,972	89,618
					71,929
Investment income	2	-	38,480	-	38,480
					8,472
Other income		-	165	-	165
					-
Total income		61	228,252	2,374,927	2,603,240
Expenditure on:					
Fundraising costs	3	-	28,184	40,826	69,010
Charitable activities	3	13,577	180,885	2,477,269	2,671,731
					58,728
Total expenditure		13,577	209,069	2,518,095	2,740,741
Net (expenditure)/income before revaluation of investments		(13,516)	19,183	(143,168)	(137,501)
					(115,031)
Revaluation of property held for resale		-	5,000	-	5,000
					-
Net (expenditure)/income	5	(13,516)	24,183	(143,168)	(132,501)
					(115,031)
Transfer between funds		(2)	(69,200)	69,202	-
					-
Net movement in funds		(13,518)	(45,017)	(73,966)	(132,501)
					(115,031)
Total funds brought forward at 1 January 2024		£ 13,843	716,265	714,992	1,445,100
					1,560,129
Total funds carried forward at 31 December 2024		£ 325	671,248	641,026	1,312,599
					1,445,100

All of the above results are derived from continuing activities.

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

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIESBALANCE SHEETCompany registration number 04500270

		31 DECEMBER 2024	2023
Fixed assets			
Tangible fixed assets	10	3,532	3,086
		<u>3,532</u>	<u>3,086</u>
Current assets			
Debtors	11	108,067	74,228
Stock held		4,211	6,677
Current asset investments - properties held for resale	12	705,000	700,000
Cash at bank and in hand		542,038	720,993
		<u>1,359,316</u>	<u>1,501,898</u>
Creditors: amounts falling due within one year	13	50,249	59,884
		<u></u>	<u></u>
Net current assets		1,309,067	1,442,014
Net assets		<u>£ 1,312,599</u>	<u>1,445,100</u>
Charity Funds:			
Unrestricted funds:			
General funds		275,630	325,647
Revaluation reserve relating to former investment property		395,618	390,618
Designated funds		641,026	714,992
		<u>1,312,274</u>	<u>1,431,257</u>
Restricted fund		325	13,843
		<u></u>	<u></u>
Total funds	14	<u>£ 1,312,599</u>	<u>1,445,100</u>

Approved by the board of Trustees on 14 March 2025 and signed on its behalf by:

Geoffrey Spence

GEOFFREY SPENCE

CHAIR OF TRUSTEES

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
Cash used in operating activities (see below)	(214,640)	74,951
Cash flows from investing activities		
Investment income	38,480	8,472
Purchase of tangible fixed assets	(3,096)	(200,000)
Proceeds on sale of assets	300	416
Cash provided by investing activities	35,684	(191,112)
Cash flows from financing activities		
Cash divestment from short-term deposit	(4,751)	82,577
Cash used in financing activities	(4,751)	82,577
Increase/(Decrease) in cash and cash equivalents in the year	(183,707)	(33,584)
Cash and cash equivalents at the beginning of the year	369,675	403,259
Total cash and cash equivalents at the end of the year	£ 185,968	369,675

Reconciliation of net income to net cash flow from operating activities

Net income/(expenditure)	(132,501)	(115,031)
Add back depreciation charge	2,330	3,135
Add back loss on disposal	18	-
Deduct interest income shown in investment activities	(17,347)	(7,268)
Deduct rental income shown in investment activities	(21,133)	(1,204)
Increase in value of property held for resale	(5,000)	-
Increase in debtors	(33,839)	195,095
Reduction in stock	2,467	(316)
Decrease in creditors	(9,635)	541
Net cash used in operating activities	£ (214,640)	74,951

Analysis of net funds

	Balance 1 January 2024	Movements	Balance 31 December 2024
Cash at bank and in hand (see note 1l)	369,675	(183,707)	185,968
Cash on deposit for more than three months (see note 1l)	351,318	4,751	356,072
	£ 720,993	£ (178,956)	£ 542,038

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024

1 Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes, as set out in the notes to the accounts.

The restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

c) Income

Donations and gifts are reflected in the financial statements in the period in which they are received.

Income tax recoverable in respect of gift aid donations is brought into account in the same period as the relevant donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified, or the charity is aware of the granting of probate.

d) Expenditure and irrecoverable VAT

Expenditure is charged to the statement of financial activities on the accruals basis and is mainly allocated across activities based on staff time.

Fundraising costs include all costs involved in raising income and in raising the profile of the charity.

Charitable activities are further analysed in note 4 and are split between direct charitable expenditure, support, management and administration costs and governance costs. Support costs are those costs incurred indirectly in support of expenditure on the objects of the charity or in connection with the management and administration of the charity. Governance costs reflect the costs of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets at the following rates per annum so as to write off each asset over its estimated useful working life:

Furniture and equipment - 20% straight line

Computers and peripherals - 33% straight line

f) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

g) Stock

Stock has been valued at the lower of cost and net realisable value.

h) Current asset investments

Current asset investments are initially measured at cost and are subsequently re-measured at their fair value except where they qualify as basic financial instruments.

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024 (Continued)

1 Accounting policies (continued)

- i) **Pensions**
The charity makes payments to defined contribution pension schemes for the benefit of its employees. Contributions charged during the year are written off as incurred.
- j) **Expenses of trustees**
Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended.
- k) **Debtors**
Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount repaid net of any discounts due.
- l) **Cash at bank and in hand**
Cash at bank and in hand includes cash and fixed term deposits of varying lengths. The statement of cash flows only reflects movements within bank accounts held where the money can be accessed within three months of the date of opening the deposit. An analysis of cash at bank at the balance sheet date, differentiating between deposits which mature 3 months after the date of opening and cash accessible within three months is provided as a note to the statement of cash flows.
- m) **Creditors**
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.
- n) **Taxation**
Friends International Ministries is a registered charity and no tax is payable on its net income.
- o) **Financial Instruments**
With the exception of the current asset investments, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Investment income

	2024	2023
Bank deposit interest	17,347	7,268
Prior year rental received on property now held for re-sale	21,133	1,204
£	38,480	8,472

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024 (Continued)

3 Total expenditure

	Restricted fund	General fund	Designated staff support funds	Total 2024	Total 2023
Fundraising costs					
Staff costs	-	-	34,985	34,985	29,742
Direct PR costs	-	25,957	-	25,957	21,151
Allocation of support & admin costs	-	2,227	5,841	8,068	7,834
	-	28,184	40,826	69,010	58,728
Charitable activities					
Staff costs - direct charitable expenditure	-	-	2,018,905	2,018,905	1,889,911
Staff costs in a supporting/admin role	-	-	141,432	141,432	112,605
Conference & resource costs	-	58,256	67,546	125,802	112,450
Travel, training & other costs related to staff	-	36,196	220,959	257,155	233,227
Grants payable	13,577	-	-	13,577	17,687
Support, management & admin costs	-	75,467	28,427	103,894	111,359
Governance costs	-	10,966	-	10,966	9,172
	13,577	180,885	2,477,269	2,671,731	2,486,412
£	13,577	£ 209,069	£ 2,518,095	£ 2,740,741	£ 2,545,139

During the year the charity's head office was based at All Nations Christian College, Hertfordshire. Here a number of staff operated, spending approximately 60 - 80% of their time in a support and administration role. Accordingly their salary costs are split between support/administration and direct charitable expenditure. The support, management and administration costs and governance costs do not relate directly to charitable expenditure and are further analysed in note 4 below.

4 Analysis of governance and support costs

	General Support	Governance costs	Total 2024	Total 2023
Rent	21,656	-	21,656	21,372
Repairs, rates and utility costs for properties held for resale	8,476	-	8,476	3,094
Office costs	67,046	-	67,046	66,460
Legal and professional costs	6,716	-	6,716	5,103
Consultancy fees	-	-	-	15,330
Auditor's remuneration	-	7,343	7,343	7,054
Costs relating to trustees' meetings	-	3,623	3,623	2,118
£	£ 103,894	£ 10,966	£ 114,860	£ 120,531

5 Net expenditure

The total for net expenditure of £132,501 (2023: £115,031) is stated after charging:

Auditor's remuneration - in relation to audit and financial statements disclosures	£ 7,343	7,054
Depreciation	£ 2,330	3,135
Operating lease rentals - land and buildings	£ 21,656	21,372

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Salaries	1,840,036	1,702,560
National insurance	155,715	140,943
Pension costs	199,571	188,341
£	£ 2,195,322	2,031,844
Average number of employees, analysed by function, was as follows:-		
Charitable activities	78	77
Fundraising	1	1
Administration	2	2
	81	80

No employee earned more than £60,000 (2023 : same).

The trustees were not paid or received any other benefits from employment with the charity in the year (2023 : same).

The key management of the charity comprises the national director, 4 regional development directors (2023 : 3) and the finance manager. The total employee benefits of key management personnel for the charity were £257,473 (2023 : £222,562).

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024 (Continued)

7 Trustees' expenses

Travel and other expenses of £435 were paid to trustees to enable them to attend meetings and generally carry out their governance responsibilities (2023: £846)

8 Pension costs

The charity operates defined contribution schemes and contributions of £199,571 were paid in the year (2023: £188,341).

9 Branches

The charity has 20 (2023: 20) branches throughout the UK which generate income and carry out activities on behalf of the charity. The accounts of the branches are maintained at a local level and are then incorporated into the charity's financial statements. In 2024 the branches contributed net outgoing resources of £9,075 (2023: £1,821).

10 Tangible fixed assets

	Furniture & equipment	Computers & Peripherals	Total
Cost			
At 1 January 2024	11,761	21,509	33,270
Additions in the year	-	3,096	3,096
Disposals in the year	(5,087)	(1,152)	(6,239)
At 31 December 2024	6,674	23,453	30,127
Depreciation			
At 1 January 2024	10,210	19,974	30,184
Charge for the year	1,056	1,274	2,330
Depreciation elimination on disposal	(5,087)	(832)	(5,919)
At 31 December 2024	6,179	20,416	26,595
Net book value			
At 31 December 2024	£ 495	3,037	3,532
Net book value			
At 31 December 2023	£ 1,551	1,535	3,086

11 Debtors

	2024	2023
Tax recoverable	14,752	14,653
Prepayments and other debtors	93,315	59,575
	£ 108,067	74,228

12 Property held for resale

	2024	2023
Crescent Stables, Putney	500,000	500,000
Mount Gould Road, Plymouth	205,000	200,000
	£ 705,000	£ 700,000

The above named properties are available for immediate sale in their present condition, are being actively marketed at a price that is not materially different than the values listed and the sales are expected to be completed within 12 months.

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024 (Continued)

13 Creditors: amounts falling due within one year	2024	2023
Trade creditors	6,073	1,329
Taxation and social security costs	32,933	31,661
Pension creditors	596	16,076
Accruals and deferred income	10,647	10,818
	<u>£ 50,249</u>	<u>59,884</u>

14 Analysis of net assets

	Unrestricted Funds			
	Restricted fund	General	Designated staff support funds	Total
Fixed assets	-	3,532	-	3,532
Current assets	325	685,032	673,959	1,359,316
Current liabilities	-	(17,316)	(32,933)	(50,249)
	<u>£ 325</u>	<u>£ 671,248</u>	<u>£ 641,026</u>	<u>£ 1,312,599</u>

Designated staff support funds

These funds consist of donations and gift income received plus funds set aside out of unrestricted funds for staff support. The balances on individually designated funds are reviewed regularly. On an annual basis the Finance Committee will determine the extent to which transfers from the general fund should be made to ensure that the carrying value of individual staff support fund balances are recoverable. Following this year's review an aggregate transfer of £69,200 was made from the general fund to designated funds as reflected in the SOFA. (2023 : £3,095)

Restricted fund

The charity has one restricted fund, and the movements on this for 2024 are shown on the face of the SOFA. This restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

15 Operating lease commitments

At 31 December 2024 the charity had the following commitment to make the minimum lease payments under a non-cancellable lease:

	2024		2023	
	Property	Frinking machine	Property	Frinking machine
Not later than 1 year	14,816	665	21,372	665
Later than 1 year and not later than 5 years	0	1,995	44,525	2,660
	<u>£ 14,816</u>	<u>£ 2,660</u>	<u>£ 65,897</u>	<u>£ 3,325</u>

16 Related party transactions

Gifts from trustees of the charity totalled £9,334 (2023 : £1,350).

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024 (Continued)

17 Statement of Financial Activities for the year ended 31 December 2023

	Restricted Fund	Unrestricted Funds General	Designated Staff Support Funds	Total 2023
Income:				
Donations and gifts	-	104,476	2,235,450	2,339,926
Legacy	-	4,781	5,000	9,781
Charitable activities:				
Training events and literature sales	-	37,783	34,146	71,929
Investment income	-	8,472	-	8,472
Total income	-	155,512	2,274,596	2,430,108
Expenditure:				
Fundraising costs	-	23,620	35,108	58,728
Charitable activities	17,687	193,645	2,275,080	2,486,412
Total expenditure	17,687	217,265	2,310,187	2,545,139
Net (expenditure)/income before revaluation of investments	(17,687)	(61,753)	(35,591)	(115,031)
Net (expenditure)/income	(17,687)	(61,753)	(35,591)	(115,031)
Transfer between funds	-	(3,095)	3,095	-
Net movement in funds	(17,687)	(64,848)	(32,496)	(115,031)
Total funds brought forward at 1 January 2023	£ 31,530	781,112	747,487	1,560,129
Total funds carried forward at 31 December 2023	£ 13,843	716,265	714,992	1,445,100

Independent Auditor's Report to the Trustees of Friends International Ministries

Opinion

We have audited the financial statements of Friends International Ministries (the 'charitable company') for the year ended 31 December 2024 which comprise statement of financial activities, balance sheet, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures designed and implemented to detect irregularities, including fraud, are detailed below:

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- Carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed;
- Verifying the existence on a sample basis of individual employees on the payroll; and
- Verifying that material balances within the balance sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date.
- Enquiry of management and those charged with governance around actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Hill

Richard Hill

(Senior Statutory Auditor)

for and on behalf of Griffin Stone Moscrop & Co.

Statutory Auditor

21-27 Lamb's Conduit Street

London

WC1N 3GS

Date: 18/3/2025

Accounts

FRIENDS INTERNATIONAL MINISTRIES

(Company limited by guarantee and not having a share capital)

Registered Company Number: 4500270

English and Welsh Registered Charity Number: 1094095

Scottish Registered Charity Number: SCO48838

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FRIENDS INTERNATIONAL MINISTRIES

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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FRIENDS INTERNATIONAL MINISTRIES

Registered office: The Rowan Centre, All Nations Christian College, Easneye, Ware, Herts SG12 8LX

Administrative details of the charity, the trustees and advisors

The Trustees present their report together with the accounts of the charitable company for the year ended 31 December 2023. All of the trustees act in the role of directors.

The following trustees served from 1 January 2023 and up to the date of the approval of the accounts:-

Stroma Beattie (Chair)
Naomi Dawson (resigned 5 December 2023)
Henry Lu
Robert Mallet (resigned 5 December 2023)
Natasha Rayan
Jonathan Salkeld (resigned 9 June 2023)
Sara Slater
Geoffrey Spence

The following trustees were appointed during the year:-

Ian Roberts (appointed 9 June 2023)
Matthew East (appointed 5 December 2023)

The day to day operations of the charity are overseen by Alan Tower, the National Director

Key Management Personnel :

National Director:	Alan Tower
Regional Development Directors:	Pete Edwards Iván Neira Sarah Dawkins (resigned 31 December 2023)
Finance Manager:	Lydia Evans
Principal address:	The Rowan Centre All Nations Christian College Easneye Ware Herts SG12 8LX
Bankers:	Bank of Scotland
Auditor:	Griffin Stone Moscrop & Co. 21-27 Lamb's Conduit Street London WC1N 3GS
Solicitors:	Ellis-Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for the year ended 31 December 2023

Chair's Report

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. International student numbers have continued to rise with more than 600,000 at UK universities, a further 500,000 in UK language schools and rising numbers of both categories in the Republic of Ireland.

Following the pandemic, a time of both disruption and learning for the organisation, the year 2023 brought a sense of being more fully back to work. Overall, 12,000 international students were in touch with Friends International run and supported events, mobilising 1,250 volunteers from 300 churches.

A renewed approach to our public profile has been achieved through enhanced social media presence, refreshed banners and leaflets, and ongoing presence at key events where we are increasingly recognised. Our UK Life App has been viewed 5,442 times in the last twelve months. We continue to seek to make the best and most effective use of our resources, mobilise and train a large group of volunteers, and work alongside local churches and educational establishments, through growing friendship and faith with international students in the UK and Ireland.

Recruitment has been encouraging, with 16 people lined up for the next New Staff Induction. Our Apprentice Programme has its largest intake of four, being supervised by experienced staff and being prepared for full staff roles over 2 years. Our Reach graduate training programme has again 12 participants receiving training for ministry over one or two years, back to the level prior to the pandemic. One Regional Development Director moved on to lead another Christian ministry and was successfully replaced with the recruitment of two part-time colleagues. Our partnership with Christian Unions Ireland continued with the successful running of both Belfast and Dublin International Outreaches, focussed periods during the summer to welcome international language and pre-university course students.

Our annual conference was a celebration of ministry and God's provision, as well as an encouragement to those present. We look each time to be equipped through careful and detailed study of scripture and of applied ministry subjects. The National Director had a sabbatical and in his absence, the team of Regional Development Directors in partnership with the Board led the organisation well. During 2023, we started to work on plans to mark Friends International's 40th anniversary in 2025, when the focus will be forward-looking at the same time celebrating the 40 years ministry.

A stable Support Centre Team has provided the base to address how best to serve staff in our 35 Centres, Branches, volunteer networks, and churches. Safeguarding policy and training have been extended to volunteers further to previous progress for staff. Staff contributions to wider networks in Europe and globally continue, including the part secondment of a staff member to lead the European International Student Ministry network. Cross-agency collaboration among student ministry agencies in Britain has been facilitated through leader consultations.

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for the year ended 31 December 2023

We continued to pursue our Growth Strategy Plan aiming to recruit staff in new Centres and reinforce existing Centre staff teams, in the places where most international students are studying – goals being 25 extra staff by 2025 and a total of 35 extra by 2030. Progress has been made during the year towards initial recruitment in Teesside and Hatfield, and achieved in recruitment for the strengthening of teams in Aberdeen, Durham, Loughborough and elsewhere. We have also appointed a London Development Project Team Leader.

Further fundraising to support the Growth Strategy Plan is being addressed. Decisions have been made to move away from investment property to a more liquid investment fund, to resource the General Fund.

The charity continues to fulfil its aims and greatly enriches the lives of many international students when they come to the UK or Ireland.

Our Objectives and Activities:

As stated above, Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. We seek to help international students, whatever their faith backgrounds, during their stay in the UK and elsewhere. Friends International's vision is to see international students transformed by the good news of Jesus so that they fully engage with the mission of the church in the world.

Public Benefit:

The trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit. Friends International's purposes comply directly with three of the Charities Act's descriptions of "charitable purpose" namely:

- "the advancement of religion"; We aim to demonstrate to international students the relevance of Christian faith to personal life today, how Christian faith has developed and how it is variously expressed in the 21st century world. We partner with university chaplaincies in providing pastoral support for international students and some of our staff are also university chaplains.
- "the advancement of education"; We interact with international students in a range of different ways, helping them improve their English language, understand different cultures, and sometimes with more specific training such as leadership skills and preparation for their return home.
- "the advancement of citizenship or community development"; We produce resources in multiple formats for new international students to help them integrate into our countries, and we run orientation programmes mainly in the autumn term.

In partnership with local Christian communities, we arrange cultural trips and opportunities for international students to meet with a British or Irish family. We partner with universities to offer English language practice sessions, helping international

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for the year ended 31 December 2023

students to be effective for their time in the UK or Ireland and establishing friendships that will help them thrive on arrival.

The trustees seek to ensure that these purposes are met as the Charity works principally to support and enable Christian churches to outreach in their local communities with specific focus on international students furthering their education in the UK or Ireland.

Strategies:

Key strategies for 2020 – 2025 include:

- Growth initiatives aim to help us reach a tipping point of students aware of Friends International so that all international students can experience a welcome to the UK and Ireland, as well as an opportunity to investigate the Christian faith.
- Reaching out to students who have difficulty hearing the Christian message in their home country or who are not initially attracted to our activities is an emphasis for ministry development. We aim to identify them, identify fruitful practice, model best practice with local ownership, and raise profile.
- Returnee focus, for when students return to their home countries or move elsewhere, to be built in from the first contacts with students, through friendship, to continue moving staff, Branches and Development Groups, Churches and volunteers, from acknowledging the returnee focus to influencing how they conduct their ministry.
- Events speaking training helps to develop skills in public ministry to better achieve international student outreach, both to model contextualised Bible teaching and evangelism in a multicultural setting, and to equip others to do the same.
- Innovation in Student Engagement includes new approaches to reach out to and meet the needs of international students, as well as resources for leadership skills, international student wellbeing, discipleship and outreach.
- Ministry Partnership Development helps staff draw in a full schedule of financial and prayer supporters to allow their work to proceed fully resourced.
- Learning and Development are promoted as a whole life approach for staff, volunteers and partners, including training evaluation and the development of an essential skills framework.
- Member Care aims to embed good practice throughout the organisation through leadership engagement, training provision, healthy induction of new staff and academic research.

Activities:

We continue to have ten major areas of activity where we seek to implement our strategies. Regional Development Directors identify areas of concentration of

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for the year ended 31 December 2023

international students without focused international student ministry and seek to develop vision among local churches and other partner agencies through establishing new Centres. We then aim to build local ministry teams ('Centres') with sound funding and effective support groups, through the recruitment and appointment of staff (including Apprentices and Associates), the partnering with local churches and Affiliates, and through Development Groups that become Branches. We encourage, model and support welcome and cultural ministries through international student cafés and seek to engage international students with biblical truth, encouragement and challenges through group and individual Bible study. We encourage the setting up and running of local hospitality programmes to increase the volunteer provision of appropriate contact and support for international students. We also offer language practice-based activities, values-based leadership studies, intercultural training for future Bible teachers and other focused programmes offering relevant skills to international students through contact with Christians. We seek to engage with university chaplaincies and student welfare bodies to offer counselling, wellbeing and other services that help universities value, care for and add value to the student experience for international students.

Our Reach graduate trainee programme is used to envision and train recent graduate Christians from home and abroad. We develop appropriate regional and national supervisory structures to provide a unifying vision and direction which supports each locality appropriately and we build effective and accessible regional and national resources and events using relevant communication channels to our key stakeholders.

Review of Achievements and Performance:

1. Centres and Staff

- In 2023 Friends International continued to develop activities through staff in 35 centres and through affiliates in 10 more.
- Through our partnership with Christian Unions Ireland, we continue to assess best practice and deployment of resources to reach international students across Ireland. Through the moving on of the previous Project Leader a time of reassessment is being pursued.
- We continue to recruit new staff to the organisation both to establish new centres and to strengthen existing centres. We currently have 83 across full and part time patterns of work, including Associate staff who are either seconded to us from other charities or local churches. Staff are involved in a variety of activities shaped significantly by the centres in which they serve and by the locally agreed strategy. Since a key aim of the organisation is to resource local churches in their engagement with international students, staff invest considerable time in training church members to multiply effective ministry. In some centres there are established inter-church teams offering a programme of events, hospitality and Christian teaching. In other places the work is centred around one or two churches which provide local volunteers.
- Much ministry is based around term time and weekly events. Such events can be purely social, or an event with some Christian content to introduce the Christian faith,

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for the year ended 31 December 2023

or events of a discipleship nature for those openly professing a Christian faith or a desire to explore specifically the Christian faith.

Summer outreaches continue to play a key part in reaching particularly language students; while it was harder to recruit team members, there remained a large number of both language and university students who were keen to take part in activities and some were willing to investigate the Christian faith for themselves.

- Across our centres we aim to help international students settle into student life, provide care and support where it is appropriate, encourage them to consider the Christian faith, and prepare them for the challenges of the reverse-culture shock they may face on their return home.

2. Support Base

Of the £2,339,926 income from donations and gifts, roughly two-thirds (including related gift aid) was donated by individuals, the remainder coming from churches and trusts. The organisation has a core support base that has been committed to our work for a long time, whilst new staff broaden our donor base with their networks of contacts and supporters. We benefit from committed support from a Christian Trust.

3. Leadership and Support Centre

- We recruited a London Development Project Team Leader giving the post holder time to focus exclusively on the needs in London, and seeking to work in partnership with other agencies.

- Regional Development Directors and the National Director have continued to meet regularly to oversee strategy and current issues, with the RDDs also having regular supervision from the National Director.

- The Leadership Forum, which meets three times each year, resources a wider set of Cluster and specialist leaders. Strategy has been dually focused on future growth and specialist ministry areas.

- The Support Centre team has and has continued to seek to provide a high level of service to staff, affiliates, graduate trainees, supporters, partner churches and trustees.

In terms of our ongoing relationship with All Nations Christian College where the Support Centre is sited, we have continued to endeavour to develop this strategically and welcome students to the office, with more adequate meeting space. Trustee and Director meetings have also been able to take place there. We have considered the relevance of our location there to strategic recruitment as well as cost and ministry relations, and have looked at where else we might prefer to be based if that became necessary or advantageous.

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for the year ended 31 December 2023

4. Affiliate Network

We continue to develop the Affiliate Network, aiming to support, train, encourage and partner well with affiliates in their local church roles working amongst international students. Resources available to Affiliates include Cluster days and conferences, and resources including recordings online. We now have 80 affiliates as part of the network, some based internationally.

5. Training and Development

Training and developing our staff and affiliates team is important to the future of the organisation and our work. A key fixture is the annual conference where staff, affiliates, graduate trainees and others (such as Branch and Development Group members, Trustees, retired staff, international and key student visitors) meet to share experiences, best-practice, and learn from outside speakers about different aspects of inter-cultural ministry.

There are local and regional staff training days, and training events specifically aimed at equipping volunteers and local churches. We believe training is a core role for FI and one we are seeking to grow and develop. Processes have been developed so that staff can identify areas where further growth and development are needed, as well as where they might be able to access the appropriate training resources.

6. Reach Programme

The focus of this training year is to invest in the lives of young Christian graduates who show potential in Christian ministry. The new cohort of 13 trainees started in September. We have appointed a new Reach Programme coordinator this year, who brings new creativity and a vision to build on the strong foundation of the programme. We were also pleased to appoint internally to cover the coordinator's maternity leave.

- Between 30-75% of each Reach trainee cohort are international, and we see this programme also as a means of discipling and training promising international students who will go on to be a blessing to churches around the world.

- Reach alumni include church leaders in the UK, Greece, France and China, cross-cultural workers in Italy, the Philippines and the Middle East, and returnees who are thriving in their local churches and still involved in International Student Ministry/supporting returnees in Vietnam, China and Hungary.

- We currently have a number of staff workers and centre team leaders who were participants of the Reach programme in earlier years.

7. Branches and Development Groups

Branches and Development Groups exist to implement national strategy locally alongside staff.

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Their ethos is to be forward-looking and seeking to develop best practice. Key roles in which members contribute include strategic thinking; networking across different Christian communities in a town or city; and encouraging partnership development. Key relationships are those of the Chair, local Centre Team Leader and Regional Development Director working well together. Branch training has moved online leading to a greater uptake and wider insights into best practice.

8. Communications

Communications have been reassessed, and refreshed during 2023, and we aim to be making the most of our resources to serve those involved in international student ministry, and to draw new potential staff, volunteers and supporters in.

9. Special Student Events

The international student track at the national “Word Alive” conference, held onsite in North Wales, with an online option for returnee students, again drew large numbers of International Students with its focus on preparing Christian students to return home. Over 120 students participated through the week. This was organised in partnership with other charities.

The Philip Project trains future Bible teachers planning to return to their own countries for a day a month through the academic year and additionally runs a training weekend. Through substantial work by the Project Coordinator the format has been adapted to a more flexible on-line delivery. There is also an online portal allowing students a more flexible approach to learning. Philip Project has also produced a resource to help international students read the Bible.

Friends International staff regularly spoke at Christian Union events weeks in 2023, helping international students to understand the good news of Jesus.

Financial Review:

The statement of financial activities (SOFA) for the year is set out on page 14 together with an analysis of funds on page 21. Our regular gift income has increased by 15.8% with an increase in our expenditure of 8.4%.

Overall, there is a deficit in 2023 of £ 115,031; this includes legacy income of £9,781. After transfers between funds to ensure that the General Fund meets all under-funded staff there is a net decrease in the General Fund in 2023 of £64,848.

Each year we seek to achieve a balanced budget, for both ministry staff workers and their related Centres Designated Funds, as well as seeking a balancing of General Fund Income to meet Central costs (which are primarily the Support Centre and majority funding of the senior management team).

The financial policy of Friends International is to match and monitor funding with expenditure requirements for each area of ministry activity, mostly focused on

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for the year ended 31 December 2023

Centres. A designated fund is therefore maintained for each venture which requires ongoing expenditure. It is acceptable to run with a current year deficit for a specific designated fund, provided there are sufficient brought forward reserves for that particular Centre to offset the loss. In 2023 designated funds fell by £ 32,495. Much of this deficit arises from the spending of designated reserves that have been carried forward from the previous year.

Each designated fund is subject to monthly monitoring and appropriate discussion where required with the relevant staff member and, if necessary, their Supervisory Manager.

Before work is started in a new location, or a new member of staff is employed, it is the policy of Friends International to ensure that there is an appropriate level of pledged donor support. We continue to maintain a Strategic Growth Fund which has been resourced from the allocation of a portion of the substantial legacies received in recent years as well as the generosity of some specific supporters keen to support this venture. The Trustees continue to seek to extend this Fund as part of achieving new Strategic Ministry Centres as well as extending training opportunities for a new generation of ISM workers. However, some of the planned fundraising activities have been hindered by the pandemic.

Investment Policy:

Fixed Asset Investments: The charity has freehold title to their previous Support Centre office in Putney, a small but prime location in Southwest London. For a number of years after ceasing to be used as the Support Centre, this property was commercially let, however it has remained empty since partway through 2021. In December 2023 the trustees took the decision to sell this property, along with the second property owned by the charity, which is in Plymouth. They have both now been moved from Investment property to Current assets in the Balance Sheet on page 15.

Liquid Investments: The investment policy is to maintain a low-risk liquid position. The aim in 2023 was to maintain balances in accounts that attract market competitive deposit account bank interest but with low-risk institutions. With the sale of the properties, our intention is to establish an endowment fund, with the income generated from these investments being utilised to underpin the unrestricted expenditure the charity incurs.

Reserves Policy:

Our policy remains to hold sufficient unrestricted reserves (defined as all unrestricted funds including designated funds but excluding fixed asset related reserves) in order to protect the charity against a sudden and catastrophic fall in donations and any related gift aid for a period long enough to ensure a managed plan for survival, merger or cessation.

Unrestricted reserves are held in both the general fund (which bears all central costs) as well as designated staff support funds (comprising funds designated on an ongoing

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for the year ended 31 December 2023

basis for both specific ministry centres as well as for individual staff workers working in a ministry centre).

Whilst the trustees are aware that all unrestricted reserves are available to use at their discretion in the event of a crisis, it is considered appropriate that for practical management purposes the Trustees will undertake two levels of monitoring:

- 1) Regular monitoring of central reserves required against general funds (comprising all unrestricted reserves excluding designated funds). These funds will be measured against both a minimum and maximum 'central' reserve level when monitoring performance and setting future budgets. The intention is to never drop below a minimum level and actively consider action to manage excess reserves where considered appropriate.

Such central reserve levels are calculated in order to provide a minimum of 3 months and a maximum of 9 months of reserves to cover projected support centre and national leadership costs.

As at 31 December 2023 unrestricted general funds stood at £ 716,265 (2022: £ 781,112) compared to a central reserve minimum at 31 December 2023 of £106,000 and a planned maximum of £ 317,000. This includes Properties held for resale of £700,000, being carried within Current assets. Removing the tangible fixed assets from general funds brings the balance on free reserves down to £ 713,179.

- 2) Periodic review of both the total amount and profile of designated staff support funds to ensure that they remain appropriate for the use they were designated for and to assess both the level and profile of funding capability the charity has for ongoing field ministry.

As at 31 December 2023 designated staff support funds stood at £ 714,992 (2022: £ 747,487) which was spread across both ministry centres and individual staff members.

Having previously anticipated the General Fund (excluding the Putney and Plymouth properties) falling below zero, the Trustees and senior management team have been reviewing where costs can be saved and are proactively seeking to increase giving to the General Fund. There is now a structure in place that can support the continuing expansion of the charity's activities.

As at 31 December 2023 the charity's assets were available and adequate to fulfil the obligations to the charity and the trustees considered the financial state of affairs of the charity at that time to be satisfactory and in accordance with our budgetary expectations.

Plans for Future Periods:

We intend to continue and grow our activities in future years, particularly with a concerted effort to research ministry opportunities alongside churches and Christian student groups through further staff worker posts so that new and better resourced centres with the most international university students are helped towards thriving

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES for the year ended 31 December 2023

International Student Ministry. We trust that the appointment of the London Development Project Team Leader will build on previous initiatives to continue to seek ways of further developing the work in London in partnership with local churches and similarly minded charities. We aim to continue to develop our work in partnership with Christian Unions Ireland. As mentioned above, this is under review given the change of personnel. Through seven Heads of Ministry we are developing our approaches to Learning and Development, Hard to Reach students, Returnees, Events Speaking, Innovation in Student Engagement, Ministry Partnership Development, and Member Care.

Structure, Governance and Management:

Governing Document:

Friends International Ministries was incorporated as a company limited by guarantee and not having a share capital (number 4500270) on 31 July 2002 and is a registered charity with the Charity Commission (number 1094095). It is governed by its Memorandum and Articles of Association. Under UK company law, all the trustees are directors of the company. The liability of the company's members in the event of the charity being wound up is limited to a sum not exceeding £10. Friends International Ministries is also registered with the Office of the Scottish Charity Regulator.

Appointment of Trustees:

Potential trustees are identified from academia, business and Christian ministry backgrounds. The trustees are appointed by the board of Trustees through an invitation, application and interview process. New Trustees are given key Charity Commission information on their responsibilities and are encouraged to attend appropriate external training where this will facilitate the undertaking of their role. They undergo some induction and are linked to more experienced trustees as needed to enhance their swift integration.

Organisation:

The board of trustees meet at least three times a year to review all aspects of the charity's activities. The board has established two sub-committees to assist with the running of the charity, namely the Executive Committee, responsible for meeting with senior staff between trustee meetings, and the Finance Committee, tasked with specifically monitoring and managing the charity's finances.

Stroma Beattie, Geoffrey Spence, Sara Slater and Ian Roberts are members of the Executive and Finance Committee.

Trustee Remuneration and Related Parties:

None of the trustees receive remuneration or other benefit for their work for the charity. There were no related party transactions reported in the year between the charity and any trustee, senior manager or any of the third parties with contractual relationships with the charity.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for the year ended 31 December 2023

Pay Policy for Senior Staff:

No trustees received remuneration during 2023. Details of trustee expenses are disclosed in note 7 to the financial statements.

The pay of senior management is reviewed annually using a standard formula benchmarked against published pay increases awarded to Classroom Teachers.

Risk Management:

The trustees review risks on a regular ongoing basis and use a risk matrix to define key risks, assess them by probability and impact before and after mitigating action is taken.

Such reviews take place within the two board sub-committees and in periodic review by the whole Board of key risks.

The following are considered to be important Risks requiring Board and Senior Management focus during 2024:

- Risk of inadequate reserves: There was a fall in general funds during 2023 which has been addressed in a part by a review of how to increase income and reduce general fund expenditure. During 2023 legacy income of £ 4,781 has been recognised within the general fund.
- Risk of failing to facilitate ISM in those areas of the UK where there is a large international student population. This requires identification of those locations where current ISM is deficient relative to the numbers of students and then focusing new ministry investment in such areas in order to build effective church partnerships supported by our staff. Plans and strategies have been formulated to enable this to happen.
- We continue to review prevailing pressures in wider society to comply with social trends and to assess how to remain true to our Christian convictions in the light of these.

Board Governance:

The board continues to be committed to good governance. In the past it has worked through aspects of the Charity Governance Code as a means of evaluating practice and promoting high standards. A new working group, specifically addressing 'Decision-making, risk and control' was set up at the end of 2023 to report back to the board in 2024. Following each board meeting, a questionnaire is circulated to evaluate the meeting as a whole and the board's function.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES for the year ended 31 December 2023

Trustees' Responsibilities:

The trustees (who are also directors of Friends International Ministries for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors:

A resolution to re-appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, will be proposed at a meeting of the trustees.

Statement of Disclosure of Information to Auditors:

We, the directors of the company who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant
- audit information and to establish that the auditors are aware of that information.

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

Approved by the Board of Trustees on 15 March 2024 and signed on its behalf by:

Stroma Beattie

STROMA BEATTIE
CHAIR OF TRUSTEES

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

		Restricted Fund	Unrestricted Funds Designated Staff Support	Total 2023	Total 2022
	Note		General		
Income from:					
Donations and gifts		-	104,476	2,235,450	2,020,138
Legacies		-	4,781	5,000	462,708
Charitable activities:					
Training events and literature sales		-	37,783	34,146	71,929
Investment income	2	-	8,472	-	4,511
Total income		-	155,512	2,274,596	2,430,108
Expenditure on:					
Fundraising costs	3	-	23,620	35,108	58,728
Charitable activities	3	17,687	193,645	2,275,080	2,290,835
Total expenditure		17,687	217,265	2,310,187	2,348,864
Net (expenditure)/income before revaluation of investments		(17,687)	(61,753)	(35,591)	(115,031)
Net (expenditure)/income	5	(17,687)	(61,753)	(35,591)	(115,031)
Transfer between funds		-	(3,095)	3,095	-
Net movement in funds		(17,687)	(64,848)	(32,496)	(115,031)
Total funds brought forward at 1 January 2023		£ 31,530	781,112	747,487	1,560,129
Total funds carried forward at 31 December 2023		£ 13,843	716,265	714,992	1,445,100

All of the above results are derived from continuing activities.

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

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIESBALANCE SHEETCompany registration number 04500270

		31 DECEMBER 2023	2022
Fixed assets			
Tangible fixed assets	10	3,086	6,637
Investment property	11	-	500,000
		<u>3,086</u>	<u>506,637</u>
Current assets			
Debtors	12	80,905	275,684
Properties held for resale		700,000	-
Cash at bank and in hand		720,993	837,151
		<u>1,501,898</u>	<u>1,112,835</u>
Creditors: amounts falling due within one year	13	59,884	59,343
		<u>1,442,015</u>	<u>1,053,492</u>
Net current assets			
		<u>£ 1,445,100</u>	<u>1,560,129</u>
Net assets			
Charity Funds:			
Unrestricted funds:			
General funds		325,647	390,494
Revaluation reserve relating to former investment property		390,618	390,618
Designated funds		714,992	747,487
		<u>1,431,257</u>	<u>1,528,599</u>
Restricted fund		<u>13,843</u>	<u>31,530</u>
Total funds	14	<u>£ 1,445,100</u>	<u>1,560,129</u>

Approved by the board of Trustees on 15 March 2024 and signed on its behalf by:

Stroma Beattie

STROMA BEATTIE

CHAIR OF TRUSTEES

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Cash used in operating activities (see below)	76,155	(25,512)
Cash flows from investing activities		
Investment income	7,268	4,511
Purchase of tangible fixed assets	(200,000)	(2,128)
Proceeds on sale of assets	416	-
Cash provided by investing activities	(192,316)	2,383
Cash flows from financing activities		
Cash divestment from short-term deposit	82,577	82,471
Cash used in financing activities	82,577	82,471
Increase/(Decrease) in cash and cash equivalents in the year	(33,584)	59,342
Cash and cash equivalents at the beginning of the year	403,259	343,917
Total cash and cash equivalents at the end of the year	£ 369,675	403,259

Reconciliation of net income to net cash flow from operating activities

Net income/(expenditure)	(115,031)	203,285
Add back depreciation charge	3,135	3,977
Deduct interest income shown in investment activities	(7,268)	(4,511)
Decrease in debtors	194,779	(228,571)
Increase in creditors	541	308
Net cash used in operating activities	£ 76,155	(25,512)

Analysis of net funds

	Balance 1 January 2023	Movements	Balance 31 December 2023
Cash at bank and in hand (see note 1k)	403,259	(33,584)	369,675
Cash on deposit for more than three months (see note 1k)	433,892	(82,577)	351,318
	£ 837,151	£ (116,161)	£ 720,993

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

1 Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes, as set out in the notes to the accounts.

The restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

c) Income

Donations and gifts are reflected in the financial statements in the period in which they are received.

Income tax recoverable in respect of gift aid donations is brought into account in the same period as the relevant donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified, or the charity is aware of the granting of probate.

d) Expenditure and irrecoverable VAT

Expenditure is charged to the statement of financial activities on the accruals basis and is mainly allocated across activities based on staff time.

Fundraising costs include all costs involved in raising income and in raising the profile of the charity.

Charitable activities are further analysed in note 4 and are split between direct charitable expenditure, support, management and administration costs and governance costs. Support costs are those costs incurred indirectly in support of expenditure on the objects of the charity or in connection with the management and administration of the charity. Governance costs reflect the costs of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised.

Depreciation is provided on tangible fixed assets at the following rates per annum so as to write off each asset over its estimated useful working life:

- Furniture and equipment - 20% straight line
- Computers and peripherals - 33% straight line

f) Investment property

Investment properties are stated at their market value. In order to present a true and fair view, and to comply with FRS 102, the company's investment properties are not being depreciated as required by the Companies Act 2006.

g) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

FRIENDS INTERNATIONAL MINISTRIESNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (Continued)**1 Accounting policies (continued)****h) Pensions**

The charity makes payments to defined contribution pension schemes for the benefit of its employees. Contributions charged during the year are written off as incurred.

i) Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended.

j) Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount repaid net of any discounts due.

k) Cash at bank and in hand

Cash at bank and in hand includes cash and fixed term deposits of varying lengths. The statement of cash flows only reflects movements within bank accounts held where the money can be accessed within three months of the date of opening the deposit. An analysis of cash at bank at the balance sheet date, differentiating between deposits which mature 3 months after the date of opening and cash accessible within three months is provided as a note to the statement of cash flows.

l) Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

m) Taxation

Friends International Ministries is a registered charity and no tax is payable on its net income.

n) Financial Instruments

With the exception of an investment property the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Investment income

	2023	2022
Bank deposit interest	7,268	4,511
Investment property income	1,204	-
	<u>£ 8,472</u>	<u>4,511</u>

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (Continued)

3 Total expenditure

	Restricted fund	General fund	Designated staff support funds	Total 2023	Total 2022
Fundraising costs					
Staff costs	-	-	29,742	29,742	27,073
Direct PR costs	-	21,151	-	21,151	23,684
Allocation of support & admin costs	-	2,469	5,365	7,834	7,272
	-	23,620	35,108	58,728	58,029
Charitable activities					
Staff costs - direct charitable expenditure	-	-	1,889,911	1,889,911	1,745,277
Staff costs in a supporting/admin role	-	-	112,605	112,605	104,019
Conference & resource costs	-	59,682	52,768	112,450	117,011
Travel, training & other costs related to staff	-	37,390	195,837	233,227	209,397
Grants payable	17,687	-	-	17,687	17,029
Support, management & admin costs	-	87,401	23,958	111,359	90,904
Governance costs	-	9,172	-	9,172	7,198
	17,687	193,645	2,275,080	2,486,412	2,290,835
£	17,687	£ 217,265	£ 2,310,187	£ 2,545,139	£ 2,348,864

During the year the charity's head office was based at All Nations Christian College, Hertfordshire. Here a number of staff operated, spending approximately 60 - 80% of their time in a support and administration role. Accordingly their salary costs are split between support/administration and direct charitable expenditure. The support, management and administration costs and governance costs do not relate directly to charitable expenditure and are further analysed in note 4 below.

4 Analysis of governance and support costs

	General Support	Governance costs	Total 2023	Total 2022
Rent	21,372	-	21,372	22,695
Investment property repairs, rates and utility costs	3,094	-	3,094	2,314
Office costs	66,460	-	66,460	63,493
Legal and professional costs	5,103	-	5,103	2,402
Consultancy fees	15,330	-	15,330	-
Auditor's remuneration	-	7,054	7,054	6,161
Costs relating to trustees' meetings	-	2,118	2,118	1,037
£	£ 111,359	£ 9,172	£ 120,531	£ 98,102

5 Net expenditure

The total for net expenditure of £115,031 (2022: net income £203,285) is stated after charging:

Auditor's remuneration - in relation to audit and financial statements disclosures	£ 7,054	6,161
Depreciation	£ 3,135	3,977
Operating lease rentals - land and buildings	£ 21,372	21,372

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Salaries	1,702,560	1,569,830
National insurance	140,943	132,507
Pension costs	188,341	174,032
£	£ 2,031,844	1,876,369
Average number of employees, analysed by function, was as follows:-		
Charitable activities	77	76
Fundraising	1	1
Administration	2	2
	80	79

No employee earned more than £60,000 (2022 : same).

The trustees were not paid or received any other benefits from employment with the charity in the year (2022 : same).

The key management of the charity comprises the national director, 3 regional development directors (2022 : 4) and the finance manager. The total employee benefits of key management personnel for the charity were £222,562 (2022 : £249,345).

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (Continued)

7 Trustees' expenses

Travel and subsistence expenses of £846 were paid to trustees to enable them to attend meetings and generally carry out their governance responsibilities (2022: £342).

8 Pension costs

The charity operates defined contribution schemes and contributions of £188,341 were paid in the year (2022: £174,032).

9 Branches

The charity has 20 (2022: 18) branches throughout the UK which generate income and carry out activities on behalf of the charity. The accounts of the branches are maintained at a local level and are then incorporated into the charity's financial statements. In 2023 the branches contributed net outgoing resources of £1,821 (2022: net outgoing resources of £4,922).

10 Tangible fixed assets

	Furniture & equipment	Computers & Peripherals	Total
Cost			
At 1 January 2023	12,943	21,925	34,868
Additions in the year	-	-	-
Disposals in the year	(1,182)	(416)	(1,598)
At 31 December 2023	11,761	21,509	33,270
Depreciation			
At 1 January 2023	10,336	17,895	28,231
Charge for the year	1,056	2,079	3,135
Depreciation elimination on disposal	(1,182)	-	(1,182)
At 31 December 2023	10,210	19,974	30,184
Net book value			
At 31 December 2023	£ 1,551	1,535	3,086
Net book value			
At 31 December 2022	£ 2,607	4,030	6,637

11 Investment Property

	Freehold investment property		
	Crescent Stables	Mount Gould Road	Total
Cost			
At 1 January 2023	500,000	-	500,000
Additions	-	200,000	200,000
Transfer to current assets	(500,000)	(200,000)	(700,000)
At 31 December 2023	£ -	-	-
Net book value			
At 31 December 2023	£ -	-	-
Net book value			
At 31 December 2022	£ 500,000	-	500,000

The Crescent Stables investment property has a historical cost of £109,382. In accordance with the Charities SORP FRS 102, the investment property was being carried at its market value. An informal independent valuation was undertaken by a qualified local estate agent as at 31 December 2015 which resulted in a revised valuation of £500,000. Having made enquiries of a local estate agent in November 2023 with regards to the current market value of the property, the trustees believe that they would achieve a selling price at least equal to, but not materially different from, its carrying value and do not consider it necessary to bring a revaluation into the 2022 accounts. The property was put up for sale in December 2023 and therefore has been transferred to current assets : property held for resale.

The Mound Gould Road property was left to Friends International in a legacy in 2022. At that point, the valuation was £200,000. Ownership was taken of the property on 1 December 2023 and the value given by a local estate agent in February 2024 was £225,000. The decision was taken to sell the property in December 2023 and therefore it has been transferred to current assets : property held for resale.

12 Debtors

	2023	2022
Tax recoverable	14,653	16,986
Legacy debtor	-	200,000
Prepayments and other debtors	66,252	58,698
	£ 80,905	275,684

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (Continued)

13 Creditors: amounts falling due within one year	2023	2022
Trade creditors	1,329	6,239
Taxation and social security costs	31,661	28,076
Pension creditors	16,076	13,903
Accruals and deferred income	10,818	11,125
	<u>£ 59,884</u>	<u>59,343</u>

14 Analysis of net assets

	Unrestricted Funds			
	Restricted fund	General	Designated staff support funds	Total
Fixed assets	-	3,085	-	3,085
Current assets	13,843	741,403	746,653	1,501,898
Current liabilities	-	(28,223)	(31,661)	(59,884)
	<u>£ 13,843</u>	<u>£ 716,265</u>	<u>£ 714,992</u>	<u>£ 1,445,100</u>

Designated staff support funds

These funds consist of donations and gift income received plus funds set aside out of unrestricted funds for staff support.

The balances on individually designated funds are reviewed regularly. On an annual basis the Finance Committee will determine the extent to which transfers from the general fund should be made to ensure that the carrying value of individual staff support fund balances are recoverable. Following this year's review an aggregate transfer of £3,095 was made from the general fund to designated funds as reflected in the SOFA.

Restricted fund

The charity has one restricted fund, and the movements on this for 2023 are shown on the face of the SOFA. This restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

15 Operating lease commitments

At 31 December 2023 the charity had the following commitment to make the minimum lease payments under a non-cancellable lease:

	2023		2022
	Property	Franchising machine	Property
Not later than 1 year	21,372	665	21,372
Later than 1 year and not later than 5 years	44,525	2,660	12,467
	<u>£ 65,897</u>	<u>£ 3,325</u>	<u>£ 33,839</u>

16 Related party transactions

Gifts from trustees of the charity totalled £1,350 (2022 : £1,920).

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023 (Continued)

17 Statement of Financial Activities for the year ended 31 December 2022

	Restricted Fund	Unrestricted Funds		Total 2022
		General	Designated Staff Support Funds	
Income:				
Donations and gifts	11,989	116,738	1,891,411	2,020,138
Legacy	-	400,278	62,430	462,708
Charitable activities:				
Training events and literature sales	-	31,207	33,585	64,792
Investment income	-	4,511	-	4,511
Total income	11,989	552,734	1,987,426	2,552,149
Expenditure:				
Fundraising costs	-	25,919	32,110	58,029
Charitable activities	17,389	166,563	2,106,883	2,290,835
Total expenditure	17,389	192,482	2,138,993	2,348,864
Net (expenditure)/income before revaluation of investments	(5,400)	360,252	(151,567)	203,285
Net (expenditure)/income	(5,400)	360,252	(151,567)	203,285
Transfer between funds	-	(45,361)	45,361	-
Net movement in funds	(5,400)	314,891	(106,206)	203,285
Total funds brought forward at 1 January 2022	£ 36,930	466,221	853,693	1,356,844
Total funds carried forward at 31 December 2022	£ 31,530	781,112	747,487	1,560,129

Independent Auditor's Report to the Trustees of Friends International Ministries

Opinion

We have audited the financial statements of Friends International Ministries (the 'charitable company') for the year ended 31 December 2023 which comprise statement of financial activities, balance sheet, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures designed and implemented to detect irregularities, including fraud, are detailed below:

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- Carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed;
- Verifying the existence on a sample basis of individual employees on the payroll; and
- Verifying that material balances within the balance sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date.
- Enquiry of management and those charged with governance around actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Hill

Richard Hill

(Senior Statutory Auditor)

for and on behalf of Griffin Stone Moscrop & Co.

Statutory Auditor

21-27 Lamb's Conduit Street

London

WC1N 3GS

Date: 21/3/2024

Accounts

FRIENDS INTERNATIONAL MINISTRIES

(Company limited by guarantee and not having a share capital)

Registered Company Number: 4500270

English and Welsh Registered Charity Number: 1094095

Scottish Registered Charity Number: SCO48838

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FRIENDS INTERNATIONAL MINISTRIES

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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FRIENDS INTERNATIONAL MINISTRIES

Registered office: The Rowan Centre, All Nations Christian College, Easneye, Ware, Herts SG12 8LX

Administrative details of the charity, the trustees and advisors

The Trustees present their report together with the accounts of the charitable company for the year ended 31 December 2022. All of the trustees act in the role of directors.

The following trustees served from 1 January 2022 and up to the date of the approval of the accounts:-

Stroma Beattie (Chair)
Naomi Dawson
Henry Lu
Robert Mallet
Natasha Rayan
Jonathan Salkeld
Sara Slater
Jonathan Smith (resigned 20 September 2022)
Geoffrey Spence

The day to day operations of the charity are overseen by Alan Tower, the National Director

Key Management Personnel :

National Director:	Alan Tower
Regional Development Directors:	Sarah Dawkins Pete Edwards Iván Neira
Finance Manager:	Lydia Evans
Principal address:	The Rowan Centre All Nations Christian College Easneye Ware Herts SG12 8LX
Bankers:	Bank of Scotland Barclays Bank plc CAF Bank
Auditor:	Griffin Stone Moscrop & Co. 21-27 Lamb's Conduit Street London WC1N 3GS
Solicitors:	Ellis-Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Chair's Report

The pandemic continued to shape the work of Friends International throughout 2022. Numbers of international students arriving in the UK and Ireland rose and much of our work returned to in person events. We also took time to reflect on the lessons learned through the pandemic when we diversified our approaches to the work in response to the constantly changing context. Some of the changes in ministry models that have happened since 2020 have been incorporated where they have met specific student needs or led to better use of resources. We have been able to run online courses for students exploring the Christian faith, as well as in person events. We have also published new resources, namely *"A Better View"* and *"Mission Possible"*. The former is a book that helps international students to understand how to engage with the Bible, using lessons from the Philip Project, and the latter is an update to a previous edition of the history of the charity. We continue to seek to make the best and most effective use of our resources, mobilise and train a large group of volunteers, and work alongside local churches and educational establishments, through growing friendship and faith with international students in the UK and Ireland.

Recruitment has been lower this year, with just 9 new staff appointments. Five of those are in the Support Centre, one being a former staff member who has returned to work in Communications. One of the student facing staff members is a former member of our Reach programme. These additions, some of whom are part-time, have allowed work in the Support Centre to be reconfigured and has freed student facing staff from some administrative tasks.

Whilst recruitment has been a challenge, we have continued to develop partnerships with similar organisations by taking a member of staff as a secondment from Inter Varsity Christian Fellowship (American charity). Our partnership for international student ministry with Christian Unions Ireland continues to thrive in its second five-year period, especially with the appointment in Dublin. Affiliate numbers continue to rise, to 80 at the end of 2022, from 77 at the beginning of the year, representing other ministries, including churches and other agencies, linked in for training and fellowship. Staff contributions to wider networks in Europe and globally continue, though currently usually online rather than through travelling, and cross-agency collaboration among student ministry agencies in Britain has been facilitated through leader consultations.

All centres are now running events in person, with online supplementation allowing greater support of international students with flexibility for those who would rather not gather in groups or dislike leaving their accommodation after dark.

Our annual conference was hybrid for the first time in 2022, allowing those testing positive, or who were uncomfortable with gathering in large groups to participate alongside those who were able to make it in person. It was a success, and a joy for those who were able to be physically present to be able to see colleagues whom they largely had not met with for nearly two years. As the year progressed most meetings reverted back to in person, with the decision being taken to keep the executive and finance committee online from now on. This is one example of learning lessons from the pandemic which have helped the organisation to be more effective with the resources that we have and making the most of Trustee and senior staff time.

We continued to pursue our Growth Strategy Plan aiming to recruit staff in new Centres and reinforce existing Centre staff teams, in the places where most international students are studying – goals being 25 extra staff by 2025 and a total of 35 by 2030. As part of this strategy, we now have two members of staff in Coventry, one who joined in 2022, and another an internal transfer. This is allowing Friends International to grow a work amongst international students in Coventry and Warwick.

Ensuring our Volunteer Recruitment procedure pays due attention to proper screening and safeguarding, review of this process has been a priority in 2022, with a brand new centrally administered volunteer policy. This robust system ensures the safety of both volunteers and students from initial recruitment through to any interactions. The policy and guidelines were subject to review at every level of the organisation in order to make sure that they were both thorough and also possible to carry out in a cross-cultural context.

There has been an encouraging increase in regular giving to General funds. Legacies totalling approximately £200,000 will make a significant contribution towards our planned investment in infrastructure as we continue to expand our work.

Staff funds which resource local ministry have fallen as new staff are joining and accumulated historic reserves are judiciously spent. Further fundraising to support the Growth Strategy Plan is being addressed. Close attention is being paid to the best use of the investment property and cash deposits held.

The charity continues to fulfil its aims and greatly enriches the lives of many international students when they come to the UK.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Our Objectives and Activities:

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. We seek to help international students, whatever their faith backgrounds, during their stay in the UK and elsewhere. Friends International's vision is to see international students transformed by the good news of Jesus so that they fully engage with the mission of the church in the world.

Public Benefit:

The trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit. Friends International's purposes comply directly with three of the Charities Act's descriptions of "charitable purpose" namely:

- "the advancement of religion"; We aim to demonstrate to international students the relevance of Christian faith to personal life today, how Christian faith has developed and how it is variously expressed in the 21st century world. We partner with university chaplaincies in providing pastoral support for international students and some of our staff are also university chaplains.
- "the advancement of education"; We interact with international students in a range of different ways, helping them improve their English language, understand different cultures, and sometimes with more specific training such as leadership skills and preparation for their return home.
- "the advancement of citizenship or community development"; We produce resources in multiple formats for new international students (called "Life UK") to help them integrate into our country, and we run orientation programmes mainly in the autumn term.
- In partnership with local Christian communities, we arrange cultural trips and opportunities for international students to engage with a British family. Since the pandemic we have partnered with universities to offer English language practice sessions, helping international students to be effective for their time in the UK and establishing friendships that will help them thrive on arrival.

The trustees seek to ensure that these purposes are met as the Charity works principally to support and enable Christian churches' outreach in their local communities with specific focus on international students furthering their education in the UK.

Strategies:

Key strategies for 2020 – 2025 include:

- Growth initiatives aim to help us reach a tipping point of students aware of Friends International so that all international students can experience a welcome to the UK and Ireland, as well as an opportunity to investigate the Christian faith.
- Reaching out to students who have difficulty hearing the Christian message in their home country or who are not initially attracted to our activities is an emphasis for ministry development. We aim to identify them, identify fruitful practice, model best practice with local ownership, and raise profile.
- Returnee focus, for when students return to their home countries or move elsewhere, to be built in from the first contacts with students, through friendship, to continue moving staff, Branches and Development Groups, Churches and volunteers, from acknowledging the returnee focus to influencing how they conduct their ministry.
- Events speaking training helps to develop skills in public ministry to better achieve international student outreach, both to model contextualised Bible teaching and evangelism in a multicultural setting, and to equip others to do the same.
- Innovation in Student Engagement includes new approaches to reach out to and meet the needs of international students, as well as resources for leadership skills, international student wellbeing, discipleship and outreach.
- Ministry Partnership Development helps staff draw in a full schedule of financial and prayer supporters to allow their work to proceed fully resourced.
- Learning and Development are promoted as a whole life approach for staff, volunteers and partners, including training evaluation and the development of an essential skills framework.
- Member Care aims to embed good practice throughout the organisation through leadership engagement, training provision, healthy induction of new staff and academic research.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Activities:

We currently have ten major areas of activity where we seek to implement our strategies. Regional Development Directors identify areas of concentration of international students without focused international student ministry and seek to develop vision among local churches and other partner agencies through establishing new Centres. We then aim to build local ministry teams ('Centres') with sound funding and effective support groups, through the recruitment and appointment of staff (including Apprentices and Associates), the partnering with local churches and Affiliates, and through Development Groups that become Branches. We encourage, model and support welcome and cultural ministries through international student cafés and seek to engage international students with biblical truth, encouragement and challenges through group and individual Bible study. We encourage the setting up and running of local hospitality programmes to increase the volunteer provision of appropriate contact and support for international students. We also offer language practice-based activities, values-based leadership studies, intercultural training for future Bible teachers and other focused programmes offering relevant skills to international students through contact with Christians. We seek to engage with university chaplaincies and student welfare bodies to offer counselling, wellbeing and other services that help universities value, care for and add value to the student experience for international students. Our Reach graduate trainee programme is used to envision and train recent graduate Christians from home and abroad. We develop appropriate regional and national supervisory structures to provide a unifying vision and direction which supports each locality appropriately and we build effective and accessible regional and national resources and events using relevant communication channels to our key stakeholders.

Review of Achievements and Performance:

Friends International is now working in 35 centres and through affiliates in 10 more. As mentioned above, following the pandemic, it now offers training resources both online and in person for both churches and university Christian Unions. This combination has led to a larger number of participants than would have attended only in person.

1. Centres and Staff

- In 2022 Friends International continued to develop activities through staff in 35 centres and through affiliates in 10 more.
- Through our partnership with Christian Unions Ireland, we have been developing awareness and best practice of ministry among International Students through our Project Team Leader for ISM in Ireland. The work in Dublin has benefitted greatly from the staff appointment made in 2021. There are plans to appoint more widely in Ireland.
- We continue to recruit new staff to the organisation both to establish new centres and to strengthen existing centres. We currently have 75 across full and part time patterns of work. We also have 8 Associate staff who are either seconded to us from other charities or local churches. Staff are involved in a variety of activities shaped significantly by the centres in which they serve and by the locally agreed strategy. Since a key aim of the organisation is to resource local churches in their engagement with international students, staff invest considerable time in training church members to multiply effective ministry. In some centres there are established inter-church teams offering a programme of events, hospitality and Christian teaching. In other places the work is centred around one or two churches which provide local volunteers.
- Much ministry is based around term time and weekly events. Such events can be purely social, or an event with some Christian content to introduce the Christian faith, or events of a discipleship nature for those openly professing a Christian faith or a desire to explore specifically the Christian faith.

Summer outreaches were reintroduced in 2022 after the pandemic induced hiatus. Whilst it was harder to recruit team members, there remained a large number of both language and university students who were keen to take part in activities and some were willing to investigate the Christian faith for themselves.

- Across our centres we aim to help international students settle into student life, provide care and support where it is appropriate, encourage them to consider the Christian faith, and prepare them for the challenges of the reverse-culture shock they may face on their return home.

2. Support Base

Of the £2,020,138 income from donations and gifts, roughly two-thirds (including related gift aid) was donated by individuals, the remainder coming from churches and trusts. The organisation has a core support base that has been committed to our work for a long time, whilst new staff broaden our donor base with their networks of contacts and supporters. We benefit from committed support from a Christian Trust.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

3. Leadership and Support Centre

- Due to ill health, one Regional Development Director needed to step down from her role leading to a change in responsibilities and our approach to the London Strategy. We are aiming to recruit a London Development Project Team Leader. This would be a similar model to that seen in Ireland, giving the post holder the time to focus exclusively on the needs in London, and seeking to work in partnership with other agencies. Regional Development Directors and the National Director have continued to meet regularly to oversee strategy and current issues, with the RDDs also having regular supervision from the National Director.
- The Leadership Forum, which meets three times each year, resources a wider set of Cluster and specialist leaders. Strategy has been dually focused on future growth and specialist ministry areas.
- The Support Centre team has been renewed through the appointments of replacement Communications Coordinator (a former staff worker) and Finance Manager, and has continued to seek to provide a high level of service to staff, affiliates, graduate trainees, supporters, partner churches and trustees.
In terms of our ongoing relationship with All Nations Christian College where the Support Centre is sited, we have continued to endeavour to develop this strategically and welcome students to the office, with more adequate meeting space. Trustee and Director meetings have also been able to take place there.

4. Affiliate Network

We continue to develop the Affiliate Network, aiming to support, train, encourage and partner well with affiliates in their local church roles working amongst international students. Resources available to Affiliates include Cluster days and conferences, and resources including recordings online. We now have 80 affiliates as part of the network.

5. Training and Development

Training and developing our staff and affiliates team is important to the future of the organisation and our work. A key fixture is the annual conference where staff, affiliates, graduate trainees and others (such as Branch and Development Group members, Trustees, retired staff, international and key student visitors) meet to share experiences, best-practice, and learn from outside speakers about different aspects of inter-cultural ministry.

There are local and regional staff training days, and training events specifically aimed at equipping volunteers and local churches. We believe training is a core role for FI and one we are seeking to grow and develop. Processes have been developed so that staff can identify areas where further growth and development are needed, as well as where they might be able to access the appropriate training resources.

6. Reach Programme

The focus of the training year is to invest in the lives of young Christian graduates who show potential in Christian ministry. We have appointed a new Reach Programme coordinator this year, who brings new creativity and a vision to build on the strong foundation of the programme.

- Between 30-75% of each Reach trainee cohort are international, and we see this programme also as a means of discipling and training promising international students who will go on to be a blessing to churches around the world.
- Reach alumni include church leaders in the UK, Greece, France and China, cross-cultural workers in Italy, the Philippines and the Middle East, and returnees who are thriving in their local churches and still involved in International Student Ministry/supporting returnees in Vietnam, China and Hungary.
- A number of former Reach trainees return to FI as staff after relevant experience gained in other contexts.

7. Branches and Development Groups

Branches and Development Groups exist to implement locally the national vision of Friends International alongside staff. Their ethos is to be forward-looking and seeking to develop best practice. Key roles in which members contribute include strategic thinking; networking across different Christian communities in a town or city; and encouraging partnership development. Key relationships are those of the Chair, local Centre Team Leader and Regional Development Director working well together. Branch training has moved online leading to a greater uptake and wider insights into best practice.

8. Communications

Communications improved over 2022 with the appointment of a Communications Coordinator. Sadly, ill health meant that we needed to fill this role again which we did in late 2022 with a January 2023 start date. In the interim, national communication responsibilities were spread over a range of staff. Despite this, all regular publications were maintained and in addition, two new books were published.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

9. Special Student Events

The international student track at the national "Word Alive" conference, held onsite in North Wales, with an online option for returnee students, again drew large numbers of International Students with its focus on preparing Christian students to return home. Over 120 students participated through the week. This was organised in partnership with other charities.

The Philip Project trains future Bible teachers planning to return to their own countries for a day a month through the academic year and additionally runs a training weekend. Through substantial work by the Project Coordinator the format has been adapted to a more flexible on-line delivery. There is also an online portal allowing students a more flexible approach to learning. Philip Project has also produced a resource to help international students read the Bible.

Friends International staff regularly spoke at Christian Union events weeks in 2022, helping international students to understand the good news of Jesus.

Financial Review:

The statement of financial activities (SOFA) for the year is set out on page 10 together with an analysis of funds on page 17. Our regular gift income has increased by 10.5% with an increase in our expenditure of 8.8%.

Overall, there is a surplus in 2022 of £203,285; this includes legacy income of £462,708. After transfers between funds to ensure that the General Fund meets all under-funded staff there is a net increase in the General Fund in 2022 of £314,891.

Each year we seek to achieve a balanced budget, for both ministry staff workers and their related Centres' Designated Funds, as well as seeking a balancing of General Fund Income to meet Central costs (which are primarily the Support Centre and majority funding of the senior management team).

The financial policy of Friends International is to match and monitor funding with expenditure requirements for each area of ministry activity, mostly focused on Centres. A designated fund is therefore maintained for each venture which requires ongoing expenditure. It is acceptable to run with a current year deficit for a specific designated fund, provided there are sufficient brought forward reserves for that particular Centre to offset the loss. In 2022 designated funds fell by £106,206. Much of this deficit arises from the spending of designated reserves that have been carried forward from the previous year.

Each designated fund is subject to monthly monitoring and appropriate discussion where required with the relevant staff member and, if necessary, their Supervisory Manager.

Before work is started in a new location, or a new member of staff is employed, it is the policy of Friends International to ensure that there is an appropriate level of pledged donor support. We continue to maintain a Strategic Growth Fund which has been resourced from the allocation of a portion of the substantial legacies received in recent years as well as the generosity of some specific supporters keen to support this venture. The Trustees continue to seek to extend this Fund as part of achieving new Strategic Ministry Centres as well as extending training opportunities for a new generation of ISM workers. However, some of the planned fundraising activities have been hindered by the pandemic.

Investment Policy:

Fixed Asset Investments: The charity has freehold title to their previous Support Centre office in Putney, a small but prime location in Southwest London. The Trustees regularly review both rental and sale options in terms of the most appropriate way of managing this Investment Property

Liquid Investments: The investment policy is to maintain a low-risk liquid position. The aim is therefore to maintain balances in accounts that attract market competitive deposit account bank interest but with low-risk institutions.

Reserves Policy:

Our policy remains to hold sufficient unrestricted reserves (defined as all unrestricted funds including designated funds but excluding fixed asset related reserves) in order to protect the charity against a sudden and catastrophic fall in donations and any related gift aid for a period long enough to ensure a managed plan for survival, merger or cessation.

Unrestricted reserves are held in both the general fund (which bears all central costs) as well as designated staff support funds (comprising funds designated on an ongoing basis for both specific ministry centres as well as for individual staff workers working in a ministry centre).

Whilst the trustees are aware that all unrestricted reserves are available to use at their discretion in the event of a crisis, it is considered appropriate that for practical management purposes the Trustees will undertake two levels of monitoring:

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES

1) Regular monitoring of central reserves required against general funds (comprising all unrestricted reserves excluding designated funds). These funds will be measured against both a minimum and maximum 'central' reserve level when monitoring performance and setting future budgets. The intention is to never drop below a minimum level and actively consider action to manage excess reserves where considered appropriate.

Such central reserve levels are calculated in order to provide a minimum of 3 months and a maximum of 9 months of reserves to cover projected support centre and national leadership costs.

As at 31 December 22 unrestricted general funds stood at £781,112 (2021: £466,221) compared to a central reserve minimum at 31 December 2022 of £128,000 and a planned maximum of £384,000. This includes the Putney investment property, valued at £500,000, which could be realised as a resource available, should the need arise. The recognition of a legacy debtor of £200,000 by way of a property that has been left to the charity prior to 31 December 2022 has bolstered the general fund position. Removing the tangible fixed assets, investment property and legacy debtor from general funds brings the balance on free reserves down to £74,475.

2) Periodic review of both the total amount and profile of designated staff support funds to ensure that they remain appropriate for the use they were designated for and to assess both the level and profile of funding capability the charity has for ongoing field ministry.

As at 31 December 22 designated staff support funds stood at £747,487 (2021: £853,693) which was spread across both ministry centres and individual staff members.

Having previously anticipated the General Fund (excluding the Putney property and legacy debtor) falling below zero, the Trustees and senior management team have been reviewing where costs can be saved and are proactively seeking to increase giving to the General Fund. There is now a structure in place that can support the continuing expansion of the charity's activities.

As at 31 December 2022 the charity's assets were available and adequate to fulfil the obligations to the charity and the trustees considered the financial state of affairs of the charity at that time to be satisfactory and in accordance with our budgetary expectations.

Plans for Future Periods:

We intend to continue and grow our activities in future years, particularly with a concerted effort to research ministry opportunities alongside churches and Christian student groups through further staff worker posts so that new and better resourced centres with the most international university students are helped towards thriving International Student Ministry. We continue to seek ways of further developing the work in London in partnership with local churches and similarly minded charities. We aim to continue to develop our work in partnership with Christian Unions Ireland. Through seven Heads of Ministry we are developing our approaches to Learning and Development, Hard to Reach students, Returnees, Events Speaking, Innovation in Student Engagement, Ministry Partnership Development, and Member Care.

Structure, Governance and Management:

Governing Document:

Friends International Ministries was incorporated as a company limited by guarantee and not having a share capital (number 4500270) on 31 July 2002 and is a registered charity with the Charity Commission (number 1094095). It is governed by its Memorandum and Articles of Association. Under UK company law, all the trustees are directors of the company. The liability of the company's members in the event of the charity being wound up is limited to a sum not exceeding £10. Friends International Ministries is also registered with the Office of the Scottish Charity Regulator.

Appointment of Trustees:

Potential trustees are identified from academia, business and Christian ministry backgrounds. The trustees are appointed by the board of Trustees through an invitation, application and interview process. New Trustees are given key Charity Commission information on their responsibilities and are encouraged to attend appropriate external training where this will facilitate the undertaking of their role. They undergo some induction and a new buddying scheme has been introduced as one means of enhancing their swift integration. In addition, they are given a copy of 'Tracks of Trustworthiness', by Heather Wraight.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Organisation:

The board of trustees meet at least three times a year to review all aspects of the charity's activities. The board has established two sub-committees to assist with the running of the charity, namely the Executive Committee, responsible for meeting with senior staff between trustee meetings, and the Finance Committee, tasked with specifically monitoring and managing the charity's finances.

Stroma Beattie, Geoffrey Spence, Sara Slater and Jon Salkeld are members of the Executive and Finance Committee.

Trustee Remuneration and Related Parties:

None of the trustees receive remuneration or other benefit for their work for the charity. There were no related party transactions reported in the year between the charity and any trustee, senior manager or any of the third parties with contractual relationships with the charity.

Pay Policy for Senior Staff:

No trustees received remuneration during 2022. Details of trustee expenses are disclosed in note 7 to the financial statements.

The pay of senior management is reviewed annually using a standard formula benchmarked against published pay increases awarded to Classroom Teachers.

Risk Management:

The trustees review risks on a regular ongoing basis and use a risk matrix to define key risks, assess them by probability and impact before and after mitigating action is taken.

Such reviews take place within the two board sub-committees and in periodic review by the whole Board of key risks. In the past year, in response to the pandemic, a specific risk template looking at best, medium and worst case scenarios has been used to review regularly the activities of the charity.

The following are considered to be important Risks requiring Board and Senior Management focus during 2023:

- Risk of failing to engage with and support international students on account of the changing tertiary education landscape caused by external factors. The Board and Leadership Team seek to be aware of changes in the university landscape.
- Risk of failing to facilitate ISM in those areas of the UK where there is a large international student population. This requires identification of those locations where current ISM is deficient relative to the numbers of students and then focusing new ministry investment in such areas in order to build effective church partnerships supported by our staff. Plans and strategies have been formulated to enable this to happen.
- Risk of inadequate reserves: There was a fall in general funds during 2021 which has been addressed in a part by a review of how to increase income and reduce general fund expenditure. During 2022 legacy income of £400,278 has been recognised within the general fund which has bolstered the general reserve.
- Reputational Risk is something which must be considered, particularly in the current climate. This is addressed by regular review of policies, including safeguarding as well as well-being initiatives managed by the Head of Member Care in conjunction with the Support Centre team.

Board Governance

The board has reviewed the level of salaries for all staff, especially those at the lower end of the pay scale.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES

Trustees' Responsibilities:

The trustees (who are also directors of Friends International Ministries for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors:

A resolution to re-appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, will be proposed at a meeting of the trustees.

Statement of Disclosure of Information to Auditors:

We, the directors of the company who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by the Board of Trustees on 3 March 2023 and signed on its behalf by:



STROMA BEATTIE

CHAIR OF TRUSTEES

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

		Restricted Fund	Unrestricted Funds Designated Staff Support	Total 2022	Total 2021
	Note	General			
Income from:					
Donations and gifts		11,989	116,738	1,891,411	2,020,138
Legacies		-	400,278	62,430	462,708
Charitable activities:					
Training events and literature sales		-	31,207	33,585	64,792
Investment income	2	-	4,511	-	4,511
Other income:					
Coronavirus grant income		-	-	-	-
		-	-	-	27,782
Total income		11,989	552,734	1,987,426	2,552,149
Expenditure on:					
Fundraising costs	3	-	25,919	32,110	58,029
Charitable activities	3	17,389	166,563	2,106,883	2,290,835
Total expenditure		17,389	192,482	2,138,993	2,348,864
Net (expenditure)/income before revaluation of investments		(5,400)	360,252	(151,567)	203,285
Unrealised gain on revaluation of investment property		-	-	-	-
Net (expenditure)/income	5	(5,400)	360,252	(151,567)	203,285
Transfer between funds		-	(45,361)	45,361	-
Net movement in funds		(5,400)	314,891	(106,206)	203,285
Total funds brought forward at 1 January 2022		£ 36,930	466,221	853,693	1,356,844
Total funds carried forward at 31 December 2022		£ 31,530	781,112	747,487	1,560,129

All of the above results are derived from continuing activities.

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

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIESBALANCE SHEETCompany registration number 04500270

		31 DECEMBER 2022	2021
Fixed assets			
Tangible fixed assets	10	6,637	8,486
Investment property	11	500,000	500,000
		<u>506,637</u>	<u>508,486</u>
Current assets			
Debtors	12	275,684	47,113
Cash at bank and in hand		837,151	860,280
		<u>1,112,835</u>	<u>907,393</u>
Creditors: amounts falling due within one year	13	59,343	59,035
		<u>1,053,492</u>	<u>848,358</u>
Net current assets			
		<u>£ 1,560,129</u>	<u>1,356,844</u>
Net assets			
Charity Funds:			
Unrestricted funds:			
General funds		390,494	75,603
Revaluation reserve relating to investment property		390,618	390,618
Designated funds		747,487	853,693
		<u>1,528,599</u>	<u>1,319,914</u>
Restricted fund		<u>31,530</u>	<u>36,930</u>
Total funds	14	<u>£ 1,560,129</u>	<u>1,356,844</u>

Approved by the board of Trustees on 3 March 2023 and signed on its behalf by:



STROMA BEATTIE

CHAIR OF TRUSTEES

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
Cash used in operating activities (see below)	(25,512)	(279,089)
Cash flows from investing activities		
Investment income	4,511	14,096
Purchase of tangible fixed assets	(2,128)	(2,268)
Cash provided by investing activities	2,383	11,828
Cash flows from financing activities		
Cash divestment from short-term deposit	82,471	(5,630)
Cash used in financing activities	82,471	(5,630)
Increase/(Decrease) in cash and cash equivalents in the year	59,342	(272,891)
Cash and cash equivalents at the beginning of the year	343,917	616,808
Total cash and cash equivalents at the end of the year	£ 403,259	343,917

Reconciliation of net income to net cash flow from operating activities

Net income/(expenditure)	203,285	(266,470)
Add back depreciation charge	3,977	3,678
Deduct interest income shown in investment activities	(4,511)	(14,096)
Increase in debtors	(228,571)	(3,179)
Increase in creditors	308	978
Net cash used in operating activities	£ (25,512)	(279,089)

Analysis of net funds

	Balance 1 January 2022	Movements	Balance 31 December 2022
Cash at bank and in hand (see note 1k)	343,917	59,342	403,259
Cash on deposit for more than three months (see note 1k)	516,363	(82,471)	433,892
	£ 860,280	£ (23,129)	£ 837,151

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

1 Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes, as set out in the notes to the accounts.

The restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

c) Income

Donations and gifts are reflected in the financial statements in the period in which they are received.

Income tax recoverable in respect of gift aid donations is brought into account in the same period as the relevant donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified, or the charity is aware of the granting of probate.

d) Expenditure and irrecoverable VAT

Expenditure is charged to the statement of financial activities on the accruals basis and is mainly allocated across activities based on staff time.

Fundraising costs include all costs involved in raising income and in raising the profile of the charity.

Charitable activities are further analysed in note 4 and are split between direct charitable expenditure, support, management and administration costs and governance costs. Support costs are those costs incurred indirectly in support of expenditure on the objects of the charity or in connection with the management and administration of the charity. Governance costs reflect the costs of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised.

Depreciation is provided on tangible fixed assets at the following rates per annum so as to write off each asset over its estimated useful working life:

- Furniture and equipment - 20% straight line
- Computers and peripherals - 33% straight line

f) Investment property

Investment properties are stated at their market value. In order to present a true and fair view, and to comply with FRS 102, the company's investment properties are not being depreciated as required by the Companies Act 2006.

g) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

FRIENDS INTERNATIONAL MINISTRIESNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (Continued)**1 Accounting policies (continued)****h) Pensions**

The charity makes payments to defined contribution pension schemes for the benefit of its employees. Contributions charged during the year are written off as incurred.

i) Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended.

j) Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount repaid net of any discounts due.

k) Cash at bank and in hand

Cash at bank and in hand includes cash and fixed term deposits of varying lengths. The statement of cash flows only reflects movements within bank accounts held where the money can be accessed within three months of the date of opening the deposit. An analysis of cash at bank at the balance sheet date, differentiating between deposits which mature 3 months after the date of opening and cash accessible within three months is provided as a note to the statement of cash flows.

l) Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

m) Taxation

Friends International Ministries is a registered charity and no tax is payable on its net income.

n) Financial Instruments

With the exception of an investment property the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Investment income

	2022	2021
Bank deposit interest	4,511	6,096
Investment property income	-	8,000
	<u>£ 4,511</u>	<u>14,096</u>

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (Continued)

3 Total expenditure

	Restricted fund	General fund	Designated staff support funds	Total 2022	Total 2021
Fundraising costs					
Staff costs	-	-	27,073	27,073	28,941
Direct PR costs	-	23,684	-	23,684	15,580
Allocation of support & admin costs	-	2,235	5,037	7,272	3,907
	-	25,919	32,110	58,029	48,428
Charitable activities					
Staff costs - direct charitable expenditure	-	-	1,745,277	1,745,277	1,655,058
Staff costs in a supporting/admin role	-	-	104,019	104,019	126,668
Conference & resource costs	-	58,684	58,327	117,011	77,864
Travel, training & other costs related to staff	-	34,955	174,442	209,397	128,944
Grants payable	17,029	-	-	17,029	14,951
Support, management & admin costs	360	65,726	24,818	90,904	98,862
Governance costs	-	7,198	-	7,198	8,210
	17,389	166,563	2,106,883	2,290,835	2,110,557
£	17,389	£ 192,482	£ 2,138,993	£ 2,348,864	£ 2,158,985

During the year the charity's head office was based at All Nations Christian College, Hertfordshire. Here a number of staff operated, spending approximately 60 - 80% of their time in a support and administration role. Accordingly their salary costs are split between support/administration and direct charitable expenditure. The support, management and administration costs and governance costs do not relate directly to charitable expenditure and are further analysed in note 4 below.

4 Analysis of governance and support costs

	General Support	Governance costs	Total 2022	Total 2021
Rent	22,695	-	22,695	22,359
Investment property repairs, rates and utility costs	2,314	-	2,314	6,932
Office costs	63,493	-	63,493	67,838
Legal and professional costs	2,402	-	2,402	1,733
Auditor's remuneration	-	6,161	6,161	5,895
Costs relating to trustees' meetings	-	1,037	1,037	2,315
£	90,904	£ 7,198	£ 98,102	£ 107,072

5 Net expenditure

The total for net income of £203,285 (2021: net expenditure £266,470) is stated after charging:

Auditor's remuneration - in relation to audit and financial statements disclosures	£ 6,161	5,895
Depreciation	£ 3,977	3,678
Operating lease rentals - land and buildings	£ 21,372	18,089

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Salaries	1,569,830	1,512,787
National insurance	132,507	124,420
Pension costs	174,032	173,461
£	1,876,369	1,810,668
Average number of employees, analysed by function, was as follows:-		
Charitable activities	76	71
Fundraising	1	1
Administration	2	2
	79	74

No employee earned more than £60,000 (2021 : same).

The trustees were not paid or received any other benefits from employment with the charity in the year (2021 : same).

The key management of the charity comprises the national director, 4 regional development directors (2021 : 4) and the finance manager. The total employee benefits of key management personnel for the charity were £249,345 (2021 : £239,645).

FRIENDS INTERNATIONAL MINISTRIESNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (Continued)**7 Trustees' expenses**

Travel and subsistence expenses of £342 was paid to one trustee to enable them to attend meetings and generally carry out their governance responsibilities (2021: £234).

8 Pension costs

The charity operates defined contribution schemes and contributions of £174,032 were paid in the year (2021: £173,461).

9 Branches

The charity has 18 (2021: 18) branches throughout the UK which generate income and carry out activities on behalf of the charity. The accounts of the branches are maintained at a local level and are then incorporated into the charity's financial statements. In 2022 the branches contributed net outgoing resources of £4,922 (2021: net outgoing resources of £4,427).

10 Tangible fixed assets

	Furniture & equipment	Computers & Peripherals	Total
Cost			
At 1 January 2022	12,943	19,797	32,740
Additions in the year	-	2,128	2,128
At 31 December 2022	12,943	21,925	34,868
Depreciation			
At 1 January 2022	9,017	15,237	24,254
Charge for the year	1,319	2,658	3,977
At 31 December 2022	10,336	17,895	28,231
Net book value			
At 31 December 2022	£ 2,607	4,030	6,637
Net book value			
At 31 December 2021	£ 3,926	4,560	8,486

11 Investment Property**Freehold investment property**

As at 1 January 2022 and 31 December 2022	£ 500,000
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The investment property has a historical cost of £109,382. In accordance with the Charities SORP FRS 102, the investment property is being carried at its market value. An informal independent valuation was undertaken by a qualified local estate agent as at 31 December 2015 which resulted in a revised valuation of £500,000. Having made enquiries of a local estate agent in February 2023 with regards to the current market value of the property, the trustees believe that they would achieve a selling price at least equal to, but not materially different from, its carrying value and do not consider it necessary to bring a revaluation into the 2022 accounts.

12 Debtors

	2022	2021
Tax recoverable	16,986	11,614
Legacy debtor	200,000	-
Prepayments and other debtors	58,698	35,499
	£ 275,684	47,113

Legacy debtor relates to a property that has been gifted to the charity in a will. The sum has been recognised based on a valuation provided by local estate agents. The transfer of the property is expected to take place later this year.

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (Continued)

13 Creditors: amounts falling due within one year

	2022	2021
Trade creditors	6,239	8,934
Taxation and social security costs	28,076	27,435
Pension creditors	13,903	15,163
Accruals and deferred income	11,125	7,503
	<u>£ 59,343</u>	<u>59,035</u>

14 Analysis of net assets

	Unrestricted Funds		
	Restricted fund	General	Designated staff support funds
Fixed assets	-	506,637	-
Current assets	31,530	305,742	775,563
Current liabilities	-	(31,267)	(28,076)
	<u>£ 31,530</u>	<u>£ 781,112</u>	<u>£ 747,487</u>
			<u>£ 1,560,129</u>

Designated staff support funds

These funds consist of donations and gift income received plus funds set aside out of unrestricted funds for staff support.

The balances on individually designated funds are reviewed regularly. On an annual basis the Finance Committee will determine the extent to which transfers from the general fund should be made to ensure that the carrying value of individual staff support fund balances are recoverable. Following this year's review an aggregate transfer of £45,361 was made from the general fund to designated funds as reflected in the SOFA.

Restricted fund

The charity has one restricted fund, and the movements on this for 2022 are shown on the face of the SOFA. This restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

15 Operating lease commitments

At 31 December 2022 the charity had the following commitment to make the minimum lease payments under a non-cancellable lease for a property:

	2022	2021
Not later than 1 year	21,372	-
Later than 1 year and not later than 5 years	12,467	-
	<u>£ 33,839</u>	<u>-</u>

16 Related party transactions

Gifts from trustees of the charity totalled £1,920 (2021 : £1,760).

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (Continued)

17 Statement of Financial Activities for the year ended 31 December 2021

	Restricted Fund	Unrestricted Funds General	Designated Staff Support Funds	Total 2021
Income:				
Donations and gifts	23,873	109,438	1,695,550	1,828,861
Legacy	-	-	-	-
Charitable activities:				
Training events and literature sales	-	12,032	9,744	21,776
Investment income	-	14,096	-	14,096
Other income:				
Coronavirus grant income	-	-	27,782	27,782
Total income	23,873	135,566	1,733,076	1,892,515
Expenditure:				
Fundraising costs	-	16,616	31,812	48,428
Charitable activities	15,667	129,425	1,965,465	2,110,557
Total expenditure	15,667	146,041	1,997,277	2,158,985
Net (expenditure)/income before revaluation of investments	8,206	(10,475)	(264,201)	(266,470)
Unrealised gain on revaluation of investment property	-	-	-	-
Net (expenditure)/income	8,206	(10,475)	(264,201)	(266,470)
Transfer between funds		(82,194)	82,194	-
Net movement in funds	8,206	(92,669)	(182,007)	(266,470)
Total funds brought forward at 1 January 2021	£ 28,724	558,890	1,035,700	1,623,314
Total funds carried forward at 31 December 2021	£ 36,930	466,221	853,693	1,356,844

Independent Auditor's Report to the Trustees of Friends International Ministries

Opinion

We have audited the financial statements of Friends International Ministries (the 'charitable company') for the year ended 31 December 2022 which comprise statement of financial activities, balance sheet, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed;
- verifying the existence on a sample basis of individual employees on the payroll; and
- verifying that material balances within the balance sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-

compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Hill

Richard Hill
(Senior Statutory Auditor)

for and on behalf of Griffin Stone Moscrop & Co.
Statutory Auditor
21-27 Lamb's Conduit Street
London
WC1N 3GS

Date: 14/3/2023

Accounts

FRIENDS INTERNATIONAL MINISTRIES

(Company limited by guarantee and not having a share capital)

Registered Company Number: 4500270

English and Welsh Registered Charity Number: 1094095

Scottish Registered Charity Number: SCO48838

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FRIENDS INTERNATIONAL MINISTRIES

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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FRIENDS INTERNATIONAL MINISTRIES

Registered office: The Rowan Centre, All Nations Christian College, Easneye, Ware, Herts SG12 8LX

Administrative details of the charity, the trustees and advisors

The Trustees present their report together with the accounts of the charitable company for the year ended 31 December 2021. All of the trustees act in the role of directors.

The following trustees served from 1 January 2021 and up to the date of the approval of the accounts:-

Stroma Beattie (Chair)
Naomi Dawson (appointed 5 March 2021)
Henry Lu
Robert Mallet
Natasha Rayan
Jonathan Salkeld
Sara Slater
Jonathan Smith
Geoffrey Spence

The day to day operations of the charity are overseen by Alan Tower, the National Director

Key Management Personnel :

National Director:	Alan Tower
Regional Development Directors:	Sarah Dawkins Pete Edwards Susanne Koch Iván Neira
Finance Manager:	Robert Felix FCA
Principal address:	The Rowan Centre All Nations Christian College Easneye Ware Herts SG12 8LX
Bankers:	Bank of Scotland Barclays Bank plc CAF Bank
Auditor:	Griffin Stone Moscrop & Co. 21-27 Lamb's Conduit Street London WC1N 3GS
Solicitors:	Ellis-Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Chair's Report

As we reflect back on the second year of the pandemic, Friends International has risen to the challenges. We have seen lives changed, new centres opened and heard stories that have inspired us at the most difficult of times. International Students have had a very stressful time, often confined to their residencies, unable to return to their home countries or unable to arrive to start their courses. We have adapted our ways of working and seen initiatives in areas such as pre-sessional online language classes, mental health support, online baking competitions, the delivery of food parcels, on campus socially distanced walks and closer liaison with some university international student offices. New centres have been opened in Reading and Dublin - the latter in partnership with Christian Unions Ireland, and 15 new staff have been recruited. The publication of the book *'Is Christianity a Western Religion and Other Questions International Students Ask?'* has been well received and the Philip Project, which supports Christian students develop their handling of the Bible, moved online. We continue to seek to make the best and most effective use of our resources, mobilise and train a large group of volunteers, and work alongside local churches and educational establishments, through growing friendship and faith with international students in the UK and Ireland.

Continuing challenges have presented themselves in the ongoing coronavirus (COVID-19) pandemic, but we have been encouraged by the adaptability and resilience of staff and local groups. A further 15 staff were recruited, mainly as staff workers in local Centres, but also to resource the Support Centre. In a major change from the previous year, nearly all registered international students arrived on site at British universities on schedule. "In person" groups have largely restarted although with some online options and generally more socially distanced, less food-based, more small-group and more outdoor activities. Interest has remained high although access has sometimes been a challenge. As regulations and restrictions constantly changed, the Board and Leadership Team regularly reviewed strategy and risk to ensure an appropriate response to the changes.

The year 2021 started with our main conference for staff, trainees, volunteers and affiliates from other ministries being held online for the first time. It proved to be important and well-received (particularly through views of a livestream recording) as well as stretching the viability of screen-based events. Student facing activities were essentially digital for the first half of the year. Some new staff and leadership events have been possible in person, and other staff training events have been held online. Since September more events have been possible "in person", but careful consideration has been needed each time with appropriate risk assessments being made. This has led to some incomplete gatherings, some concerns about the wisdom of meeting, but also the losses when not meeting together. Hybrid meetings have been attempted successfully, but always at a considerable additional workload.

We continued to pursue our Growth Strategy Plan aiming to recruit staff in new Centres and reinforce existing Centre staff teams, in the places where most international students are studying – goals being 25 extra staff by 2025 and a total of 35 by 2030. As well as the establishment of New Centres in Reading and Dublin, Centres have been strengthened by the appointment of additional staff in St Andrews, Exeter and London, with pump-priming funds applied to help the new roles start well where possible.

We have seen the benefit of previous investment in infrastructure with continued progress on data protection responses, IT security and particularly risk assessments during the virus-related restrictions. Our partnership for international student ministry with Christian Unions Ireland continues to thrive in its second five-year period, especially with the appointment in Dublin. Affiliate numbers continue to rise, to 78 at the end of 2021, from 68 at the beginning of the year, representing other ministries, including churches and other agencies, linked in for training and fellowship. Staff contributions to wider networks in Europe and globally continue, though currently usually online rather than through travelling, and cross-agency collaboration among student ministry agencies in Britain has been facilitated through leader consultations.

We have been looking afresh at our Safeguarding policies as well as the level of staff training in this area. Although most international students are not typically vulnerable adults as far as a legal/technical definition is concerned, we recognise that cross-cultural differences can lead to vulnerabilities so, pastorally, we have felt it important to ensure that best practice is followed in this area.

Regular giving to General funds has continued at a steady level although at the end of year, our actual General Fund reserves were lower than our ideal minimum due to the investment in infrastructure established in preparation for growth. This is an area which continues to receive attention - particularly in the areas of Communications, Public Relations and Marketing to raise the profile of the Charity and increase engagement. Further work is being done to develop the General Fund to secure the resources needed to meet the Growth Strategy Plan infrastructure needs. Staff funds which resource local ministry have continued to grow particularly where new staff are joining, combined with the measured use of accumulated historic reserves. Further fundraising to support the Growth Strategy Plan will also be addressed. Close attention is being paid to the best use of the investment property and cash deposits held.

The charity is fulfilling its aims and greatly enriches the lives of many international students when they come to the UK.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Our Objectives and Activities:

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. We seek to help international students, whatever their faith background, during their stay in the UK and elsewhere. Friends International's vision is to see international students transformed by the good news of Jesus so that they fully engage with the mission of the church in the world.

Public Benefit:

The trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit. Friends International's purposes comply directly with three of the Charities Act's descriptions of "charitable purpose" namely:

- **"the advancement of religion";** We aim to demonstrate to international students the relevance of Christian faith to personal life today, how Christian faith has developed and how it is variously expressed in the 21st century world. We partner with university chaplaincies in providing pastoral support for international students and some of our staff are also university chaplains.
- **"the advancement of education";** We interact with international students in a range of different ways, helping them improve their English language, understand different cultures, and sometimes with more specific training such as leadership skills and preparation for their return home.
- **"the advancement of citizenship or community development";** We produce resources in multiple formats for new international students (called "Life UK") to help them integrate into our country, and we run orientation programmes mainly in the autumn term. Our latest addition to these resources has been an App to help international students link into local activities. In partnership with local Christian communities we arrange cultural trips and opportunities for international students to engage with a British family. During the pandemic we have partnered with Universities to offer English language practice sessions, helping international students to be effective for their time in the UK and establishing friendships that will help them thrive on arrival.

The trustees seek to ensure that these purposes are met as the Charity works principally to support and enable Christian churches' outreach in their local communities with specific focus on international students furthering their education in the UK.

Strategies:

Key strategies for 2020 – 2025 include:

- Growth initiatives aim to help us reach a tipping point of students aware of Friends International so that all international students can experience a welcome to the UK and Ireland, as well as an opportunity to investigate the Christian faith.
- Reaching out to students who have difficulty hearing the Christian message in their home country or who are not initially attracted to our activities is an emphasis for ministry development. We aim to identify them, identify fruitful practice, model best practice with local ownership, and raise profile.
- Returnee focus, for when students return to their home countries or move elsewhere, to be built in from the first contacts with students, through friendship, to continue moving staff, Branches and Development Groups, Churches and volunteers, from acknowledging the returnee focus to influencing how they conduct their ministry.
- Events speaking training helps to develop skills in public ministry to better achieve international student outreach, both to model contextualised Bible teaching and evangelism in a multicultural setting, and to equip others to do the same.
- Innovation in Student Engagement includes new approaches to reach out to and meet the needs of international students, as well as resources for leadership skills, international student wellbeing, discipleship and outreach.
- Ministry Partnership Development helps staff draw in a full schedule of financial and prayer supporters to allow their work to proceed fully resourced.
- Learning and Development are promoted as a whole life approach for staff, volunteers and partners, including training evaluation and the development of an essential skills framework.
- Member Care aims to embed good practice throughout the organisation through leadership engagement, training provision, healthy induction of new staff and academic research.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Activities:

We currently have ten major areas of activity where we seek to implement our strategies. Regional Development Directors identify areas of concentration of international students without focused international student ministry and seek to develop vision among local churches and other partner agencies through establishing new Centres. We then aim to build local ministry teams ('Centres') with sound funding and effective support groups, through the recruitment and appointment of staff (including Apprentices and Associates), the partnering with local churches and Affiliates, and through Development Groups that become Branches. We encourage, model and support welcome and cultural ministries through international student cafés and seek to engage international students with biblical truth, encouragement and challenges through group and individual Bible study. We encourage the setting up and running of local hospitality programmes to increase the volunteer provision of appropriate contact and support for international students. We also offer language practice-based activities, values-based leadership studies, intercultural training for future Bible teachers and other focused programmes offering relevant skills to international students through contact with Christians. We seek to engage with University chaplaincies and student welfare bodies to offer counselling, wellbeing and other services that help universities value, care for and add value to the student experience for international students. Our Reach graduate trainee programme is used to envision and train recent graduate Christians from home and abroad. We develop appropriate regional and national supervisory structures to provide a unifying vision and direction which supports each locality appropriately and we build effective and accessible regional and national resources and events using relevant communication channels to our key stakeholders.

Review of Achievements and Performance:

Friends International is now working in 35 centres and through affiliates in 10 more. It has taken the opportunities offered by the pandemic to adjust its training resources to online seminars for both churches and University Christian Unions. This has often led to a larger number of participants than would have attended in person.

Despite the restrictions of the pandemic, students have been contacted through initiatives which have led to some coming to faith, others having support when facing loneliness or mental health issues, all being offered friendship and a means of better integrating into life in the UK. Several university departments have welcomed the practical help of the organisation as their own international offices have struggled given the pandemic related restrictions. One university welcomed Friends International staff and volunteers onto campus to accompany international students on socially distanced walks. The Philip Project, a course which enables Christian international students to develop their Bible-handling skills, moved completely online.

1. Centres and Staff

- In 2021 Friends International continued to develop activities through staff in 35 centres and through affiliates in 10 more.
- Through our partnership with Christian Unions Ireland we have been developing awareness and best practice of ministry among International Students through our Project Team Leader for ISM in Ireland. A new staff appointment started in Dublin during 2021 and a second staff member was appointed to complement the established staff worker for the greater Belfast area. Further appointments elsewhere in Ireland will be considered.
- We continue to recruit new staff to the organisation both to establish new centres and to strengthen existing centres. We currently have 77 across full and part time patterns of work. Staff are involved in a variety of activities shaped significantly by the centres in which they serve and by the locally agreed strategy. Since a key aim of the organisation is to resource local churches in their engagement with international students, staff invest considerable time in training church members to multiply effective ministry. In some centres there are established inter-church teams offering a programme of events, hospitality and Christian teaching. In other places the work is centred around one or two churches which provide local volunteers.
- Much ministry is based around term time and weekly events. Such events can be purely social, or an event with some Christian content to introduce the Christian faith, or events of a discipleship nature for those openly professing a Christian faith or a desire to explore specifically the Christian faith.
- Summer outreaches were severely curtailed due to the virus-related restrictions during 2021, but some local staff and volunteer activities, without the usual residential teams, were attempted. These are largely welcome and cultural introduction events for language students, some of whom are enrolling for longer term university courses. Bible study engagement is also offered.

FRIENDS INTERNATIONAL MINISTRIES

REPORT OF THE TRUSTEES

- Across our centres we aim to help international students settle into student life, provide care and support where it is appropriate, encourage them to consider the Christian faith, and prepare them for the challenges of the reverse-culture shock they may face on their return home.

2. Support Base

Of the total £1,828,861 income from donations and gifts, roughly two-thirds (including related gift aid) was donated by individuals, the remainder coming from churches and trusts. The organisation has a core support base that has been committed to our work for a long time, whilst new staff broaden our donor base with their networks of contacts and supporters. We benefit from committed support from a Christian Trust.

3. Leadership and Support Centre

- The team of Directors is established and has allowed better focus on development work in London particularly, but also in potential centres with between 1,750 and 2,500 university international students. Regional Development Directors and the National Director have continued to meet regularly to oversee strategy and current issues, with the RDDs also having regular supervision from the National Director. The Leadership Forum, which meets three times each year, resources a wider set of Cluster and specialist leaders. Strategy has been dually focused on future growth and specialist ministry areas.
- The Support Centre team has been renewed through the appointments of replacement Communications Coordinator and Finance Manager, and has continued to seek to provide a high level of service to staff, affiliates, graduate trainees, supporters, partner churches and trustees. The Operations Manager has given attention to the effective implementation of new policies and regulations such as for Safeguarding, and the oversight of coronavirus related risk assessments.
- In terms of our ongoing relationship with All Nations Christian College where the Support Centre is sited, we have continued to endeavour to develop this strategically and welcome students to the newly sited office, with more adequate meeting space. Trustee and Director meetings have also been able to take place there.

4. Affiliate Network

We continue to develop the Affiliate Network, aiming to support, train, encourage and partner well with affiliates in their local church roles working amongst international students. Resources available to Affiliates include Cluster days and conferences, and resources including recordings online.

5. Training and Development

Training and developing our staff and affiliates team is important to the future of the organisation and our work. A key fixture is the annual conference where staff, affiliates, graduate trainees and others (such as Branch and Development Group members, Trustees, retired staff, international and key student visitors) meet to share experiences, best-practice, and learn from outside speakers about different aspects of inter-cultural ministry. Plans for the 2022 Conference were developed on the theme of Humility and planning to meet in person but with online options.

There are local and regional staff training days, and training events specifically aimed at equipping volunteers and local churches. We believe training is a core role for FI and one we are seeking to grow and develop. Processes have been developed so that staff can identify areas where further growth and development are needed, as well as where they might be able to access the appropriate training resources.

6. Reach Programme

The focus of the training year is to invest in the lives of young Christian graduates who show potential in Christian ministry.

- Between 30-75% of each Reach trainee cohort are international, and we see this programme also as a means of discipling and training promising international students who will go on to be a blessing to churches around the world.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

- Reach alumni include church leaders in the UK, Greece, France and China, cross-cultural workers in Italy, the Philippines and the Middle East, and returnees who are thriving in their local churches and still involved in International Student Ministry/supporting returnees in Vietnam, China and Hungary.
- A number of former Reach trainees return to FI as staff after relevant experience gained in other contexts.

7. Branches and Development Groups

Branches and Development Groups exist to implement locally the national vision of Friends International alongside staff. Their ethos is to be forward-looking and seeking to develop best practice. Key roles in which members contribute include strategic thinking; networking across different Christian communities in a town or city; and encouraging partnership development. Key relationships are those of the Chair, local Centre Team Leader and Regional Development Director working well together. Branch training has moved online leading to a greater uptake and wider insights into best practice.

8. Communications

During the pandemic online communications have been developed further with the hosting scheme on the successful App welcoming online contacts, the provision of some mental health resources geared for international students, the further use of social media to improve awareness/advertising of activities, and a greater sharing of resources with churches and increase fund-raising activity. Good communication and quality resources are key aspects of the charity for our staff and volunteer teams, our supporter base and our audience of international students. There was also the publication of a book written by the Head of Events Speaking addressing the key questions international students ask about Christianity.

9. Special Student Events

The international student track at the national “Word Alive” conference, held on-line, again drew large numbers of International Students with its focus on preparing Christian students to return home. Over 180 students participated. This was organised in partnership with other charities.

The Philip Project trains future Bible teachers planning to return to their own countries for a day a month through the academic year and additionally runs a training weekend. Through substantial work by the Project Coordinator the format has been adapted to a more flexible on-line delivery.

Financial Review:

The statement of financial activities (SOFA) for the year is set out on page 10 together with an analysis of funds on page 16. Our regular gift income has increased by 7.9% with an increase in our expenditure of 10.9%.

Overall there is a deficit in 2021 of £266,470; there was no legacy income during the year. After transfers between funds to ensure that the General Fund meets all under-funded staff there is a net decrease in the General Fund in 2021 of £92,669.

Each year we seek to achieve a balanced budget, for both ministry staff workers and their related Centres’ Designated Funds, as well as seeking a balancing of General Fund Income to meet Central costs (which are primarily the Support Centre and majority funding of the senior management team).

The financial policy of Friends International is to match and monitor funding with expenditure requirements for each area of ministry activity, mostly focused on Centres. A designated fund is therefore maintained for each venture which requires ongoing expenditure. It is acceptable to run with a current year deficit for a specific designated fund, provided there are sufficient brought forward reserves for that particular Centre to offset the loss. Much of the 2021 deficit arises from the spending of designated reserves that have been carried forward from the previous year.

Each designated fund is subject to monthly monitoring and appropriate discussion where required with the relevant staff member and, if necessary, their Supervisory Manager.

Before work is started in a new location, or a new member of staff is employed, it is the policy of Friends International to ensure that there is an appropriate level of pledged donor support. We continue to maintain a ‘Staff Support’ Central fund which has been resourced from the allocation of a portion of the substantial legacies received in recent years as well as the generosity of some specific supporters keen to support this venture. The Trustees continue to seek to extend this Fund as part of achieving new Strategic Ministry Centres as well as extending training opportunities for a new generation of ISM workers. However, some of the planned fundraising activities have been hindered by the pandemic.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Investment Policy:

Fixed Asset Investments: The charity has freehold title to their previous Support Centre office in Putney, a small but prime location in Southwest London. The Trustees regularly review both rental and sale options in terms of the most appropriate way of managing this Investment Property

Liquid Investments: The investment policy is to maintain a low risk liquid position. The aim is therefore to maintain balances in accounts that attract market competitive deposit account bank interest but with low risk institutions.

Reserves Policy:

Our policy remains to hold sufficient unrestricted reserves (defined as all unrestricted funds including designated funds but excluding fixed asset related reserves) in order to protect the charity against a sudden and catastrophic fall in donations and any related gift aid for a period long enough to ensure a managed plan for survival, merger or cessation.

Unrestricted reserves are held in both the general fund (which bears all central costs) as well as designated staff support funds (comprising funds designated on an ongoing basis for both specific ministry centres as well as for individual staff workers working in a ministry centre).

Whilst the trustees are aware that all unrestricted reserves are available to use at their discretion in the event of a crisis, it is considered appropriate that for practical management purposes the Trustees will undertake two levels of monitoring:

1) Regular monitoring of central reserves required against general funds (comprising all unrestricted reserves excluding designated funds). These funds will be measured against both a minimum and maximum 'central' reserve level when monitoring performance and setting future budgets. The intention is to never drop below a minimum level and actively consider action to manage excess reserves where considered appropriate.

Such central reserve levels are calculated in order to provide a minimum of 3 months and a maximum of 9 months of reserves to cover projected support centre and national leadership costs.

As at 31 December 21 unrestricted general funds stood at £466,221 compared to a central reserve minimum of £142,000 and a maximum of £426,000.

This includes the Putney investment property, valued at £500,000, which could be realised as a resource available, should the need arise.

2) Periodic review of both the total amount and profile of designated staff support funds to ensure that they remain appropriate for the use they were designated for and to assess both the level and profile of funding capability the charity has for ongoing field ministry.

As at 31/12/21 designated staff support funds stood at £853,693 which was spread across both ministry centres and individual staff members.

Having anticipated the General Fund (excluding the Putney property) falling below zero, the Trustees and senior management team have been reviewing where costs can be saved and are proactively seeking to increase giving to the General Fund. There is now a structure in place that can support the continuing expansion of the charity's activities.

As at 31 December 2021 the charity's assets were available and adequate to fulfil the obligations to the charity and the trustees considered the financial state of affairs of the charity at that time to be satisfactory and in accordance with our budgetary expectations.

Plans for Future Periods:

We intend to continue and grow our activities in future years, particularly with a concerted effort to research ministry opportunities alongside churches and Christian student groups through further staff worker posts so that new and better resourced centres with the most international university students are helped towards thriving International Student Ministry. We continue to seek ways of further developing the work in London in partnership with local churches and similarly minded charities. We aim to continue to develop our work in partnership with Christian Unions Ireland. Through seven Heads of Ministry we are developing our approaches to Learning and Development, Hard to Reach students, Returnees, Events Speaking, Innovation in Student Engagement, Ministry Partnership Development, and Member Care.

Structure, Governance and Management:

Governing Document:

Friends International Ministries was incorporated as a company limited by guarantee and not having a share capital (number 4500270) on 31 July 2002 and is a registered charity with the Charity Commission (number 1094095). It is governed by its Memorandum and Articles of Association. Under UK company law, all the trustees are directors of the company. The liability of the company's members in the event of the charity being wound up is limited to a sum not exceeding £10. Friends International Ministries is also registered with the Office of the Scottish Charity Regulator.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Appointment of Trustees:

Potential trustees are identified from academia, business and Christian ministry backgrounds. The trustees are appointed by the board of Trustees through an invitation, application and interview process. New Trustees are given key Charity Commission information on their responsibilities and are encouraged to attend appropriate external training where this will facilitate the undertaking of their role. They undergo some induction and a new buddying scheme has been introduced as one means of enhancing their swift integration. In addition, they are given a copy of '*Tracks of Trustworthiness*', by Heather Wraight .

Organisation:

The board of trustees meet at least three times a year to review all aspects of the charity's activities. The board has established two sub-committees to assist with the running of the charity, namely the Executive Committee, responsible for meeting with senior staff between trustee meetings, and the Finance Committee, tasked with specifically monitoring and managing the charity's finances.

Stroma Beattie, Geoffrey Spence, Sara Slater and Jon Salkeld are members of the Executive and Finance Committee.

Trustee Remuneration and Related Parties:

None of the trustees receive remuneration or other benefit for their work for the charity. There were no related party transactions reported in the year between the charity and any trustee, senior manager or any of the third parties with contractual relationships with the charity.

Pay Policy for Senior Staff:

No trustees received remuneration during 2021. Details of trustee expenses are disclosed in note 7 to the financial statements.

The pay of senior management is reviewed annually using a standard formula benchmarked against published pay increases awarded to Classroom Teachers.

Risk Management:

The trustees review risks on a regular ongoing basis and use a risk matrix to define key risks, assess them by probability and impact before and after mitigating action is taken.

Such reviews take place within the two board sub-committees and in periodic review by the whole Board of key risks. In the past year, in response to the pandemic, a specific risk template looking at best, medium and worst case scenarios has been used to review regularly the activities of the charity.

The following are considered to be important Risks requiring Board and Senior Management focus during 2022:

- Risk of failing to engage with and support international students either on account of the changing tertiary education landscape caused by the pandemic or on account of the pandemic's economic impact. The Board and Leadership Team continue to monitor the situation closely and respond nimbly.
- Risk of failing to facilitate ISM in those areas of the UK where there is a large international student population. This requires identification of those locations where current ISM is deficient relative to the numbers of students and then focusing new ministry investment in such areas in order to build effective church partnerships supported by our staff. Plans and strategies have been formulated to enable this to happen.
- Risk of inadequate reserves: The fall in general funds during 2021 is being addressed by a review of how to increase income and reduce general fund expenditure.
- Residual Risk of incomplete implementation of certain data protection requirements primarily relating to some data retention and security issues: Whilst small in relation to the major GDPR risks managed in 2018, the appointment of the Operations Manager has brought a fresh attention to the task of ensuring compliance and improving practice across the organisation.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES

- Risk of Cyber-attack continues to be a concern in the current geopolitical climate. A specific insurance has been purchased and IT security is reviewed regularly.
- Reputational Risk is something which must be considered, particularly in the current climate. This is addressed by regular review of policies, including safeguarding as well as well-being initiatives managed by the Head of Member Care in conjunction with the Support Centre team.

Board Governance

The board has reviewed the level of salaries and allowances particularly to allow for recruitment of further staff in London.

Trustees' Responsibilities:

The trustees (who are also directors of Friends International Ministries for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors:

A resolution to re-appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, will be proposed at a meeting of the trustees.

Statement of Disclosure of Information to Auditors:

We, the directors of the company who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by the Board of Trustees on 4 March 2022 and signed on its behalf by:



STROMA BEATTIE
CHAIR OF TRUSTEES

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

		Restricted Fund	Unrestricted Funds Designated Staff Support	Total 2021	Total 2020
	Note	General			
Income from:					
Donations and gifts		23,873	109,438	1,695,550	1,828,861
Legacies		-	-	-	11,553
Charitable activities:					
Training events and literature sales		-	12,032	9,744	21,776
Investment income	2	-	14,096	-	14,956
Other income:					
Coronavirus grant income		-	-	27,782	27,782
Total income		23,873	135,566	1,733,076	1,892,515
Expenditure on:					
Fundraising costs	3	-	16,616	31,812	48,428
Charitable activities	3	15,667	129,425	1,965,465	2,110,557
Total expenditure		15,667	146,041	1,997,277	2,158,985
Net (expenditure)/income before revaluation of investments		8,206	(10,475)	(264,201)	(266,470)
Unrealised gain on revaluation of investment property		-	-	-	-
Net (expenditure)/income	5	8,206	(10,475)	(264,201)	(266,470)
Transfer between funds		-	(82,194)	82,194	-
Net movement in funds		8,206	(92,669)	(182,007)	(266,470)
Total funds brought forward at 1 January 2021		£ 28,724	558,890	1,035,700	1,623,314
Total funds carried forward at 31 December 2021		£ 36,930	466,221	853,693	1,356,844

All of the above results are derived from continuing activities.

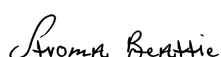
The statement of financial activities includes all gains and losses recognised in the above periods.

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIESBALANCE SHEETCompany registration number 04500270

		31 DECEMBER 2021	2020
Fixed assets			
Tangible fixed assets	10	8,486	9,896
Investment property	11	500,000	500,000
		<u>508,486</u>	<u>509,896</u>
Current assets			
Debtors	12	47,113	43,934
Cash at bank and in hand		860,280	1,127,541
		<u>907,393</u>	<u>1,171,475</u>
Creditors: amounts falling due within one year	13	59,035	58,057
		<u>848,358</u>	<u>1,113,418</u>
Net current assets			
		<u>£ 1,356,844</u>	<u>1,623,314</u>
Net assets			
Charity Funds:			
Unrestricted funds:			
General funds		75,603	168,272
Revaluation reserve relating to investment property		390,618	390,618
Designated funds		853,693	1,035,700
		<u>1,319,914</u>	<u>1,594,590</u>
Restricted fund		<u>36,930</u>	<u>28,724</u>
Total funds	14	<u>£ 1,356,844</u>	<u>1,623,314</u>

Approved by the board of Trustees on 4 March 2022 and signed on its behalf by:



STROMA BEATTIE
CHAIR OF TRUSTEES

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Cash used in operating activities (see below)	(279,089)	(162,622)
Cash flows from investing activities		
Investment income	14,096	14,956
Purchase of tangible fixed assets	(2,268)	(9,798)
Cash provided by investing activities	11,828	5,158
Cash flows from financing activities		
Cash investment in short-term deposit	(5,630)	(75,733)
Cash used in financing activities	(5,630)	(75,733)
Decrease in cash and cash equivalents in the year	(272,891)	(233,197)
Cash and cash equivalents at the beginning of the year	616,808	850,005
Total cash and cash equivalents at the end of the year	£ 343,917	616,808

Reconciliation of net income to net cash flow from operating activities

Net expenditure	(266,470)	(167,346)
Add back depreciation charge	3,678	2,262
Deduct interest income shown in investment activities	(14,096)	(14,956)
(Increase)/decrease in debtors	(3,179)	3,686
Increase in creditors	978	13,732
Net cash used in operating activities	£ (279,089)	(162,622)

Analysis of net funds

	Balance 1 January 2021	Movements	Balance 31 December 2021
Cash at bank and in hand (see note 1k)	616,808	(272,891)	343,917
Cash on deposit for more than three months (see note 1k)	510,733	5,630	516,363
	£ 1,127,541	£ (267,261)	£ 860,280

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

1 Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes, as set out in the notes to the accounts.

The restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

c) Income

Donations and gifts are reflected in the financial statements in the period in which they are received.

Income tax recoverable in respect of gift aid donations is brought into account in the same period as the relevant donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified, or the charity is aware of the granting of probate.

d) Expenditure and irrecoverable VAT

Expenditure is charged to the statement of financial activities on the accruals basis and is mainly allocated across activities based on staff time.

Fundraising costs include all costs involved in raising income and in raising the profile of the charity.

Charitable activities are further analysed in note 4 and are split between direct charitable expenditure, support, management and administration costs and governance costs. Support costs are those costs incurred indirectly in support of expenditure on the objects of the charity or in connection with the management and administration of the charity. Governance costs reflect the costs of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised.

Depreciation is provided on tangible fixed assets at the following rates per annum so as to write off each asset over its estimated useful working life:

- Furniture and equipment - 20% straight line
- Computers and peripherals - 33% straight line

f) Investment property

Investment properties are stated at their market value. In order to present a true and fair view, and to comply with FRS 102, the company's investment properties are not being depreciated as required by the Companies Act 2006.

g) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

FRIENDS INTERNATIONAL MINISTRIESNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (Continued)**1 Accounting policies (continued)****h) Pensions**

The charity makes payments to defined contribution pension schemes for the benefit of its employees. Contributions charged during the year are written off as incurred.

i) Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended.

j) Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount repaid net of any discounts due.

k) Cash at bank and in hand

Cash at bank and in hand includes cash and fixed term deposits of varying lengths. The statement of cash flows only reflects movements within bank accounts held where the money can be accessed within three months of the date of opening the deposit. An analysis of cash at bank at the balance sheet date, differentiating between deposits which mature 3 months after the date of opening and cash accessible within three months is provided as a note to the statement of cash flows.

l) Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

m) Taxation

Friends International Ministries is a registered charity and no tax is payable on its net income.

n) Financial Instruments

With the exception of an investment property the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Investment income

	2021	2020
Bank deposit interest	6,096	6,956
Investment property income	8,000	8,000
	<u>£ 14,096</u>	<u>14,956</u>

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (Continued)

3 Total expenditure

	Restricted fund	General fund	Designated staff support funds	Total 2021	Total 2020
Fundraising costs					
Staff costs	-	-	28,941	28,941	26,268
Direct PR costs	-	15,580	-	15,580	12,986
Allocation of support & admin costs	-	1,036	2,871	3,907	5,268
	-	16,616	31,812	48,428	44,522
Charitable activities					
Staff costs - direct charitable expenditure	-	-	1,655,058	1,655,058	1,465,043
Staff costs in a supporting/admin role	-	-	126,668	126,668	109,630
Conference & resource costs	-	26,187	51,677	77,864	117,742
Travel, training & other costs related to staff	-	31,497	97,447	128,944	104,300
Grants payable	14,951	-	-	14,951	13,537
Support, management & admin costs	716	63,531	34,615	98,862	84,820
Governance costs	-	8,210	-	8,210	7,196
	15,667	129,425	1,965,465	2,110,557	1,902,268
£	15,667	£ 146,041	£ 1,997,277	£ 2,158,985	£ 1,946,790

During the year the charity's head office was based at All Nations Christian College, Hertfordshire. Here a number of staff operated, spending approximately 60 - 80% of their time in a support and administration role. Accordingly their salary costs are split between support/administration and direct charitable expenditure. The support, management and administration costs and governance costs do not relate directly to charitable expenditure and are further analysed in note 4 below.

4 Analysis of governance and support costs

	General Support	Governance costs	Total 2021	Total 2020
Rent	22,359	-	22,359	16,943
Investment property repairs, rates and utility costs	6,932	-	6,932	6,751
Office costs	67,838	-	67,838	59,568
Legal and professional costs	1,733	-	1,733	1,558
Auditor's remuneration	-	5,895	5,895	5,520
Costs relating to trustees' meetings	-	2,315	2,315	1,676
£	98,862	£ 8,210	£ 107,072	£ 92,016

5 Net expenditure

The total for net expenditure of £266,470 (2020: expenditure £167,346) is stated after charging:

Auditor's remuneration - in relation to audit and financial statements disclosures	£	5,895	5,520
Depreciation	£	3,678	2,262
Operating lease rentals - land and buildings	£	18,089	12,732

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Salaries	1,512,786	1,335,832
National insurance	124,420	105,259
Pension costs	173,461	159,851
£	1,810,667	1,600,942
Average number of employees, analysed by function, was as follows:-		
Charitable activities	71	67
Fundraising	1	1
Administration	2	2
	74	70

No employee earned more than £60,000 (2020 : same).

The trustees were not paid or received any other benefits from employment with the charity in the year (2020 : same).

The key management of the charity comprises the national director, 4 regional development directors (2020 : 4) and the finance manager. The total employee benefits of key management personnel for the charity were £227,703 (2020 : £213,630).

FRIENDS INTERNATIONAL MINISTRIESNOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (Continued)**7 Trustees' expenses**

Travel and subsistence expenses of £234 was paid to one trustee to enable them to attend meetings and generally carry out their governance responsibilities (2020: nil).

8 Pension costs

The charity operates defined contribution schemes and contributions of £173,461 were paid in the year (2020: £159,851).

9 Branches

The charity has 18 (2020: 18) branches throughout the UK which generate income and carry out activities on behalf of the charity. The accounts of the branches are maintained at a local level and are then incorporated into the charity's financial statements. In 2021 the branches contributed net outgoing resources of £4,427 (2020: net incoming resources of £4,426).

10 Tangible fixed assets

	Furniture & equipment	Computers & Peripherals	Total
Cost			
At 1 January 2021	12,943	17,529	30,472
Additions in the year		2,268	2,268
At 31 December 2021	12,943	19,797	32,740
Depreciation			
At 1 January 2021	7,683	12,893	20,576
Charge for the year	1,334	2,344	3,678
At 31 December 2021	9,017	15,237	24,254
Net book value			
At 31 December 2021	£ 3,926	4,560	8,486
Net book value			
At 31 December 2020	£ 5,260	4,636	9,896

11 Investment Property**Freehold investment property**

As at 1 January 2021 and 31 December 2021	£ 500,000
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The investment property has a historical cost of £109,382. In accordance with the Charities SORP FRS 102, the investment property is being carried at its market value. An informal independent valuation was undertaken by a qualified local estate agent as at 31 December 2015 which resulted in a revised valuation of £500,000. Having made enquiries of a local estate agent in February 2022 with regards to the current market value of the property, the trustees believe that they would achieve a selling price at least equal to, but not materially different from, its carrying value and do not consider it necessary to bring a revaluation into the 2021 accounts.

12 Debtors

	2021	2020
Tax recoverable	11,614	11,771
Prepayments and other debtors	35,499	32,163
	£ 47,113	43,934

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (Continued)

13 Creditors: amounts falling due within one year	2021	2020
Trade creditors	8,934	3,720
Taxation and social security costs	27,435	25,351
Other creditors	-	8,000
Pension creditors	15,163	15,466
Accruals and deferred income	7,503	5,520
	<u>£ 59,035</u>	<u>58,057</u>

14 Analysis of net assets

	Unrestricted Funds			
	Restricted fund	General	Designated staff support funds	Total
Fixed assets	-	508,486	-	508,486
Current assets	36,930	(10,665)	881,128	907,393
Current liabilities	-	(31,600)	(27,435)	(59,035)
	<u>£ 36,930</u>	<u>£ 466,221</u>	<u>£ 853,693</u>	<u>£ 1,356,844</u>

Designated staff support funds

These funds consist of donations and gift income received plus funds set aside out of unrestricted funds for staff support.

The balances on individually designated funds are reviewed regularly. On an annual basis the Finance Committee will determine the extent to which transfers from the general fund should be made to ensure that the carrying value of individual staff support fund balances are recoverable. Following this year's review an aggregate transfer of £82,194 from the general fund to designated funds as reflected on the SOFA.

Restricted fund

The charity has one restricted fund, and the movements on this for 2021 are shown on the face of the SOFA. This restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

15 Financial Commitments

At 31 December 2021 the charity had the following commitment to make the minimum lease payments under a non-cancellable lease for a property:

	2021	2020
Expiring between two and five years	-	14,209
	<u>£ -</u>	<u>14,209</u>

16 Related party transactions

Gifts from trustees of the charity totalled £1,760 (2020 : £1,634).

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (Continued)

17 Statement of Financial Activities for the year ended 31 December 2020

	Restricted Fund	Unrestricted Funds		Total 2020
		General	Designated Staff Support Funds	
Income:				
Donations and gifts	26,668	105,480	1,562,163	1,694,311
Legacy	-	9,017	2,536	11,553
Charitable activities:				
Training events and literature sales	-	32,237	8,142	40,379
Investment income	-	14,956	-	14,956
Other income:				
Coronavirus grant income	-	-	18,245	18,245
Total income	26,668	161,690	1,591,086	1,779,444
Expenditure:				
Fundraising costs	-	15,064	29,458	44,522
Charitable activities	14,337	146,527	1,741,404	1,902,268
Total expenditure	14,337	161,591	1,770,862	1,946,790
Net (expenditure)/income before revaluation of investments	12,331	99	(179,776)	(167,346)
Unrealised gain on revaluation of investment property	-	-	-	-
Net (expenditure)/income	12,331	99	(179,776)	(167,346)
Transfer between funds		(84,193)	84,193	-
Net movement in funds	12,331	(84,094)	(95,583)	(167,346)
Total funds brought forward at 1 January 2020	£ 16,393	642,984	1,131,283	1,790,660
Total funds carried forward at 31 December 2020	£ 28,724	558,890	1,035,700	1,623,314

Independent Auditor's Report to the Trustees of Friends International Ministries

Opinion

We have audited the financial statements of Friends International Ministries (the 'charitable company') for the year ended 31 December 2021 which comprise statement of financial activities, balance sheet, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed;
- verifying the existence on a sample basis of individual employees on the payroll; and
- verifying that material balances within the balance sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-

compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Hill

Richard Hill
(Senior Statutory Auditor)

for and on behalf of Griffin Stone Moscrop & Co.
Statutory Auditor
21-27 Lamb's Conduit Street
London
WC1N 3GS

Date: 10/3/2022

Accounts



FRIENDS INTERNATIONAL MINISTRIES

(Company limited by guarantee and not having a share capital)

Registered Company Number: 4500270

English and Welsh Registered Charity Number: 1094095

Scottish Registered Charity Number: SCO48838

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FRIENDS INTERNATIONAL MINISTRIES

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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FRIENDS INTERNATIONAL MINISTRIES

Registered office: The Rowan Centre, All Nations Christian College, Easneye, Ware, Herts SG12 8LX

Administrative details of the charity, the trustees and advisors

The Trustees present their report together with the accounts of the charitable company for the year ended 31 December 2020. All of the trustees act in the role of directors.

The following trustees served from 1 January 2020 and up to the date of the approval of the accounts:-

Stroma Beattie (Chair)
Henry Lu
Robert Mallet
Natasha Rayan
Jonathan Salkeld
Sara Slater
Jonathan Smith
Geoffrey Spence

The day to day operations of the charity are overseen by Alan Tower, the National Director

Key Management Personnel :

National Director:	Alan Tower
Regional Development Directors:	Sarah Dawkins Pete Edwards Susanne Koch Iván Neira
Finance Manager:	Robert Felix FCA
Principal address:	The Rowan Centre All Nations Christian College Easneye Ware Herts SG12 8LX
Bankers:	Bank of Scotland Barclays Bank plc CAF Bank
Auditor:	Griffin Stone Moscrop & Co. 21-27 Lamb's Conduit Street London WC1N 3GS
Solicitors:	Ellis-Fermor & Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Chair's Report:

Our vision is to see international students transformed by the good news of Jesus so that they fully engage with the mission of the church in the world. We seek to engage with and support as many international students as possible, and to that end we seek to maximise the effectiveness of our resources, mobilise and train a large group of volunteers, and work alongside local churches and educational establishments.

Despite a challenging year on account of the COVID-19 pandemic, it has also been an encouraging one with several new staff joining and a number of opportunities to fulfil our aims and objectives in response to the pandemic. As for many, it has been a year when we have had to respond quickly to the evolving crisis, to adapt swiftly to new ways of working and to seek to respond creatively to the needs and opportunities afforded in our work with international students, some of whom have been stranded in their student accommodation, some of whom have not been able to arrive in the UK and others of whom have had to leave abruptly. Initiatives such as on-line pre-sessional English classes, on-line baking competitions, mental health support, on campus socially distanced walks, the delivery of meals and food parcels to students and liaison with university international departments have all been part of our response to the situation as well as our usual meetings most of which moved on-line. The Board and Executive/Finance Committee have continued to review strategy and risk assessments, and to assess our activities on a regular basis. We are aware that in 2021, the ongoing impact of the pandemic in areas such as student numbers, the provision of tertiary education, global travel restrictions and the wider economy will be felt. In light of this, we continue to review our worst/medium/best case scenarios to ensure that we are responding appropriately. We continue to see a need to develop our ministry in new centres as well as to consolidate the work in existing centres but in ways commensurate with the changed landscape.

The year 2020 started with our regular staff and key volunteers' conference in January, the new academic term, and some planned New Staff training. Trustee and Leadership meetings in March were overshadowed in their organisation by the developing national and global virus-affected position. Subsequent months have been characterised by strenuous efforts to adapt staff care, leadership decisions and international student provision to on-line and where possible small group and individual in-person modes.

We continued to pursue our Growth Strategy aiming to recruit staff in new Centres and reinforce existing Centre staff teams, in the places where most international students are studying – goals being 20 extra staff by 2025 and a total of 30 by 2030. A new Centre has been established in Sunderland and an appointment made for a future new Centre in Dublin. Centres have been strengthened by the appointment of additional staff in Norwich, Dundee, and Sheffield, with pump-priming funds applied to help the new roles start well.

We have seen the benefit of previous investment in infrastructure with continued progress on data protection responses, IT security and particularly risk assessments during the virus-related restrictions. Our partnership for international student ministry with Christian Unions Ireland was reviewed at the five-year stage and subsequently renewed. We had a number of affiliates join us (from 58 in 2019 to 68 by beginning of 2021) further strengthening our partnerships. Five new churches joined the affiliates network through the church scheme in the last 4 months of 2020. Staff contributions to wider networks in Europe and globally continue, and cross-agency collaboration among student ministry agencies in Britain has been expressed through leader consultations.

Regular giving to the General and Staff funds have continued at an encouraging level although at the end of year, our actual General Fund reserves were lower than our ideal minimum. However, this is an area which continues to receive attention and further work is being done to develop the General Fund to secure the resources needed to meet the infrastructure needs related to the growth plan. Further fundraising to support the

Growth Plan will also be addressed. Close attention is being paid to the best use of the investment property and cash deposits held.

The charity is fulfilling its aims and greatly enriches the lives of many international students when they come to the UK.

Our Objectives and Activities:

Friends International Ministries is an evangelical mission agency dedicated to encouraging and equipping churches to reach international students for Christ. We seek to help international students, whatever their faith background, during their stay in the UK and elsewhere. Friends International's vision is to see international students transformed by the good news of Jesus so that they fully engage with the mission of the church in the world.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Public Benefit:

The trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit. Friends International's purposes comply directly with three of the Charities Act's descriptions of "charitable purpose" namely:

- **"the advancement of religion";** We aim to demonstrate to international students the relevance of Christian faith to personal life today, how Christian faith has developed and how it is variously expressed in the 21st century world. We partner with university chaplaincies in providing pastoral support for international students and some of our staff are also university chaplains.
- **"the advancement of education";** We interact with international students in a range of different ways, helping them improve their English language, understand different cultures, and sometimes with more specific training such as leadership skills and preparation for their return home.
- **"the advancement of citizenship or community development";** We produce resources in multiple formats for new international students (called "Life UK") to help them integrate into our country, and we run orientation programmes mainly in the autumn term. Our latest addition to these resources has been an App to help international students link into local activities. In partnership with local Christian communities we arrange cultural trips and opportunities for international students to engage with a British family. During the pandemic we have partnered with Universities to offer English language practice sessions, helping international students to be effective for their time in the UK and establishing friendships that will help them thrive on arrival.

The trustees seek to ensure that these purposes are met as the Charity works principally to support and enable Christian churches' outreach in their local communities with specific focus on international students furthering their education in the UK.

Strategies:

Key strategies for 2020 – 2025 include:

- Growth initiatives aim to help us reach a tipping point of students aware of Friends International so that all international students can know that a welcome and opportunity to investigate the meaning
- of life is within their reach.
- Hard to Reach groups are an emphasis for ministry development. We aim to identify them, identify fruitful practice, model best practice with local ownership, and raise profile.
- Returnee focus, for when students return to their home countries or move elsewhere, to be built in from the first contacts with students, through friendship, to continue moving staff, Branches and Development Groups, Churches and volunteers, from acknowledging the returnee focus to influencing how they conduct their ministry.
- Events speaking training helps to develop skills in public ministry to better achieve international student outreach, both to model contextualised Bible teaching and evangelism in a multicultural setting, and to equip others to do the same.
- Digital and Leadership ministry includes resources for leadership skills, international student wellbeing, discipleship and outreach.
- Learning and Development are promoted as a whole life approach for staff, volunteers and partners, including training evaluation and the development of an essential skills framework.
- Member Care aims to embed good practice throughout the organisation through leadership engagement, training provision, healthy induction of new staff and academic research.

Activities:

We currently have ten major areas of activity where we seek to implement our strategies:

- Regional Development Directors identify areas of concentration of international students without focused international student ministry and seek to develop vision among local churches and other partner agencies through establishing new Centres.
- Build local ministry teams ('Centres') with sound funding and effective support groups, through the

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES

recruitment and appointment of staff (including Apprentices and Associates), the partnering with local churches and Affiliates, and through Development Groups that become Branches.

- Encourage, model and support welcome and cultural ministries through international student cafés.
- Seek to engage international students with biblical truth, encouragement and challenges through group and individual Bible study.
- Encourage the setting up and running of local hospitality programmes to increase the volunteer provision of appropriate contact and support for international students.
- Offer language practice-based activities, values-based leadership studies, intercultural training for future Bible teachers and other focused programmes offering relevant skills to international students through contact with Christians.
- Engage with University chaplaincies and student welfare bodies to offer counselling, wellbeing and other services that help universities value, care for and add value to the student experience for international students.
- Use our Reach trainee programme to envision and train recent graduate Christians from both the UK and abroad.
- Develop appropriate regional and national supervisory structures to provide a unifying vision and direction which supports each locality appropriately.
- Build effective and accessible regional and national resources and events using relevant communication channels to our key stakeholders.

Review of Achievements and Performance:

1. Centres and Staff

- In 2020 Friends International continued to develop activities through staff in 35 centres and through affiliates in 8 more.
- Through our partnership with Christian Unions Ireland we have been developing awareness and best practice of ministry among International Students through our Project Team Leader for ISM in Ireland. A staff appointment for Dublin has been made, to start during 2021, and further appointments elsewhere in Ireland will be considered, to complement the established staff worker for the greater Belfast area.
- We continue to recruit new staff to the organisation both to establish new centres and to strengthen existing centres. We currently have 80 staff across full and part time patterns of work. Staff are involved in a variety of activities shaped significantly by the centres in which they serve and by the locally agreed strategy. Since a key aim of the organisation is to resource local churches in their engagement with international students, staff invest considerable time in training church members to multiply effective ministry. In some centres there are established inter-church teams offering a programme of events, hospitality and Christian teaching. In other places the work is centred around one or two churches which provide local volunteers.
- Much ministry is based around term time and weekly events. Such events can be purely social, or an event with some Christian content to introduce the Christian faith, or events of a discipleship nature for those openly professing a Christian faith or a desire to explore specifically the Christian faith.
- Summer outreaches were severely curtailed due to the virus-related restrictions during 2020, but some local staff and volunteer activities (but without the usual residential teams) were attempted. These are largely welcome and cultural introduction events for language students, some of whom are enrolling for longer term university courses. Bible study engagement is also offered.
- Across our centres we aim to help international students settle into student life, provide care and support where it is appropriate, encourage them to consider the Christian faith, and prepare them for the challenges of the reverse-culture shock they may face on their return home.

2. Support Base

Of the total £1,694,311 income from donations and gifts, roughly 63% (including related gift aid) was donated by individuals, the remainder coming from churches and trusts. The organisation has a core support base that has been committed to our work for a long time, whilst new staff broaden our donor base with their networks of contacts and supporters. We benefit from committed support from a Christian Trust.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES

3. Leadership and Support Centre

- The appointment of a fourth Regional Development Director and the associated creation of a fourth region has allowed for much greater focus on developing our work in London, a priority identified by the board sometime ago. Regional Development Directors and the National Director have continued to meet regularly to oversee strategy and current issues, with the RDDs also having regular supervision from the National Director. The Leadership Forum resourced a wider set of Cluster and specialist leaders. Strategy has been dually focused on future growth and specialist ministry areas.
- The Support Centre team has been strengthened through the appointment of a Social Media Coordinator to start in 2021 and has continued to seek to provide a high level of service to staff, affiliates, Reach trainees, supporters, partner churches and trustees. There has been much benefit from the work of the Operations Manager who has been able to devote time to ensure the effective implementation of new policies and regulations such as GDPR.
- In terms of our ongoing relationship with All Nations Christian College where the Support Centre is sited, we have continued to endeavour to develop this strategically and were delighted to welcome two graduating students from the College as new staff FI appointments during the year. We moved within the college site to more adequate office facilities during 2020.

4. Affiliate Network

We continue to develop the Affiliate Network, aiming to support, train, encourage and partner well with affiliates in their local church roles working amongst international students. Resources available to Affiliates include Cluster days and conferences, and resources including recordings online.

5. Training and Development

Training and developing our staff and affiliates team is important to the future of the organisation and our work. A key fixture is the annual conference where all staff, affiliates, Reach trainees and others (such as Branch and Development Group members, Trustees, retired staff, international and key student visitors) meet to share experiences, best-practice, and learn from outside speakers about different aspects of inter-cultural ministry. Plans for the 2021 Conference necessarily changed as it became an online event and a creative programme of smaller and larger groups around a theme of Rest was developed.

There are local and regional staff training days, and training events specifically aimed at equipping volunteers and local churches. We believe training is a core role for FI and one we are seeking to grow and develop. Our Head of Member Care has been reviewing our supervisory structures and works closely with the Head of Training and Development. Processes are being improved so that staff can identify areas where further growth and development are needed, as well where they might be able to access the appropriate training resources.

6. Reach Programme

The focus of the year is to invest in the lives of young Christian graduates who show potential in Christian ministry.

- Between 30-60% of each Reach trainee cohort are international, and we see this programme also as a means of discipling and training promising international students who will go on to be a blessing to churches around the world.
- Reach alumni include church leaders in the UK, Greece, France and China, cross-cultural workers in Italy, the Philippines and the Middle East, and returnees who are thriving in their local churches and still involved in International Student Ministry/supporting returnees in Vietnam, China and Hungary.
- A number of former Reach trainees return to FI as staff after relevant experience gained in other contexts.

7. Branches and Development Groups

Branches and Development Groups exist to implement locally the national vision of Friends International alongside staff. Their ethos is to be forward-looking and seeking to develop best practice. Key roles in which members contribute include strategic thinking; networking across different Christian communities in a town or city; and encouraging partnership development. Key relationships are those of the Chair, local Centre Team Leader and Regional Development Director working well together. Recently we have focused on updating strategic plans in local groups and holding annual training days in each region.

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

8. Communications

We recognise that both good communication and quality resources are key aspects of the charity for our staff and volunteer teams, our supporter base and our audience of international students. In 2020 we have continued to develop our digital resources, including amending the hosting scheme on the successful App to be welcoming on-line contacts during lockdown, and adding wellbeing materials.

Work on a publication to answer key questions that international students ask has been completed.

9. Special Student Events

The international student track at the national "Word Alive" conference, held on-line, again drew large numbers of International Students with its focus on preparing Christian students to return home. Over 180 students participated. This was organised in partnership with other charities.

The Philip Project trains future Bible teachers planning to return to their own countries for a day a month through the academic year and additionally runs a training weekend. Through substantial work by the Project Coordinator the format has been adapted to a more flexible on-line delivery.

Financial Review:

The statement of financial activities (SOFA) for the year is set out on page 10 together with an analysis of net assets on page 17. Our regular gift income has increased by 9.6% with an increase in our expenditure of 13.0%.

Overall there is a deficit in 2020 of £167,346 which, without the benefit of legacy income, would have been an overall deficit of £178,899. After transfers between funds to ensure that the General Fund meets all under-funded staff there is a net decrease in the General Fund in 2020 of £84,094.

Each year we seek to achieve a balanced budget, for both ministry staff workers and their related Centres' Designated Funds, as well as seeking a balancing of General Fund Income to meet Central costs (which are primarily the Support Centre and majority funding of the senior management team).

The financial policy of Friends International is to match and monitor funding with expenditure requirements for each area of ministry activity, mostly focused on Centres. A designated fund is therefore maintained for each venture which requires ongoing expenditure. It is acceptable to run with a current year deficit for a specific designated fund, provided there are sufficient brought forward reserves for that particular Centre to offset the loss. Much of the 2020 deficit arises from the spending of designated reserves that have been carried forward from the previous year.

Each designated fund is subject to monthly monitoring and appropriate discussion where required with the relevant staff member and, if necessary, their Supervisory Manager.

Before work is started in a new location, or a new member of staff is employed, it is the policy of Friends International to ensure that there is an appropriate level of pledged donor support. We continue to maintain a 'Staff Support' Central fund which has been resourced from the allocation of a portion of the substantial legacies received in recent years as well as the generosity of some specific supporters keen to support this venture. The Trustees continue to seek to extend this Fund as part of achieving new Strategic Ministry Centres as well as extending training opportunities for a new generation of ISM workers.

Investment Policy:

Fixed Asset Investments: The charity has freehold title to their previous Support Centre office in Putney, a small but prime location in Southwest London. The Trustees regularly review both rental and sale options in terms of the most appropriate way of managing this Investment Property

Liquid Investments: The investment policy is to maintain a low risk liquid position. The aim is therefore to maintain balances in accounts that attract market competitive deposit account bank interest but with low risk institutions.

Reserves Policy:

Our policy remains to hold sufficient unrestricted reserves (defined as all unrestricted funds including designated funds but excluding fixed asset related reserves) in order to protect the charity against a sudden and catastrophic fall in donations and any related gift aid for a period long enough to ensure a managed plan for survival, merger or cessation.

Unrestricted reserves are held in both the general fund (which bears all central costs) as well as designated staff support funds (comprising funds designated on an ongoing basis for both specific ministry centres as well as for individual staff workers working in a ministry centre).

FRIENDS INTERNATIONAL MINISTRIES REPORT OF THE TRUSTEES

Whilst the trustees are aware that all unrestricted reserves are available to use at their discretion in the event of a crisis, it is considered appropriate that for practical management purposes the Trustees will undertake two levels of monitoring:

1) Regular monitoring of 'central' reserves required against general funds (comprising all unrestricted reserves excluding designated funds). These funds will be measured against both a minimum and maximum 'central' reserve level when monitoring performance and setting future budgets. The intention is to never drop below a minimum level and actively consider action to manage excess reserves where considered appropriate.

Such 'central' reserve levels are calculated in order to provide a minimum of 3 months and a maximum of 9 months of reserves to cover projected support centre and national leadership costs.

As at 31/12/20 unrestricted general funds stood at £48,994 compared to a 'central reserve' minimum of £144,732 and a maximum of £434,196.

The Putney investment property, valued at £500,000, is excluded from the above calculations. However, this is an extra resource available, should the need arise.

2) Periodic review of both the total amount and profile of designated staff support funds to ensure that they remain appropriate for the use they were designated for and to assess both the level and profile of funding capability the charity has for ongoing field ministry.

As at 31/12/20 designated staff support funds stood at £1,035,700 which was spread across both ministry centres and individual staff members.

In conclusion the balance of the General Fund has fallen below the desired minimum according to our Reserves policy. It has eroded by £84K, and this partly represents the loss of income from the Putney property rental as well as the appointment of both a fourth Regional Development Director and an Operations Manager. We are taking proactive steps to focus our attention on efforts to increase giving to the General Fund. We have already identified areas of General Fund expenditure which can be reduced.

As at 31 December 2020 the charity's assets were available and adequate to fulfil the obligations to the charity and the trustees considered the financial state of affairs of the charity at that time to be satisfactory and in accordance with our budgetary expectations.

Plans for Future Periods:

We intend to continue and grow our activities in future years, particularly with a concerted effort to research ministry opportunities alongside churches and Christian student groups through further staff worker posts so that new and better resourced centres with the most international university students are helped towards thriving International Student Ministry. We continue to seek ways of developing the work in London in partnership with local churches and similarly minded charities. We aim to continue to develop our work in partnership with Christian Unions Ireland. Through six Heads of Ministry we are developing our approaches to Learning and Development, Hard to Reach students, Returnees, Events Speaking, Digital and Leadership initiatives, and Member Care.

Key Management Personnel:

National Director:	Alan Tower
Regional Development Directors:	Sarah Dawkins
	Pete Edwards
	Susanne Koch
	Iván Neira
Finance Manager:	Robert Felix FCA

Structure, Governance and Management:

Governing Document:

Friends International Ministries was incorporated as a company limited by guarantee and not having a share capital (number 4500270) on 31 July 2002 and is a registered charity with the Charity Commission (number 1094095). It is governed by its Memorandum and Articles of Association. Under UK company law, all the trustees are directors of the company. The liability of the company's members in the event of the charity being wound up is limited to a sum not exceeding £10. Friends International Ministries is also registered with the Office of the Scottish Charity Regulator.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES

Appointment of Trustees:

Potential trustees are identified from academia, business and Christian ministry backgrounds. The trustees are appointed by the board of Trustees through an invitation, application and interview process. New Trustees are given key Charity Commission information on their responsibilities and are encouraged to attend appropriate external training where this will facilitate the undertaking of their role. They undergo some induction and a new buddying scheme is being examined as one means of enhancing their swift integration.

Organisation:

The board of trustees meet at least three times a year to review all aspects of the charity's activities. The board has established two sub-committees to assist with the running of the charity, namely the Executive Committee, responsible for meeting with senior staff between trustee meetings, and the Finance Committee, tasked with specifically monitoring and managing the charity's finances.

Stroma Beattie, Geoffrey Spence, Sara Slater and Jon Salkeld are members of the Executive and Finance Committee.

Trustee Remuneration and Related Parties:

None of the trustees receive remuneration or other benefit for their work for the charity. There were no related party transactions reported in the year between the charity and any trustee, senior manager or any of the third parties with contractual relationships with the charity.

Pay Policy for Senior Staff:

No trustees received remuneration during 2020. Details of trustee expenses are disclosed in note 8 to the accounts.

The pay of senior management is reviewed annually using a standard formula benchmarked against published pay increases awarded to Classroom Teachers.

Risk Management:

The trustees review risks on a regular ongoing basis and use a risk matrix to define key risks, assess them by probability and impact before and after mitigating action is taken.

Such reviews take place within the two board sub-committees and in periodic review by the whole Board of key risks. In the past year, in response to the pandemic, a specific risk template looking at best, medium and worst case scenarios has been used to review regularly the activities of the charity.

The following are considered to be important Risks requiring Board and Senior Management focus during 2021:

- Risk of failing to engage with and support international students either on account of the changing tertiary education landscape caused by the pandemic or on account of the pandemic's economic impact. The Board and Leadership Team continue to monitor the situation closely and respond nimbly.
- Risk of failing to facilitate ISM in those areas of the UK where there is a large international student population. This requires identification of those locations where current ISM is deficient relative to the numbers of students and then focusing new ministry investment in such areas in order to build effective church partnerships supported by our staff. Plans and strategies have been formulated to enable this to happen with new work in Sunderland, development in Dublin and ongoing plans for other new centres.
- Risk of inadequate reserves: The fall in general funds during 2020 is being addressed by a review of how to increase income and reduce general fund expenditure.
- Residual Risk of incomplete implementation of certain data protection requirements primarily relating to some data retention and security issues: Whilst small in relation to the major GDPR risks managed in 2018, the appointment of the Operations Manager has brought a fresh attention to the task of ensuring compliance and improving practice across the organisation.
- Risk of Cyber attack: the Operations Manager along with Communications & Media Coordinator and Head of Digital & Leadership have given more attention to this and a specific insurance has been purchased.

FRIENDS INTERNATIONAL MINISTRIES
REPORT OF THE TRUSTEES

Board Governance

The board has continued to work through the Charity Governance Code, setting up small working parties to work on one specific governance area. The issue of Diversity was examined at the Board meeting in December 2020 following two earlier pandemic related postponements.

Trustees' Responsibilities:

The trustees (who are also directors of Friends International Ministries for the purposes 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors:

A resolution to re-appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, will be proposed at a meeting of the trustees.

Statement of Disclosure of Information to Auditors:

We, the directors of the company who held office at the date of approval of these financial statements, as set out above, each confirm so far as we are aware, that:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by the Board of Trustees on 31.3.21 and signed on its behalf by:



STROMA BEATTIE Chair of Trustees

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

		Restricted Fund	Unrestricted Funds		Total 2020	Total 2019
	Note		General	Designated Staff Support		
Income from:						
Donations and gifts		26,668	105,480	1,562,163	1,694,311	1,546,013
Legacies		-	9,017	2,536	11,553	59,369
Charitable activities:						
Training events and literature sales		-	32,237	8,142	40,379	65,896
Investment income	2	-	14,956	-	14,956	41,224
Other income:						
Coronavirus grant income		-	-	18,245	18,245	-
National insurance rebate		-	-	-	-	3,000
Total income		26,668	161,690	1,591,086	1,779,444	1,715,502
Expenditure on:						
Fundraising costs	3	-	15,064	29,458	44,522	44,982
Charitable activities	3	14,337	146,527	1,741,404	1,902,268	1,677,865
Total expenditure		14,337	161,591	1,770,862	1,946,790	1,722,847
Net (expenditure)/income before revaluation of investments		12,331	99	(179,776)	(167,346)	(7,345)
Unrealised gain on revaluation of investment property		-	-	-	-	-
Net (expenditure)/income	5	12,331	99	(179,776)	(167,346)	(7,345)
Transfer between funds			(84,193)	84,193	-	-
Net movement in funds		12,331	(84,094)	(95,583)	(167,346)	(7,345)
Total funds brought forward at 1 January 2020		£ 16,393	642,984	1,131,283	1,790,660	1,798,005
Total funds carried forward at 31 December 2020		£ 28,724	558,890	1,035,700	1,623,314	1,790,660

All of the above results are derived from continuing activities.

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

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIES

BALANCE SHEET

Company registration number 04500270

		31 DECEMBER 2020	2019
Fixed assets			
Tangible fixed assets	10	9,896	2,360
Investment property	11	500,000	500,000
		<u>509,896</u>	<u>502,360</u>
Current assets			
Debtors	12	43,934	47,620
Cash at bank and in hand		1,127,541	1,285,005
		<u>1,171,475</u>	<u>1,332,625</u>
Creditors: amounts falling due within one year	13	58,057	44,325
		<u>1,113,418</u>	<u>1,288,300</u>
Net current assets			
		<u>£ 1,623,314</u>	<u>1,790,660</u>
Net assets			
Charity Funds:			
Unrestricted funds:			
General funds		168,272	252,366
Revaluation reserve relating to investment property		390,618	390,618
Designated funds		1,035,700	1,131,283
		<u>1,594,590</u>	<u>1,774,267</u>
Restricted fund		28,724	16,393
		<u>£ 1,623,314</u>	<u>1,790,660</u>
Total funds	14		

Approved by the board of Trustees on 5 March 2021 and signed on its behalf by:



STROMA BEATTIE

Chair of Trustees

The attached notes form part of these financial statements.

FRIENDS INTERNATIONAL MINISTRIES
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
Cash used in operating activities (see below)	(162,622)	21,790
Cash flows from investing activities		
Investment income	14,956	41,224
Purchase of tangible fixed assets	(9,798)	(1,956)
Cash provided by investing activities	5,158	39,268
Cash flows from financing activities		
Cash investment in short-term deposit	(75,733)	(435,000)
Cash used in financing activities	(75,733)	(435,000)
Decrease in cash and cash equivalents in the year	(233,197)	(373,942)
Cash and cash equivalents at the beginning of the year	850,005	1,223,947
Total cash and cash equivalents at the end of the year	£ 616,808	850,005

Reconciliation of net income to net cash flow from operating activities

Net expenditure	(167,346)	(7,345)
Add back depreciation charge	2,262	712
Deduct interest income shown in investment activities	(14,956)	(41,224)
Decrease in debtors	3,686	65,700
Increase in creditors	13,732	3,947
Net cash used in operating activities	£ (162,622)	21,790

Analysis of net funds

	Balance 1 January 2020	Movements	Balance 31 December 2020
Cash at bank and in hand (see note 1k)	850,005	(233,197)	616,808
Cash on deposit for more than three months (see note 1k)	435,000	75,733	510,733
	£ 1,285,005	£ (157,464)	£ 1,127,541

FRIENDS INTERNATIONAL MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

1 Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) issued in October 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes, as set out in the notes to the accounts.

The restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

c) Income

Donations and gifts are reflected in the financial statements in the period in which they are received.

Income tax recoverable in respect of gift aid donations is brought into account in the same period as the relevant donation.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified, or the charity is aware of the granting of probate.

d) Expenditure and irrecoverable VAT

Expenditure is charged to the statement of financial activities on the accruals basis and is mainly allocated across activities based on staff time.

Fundraising costs include all costs involved in raising income and in raising the profile of the charity.

Charitable activities are further analysed in note 4 and are split between direct charitable expenditure, support, management and administration costs and governance costs. Support costs are those costs incurred indirectly in support of expenditure on the objects of the charity or in connection with the management and administration of the charity. Governance costs reflect the costs of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised.

Depreciation is provided on tangible fixed assets at the following rates per annum so as to write off each asset over its estimated useful working life:

- Furniture and equipment - 20% straight line
- Computers and peripherals - 33% straight line

f) Investment property

Investment properties are stated at their market value. In order to present a true and fair view, and to comply with FRS 102, the company's investment properties are not being depreciated as required by the Companies Act 2006.

g) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (Continued)

1 Accounting policies (continued)

h) Pensions

The charity makes payments to defined contribution pension schemes for the benefit of its employees. Contributions charged during the year are written off as incurred.

i) Expenses of trustees

Trustees are reimbursed necessarily-incurred expenses. These are included in the appropriate category of resources expended.

j) Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount repaid net of any discounts due.

k) Cash at bank and in hand

Cash at bank and in hand includes cash and fixed term deposits of varying lengths. The statement of cash flows only reflects movements within bank accounts held where the money can be accessed within three months of the date of opening the deposit. An analysis of cash at bank at the balance sheet date, differentiating between deposits which mature 3 months after the date of opening and cash accessible within three months is provided as a note to the statement of cash flows.

l) Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

m) Taxation

Friends International Ministries is a registered charity and no tax is payable on its net income.

n) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Investment income

	2020	2019
Bank deposit interest	6,956	12,795
Investment property income	8,000	28,429
	<u>£ 14,956</u>	<u>41,224</u>

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (Continued)

3 Total expenditure

	Restricted fund	General fund	Designated staff support funds	Total 2020	Total 2019
Fundraising costs					
Staff costs	-	-	26,268	26,268	19,487
Direct PR costs	-	12,986	-	12,986	19,603
Allocation of support & admin costs	-	2,078	3,190	5,268	5,892
	-	15,064	29,458	44,522	44,982
Charitable activities					
Staff costs - direct charitable expenditure	-	-	1,465,043	1,465,043	1,221,415
Staff costs in a supporting/admin role	-	-	109,630	109,630	96,043
Conference & resource costs	-	65,044	52,698	117,742	109,958
Travel, training & other costs related to staff	-	23,618	80,682	104,300	165,303
Grants payable	13,537	-	-	13,537	16,582
Support, management & admin costs	800	50,669	33,351	84,820	59,523
Governance costs	-	7,196	-	7,196	9,041
	14,337	146,527	1,741,404	1,902,268	1,677,865
	£ 14,337	£ 161,591	£ 1,770,862	£ 1,946,790	£ 1,722,847

During the year the charity's head office was based at All Nations Christian College, Hertfordshire. Here a number of staff operated, spending approximately 60 - 80% of their time in a support and administration role. Accordingly their salary costs are split between support/administration and direct charitable expenditure. The support, management and administration costs and governance costs do not relate directly to charitable expenditure and are further analysed in note 4 below.

4 Analysis of governance and support costs

	General Support	Governance costs	Total 2020	Total 2019
Rent	16,943	-	16,943	16,572
Investment property repairs, rates and utility costs	6,751	-	6,751	-
Office costs	59,568	-	59,568	58,705
Legal and professional costs	1,558	-	1,558	828
Auditor's remuneration	-	5,520	5,520	5,430
Costs relating to trustees' meetings	-	1,676	1,676	3,611
	£ 84,820	£ 7,196	£ 92,016	£ 85,146

5 Net expenditure

The total for net expenditure of £167,346 (2019: expenditure £7,345) is stated after charging:

Auditor's remuneration - in relation to audit and financial statements disclosures	£ 5,520	5,430
Depreciation	£ 2,262	712
Operating lease rentals - land and buildings	£ 12,732	12,361

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Salaries	1,335,832	1,126,488
National insurance	105,259	85,726
Pension costs	159,851	125,191
	£ 1,600,942	1,337,405

Average number of employees, analysed by function, was as follows:-

Charitable activities	67	61
Fundraising	1	1
Administration	2	2
	70	64

No employee earned more than £60,000 (2019 : same).

The trustees were not paid or received any other benefits from employment with the charity in the year (2019 : same).

The key management of the charity comprises the national director, 4 regional development directors (2019 : 2) and the finance manager. The total employee benefits of key management personnel for the charity were £213,630 (2019 : £169,238).

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (Continued)

7 Trustees' expenses

No travel and subsistence expenses were paid to trustees to enable them to attend meetings and generally carry out their governance responsibilities (2019: £897, one trustee).

8 Pension costs

The charity operates defined contribution schemes and contributions of £159,851 were paid in the year (2019: £125,191).

9 Branches

The charity has 18 (2019: 18) branches throughout the UK which generate income and carry out activities on behalf of the charity. The accounts of the branches are maintained at a local level and are then incorporated into the charity's financial statements. In 2020 the branches contributed net incoming resources of £4,426 (2019: net incoming resources of £12,672).

10 Tangible fixed assets

	Furniture & equipment	Computers & Peripherals	Total
Cost			
At 1 January 2020	7,660	13,014	20,674
Additions in the year	5,283	4,515	9,798
At 31 December 2020	12,943	17,529	30,472
Depreciation			
At 1 January 2020	6,826	11,488	18,314
Charge for the year	857	1,405	2,262
At 31 December 2020	7,683	12,893	20,576
Net book value			
At 31 December 2020	£ 5,260	4,636	9,896
Net book value			
At 31 December 2019	£ 834	1,526	2,360

11 Investment Property**Freehold investment property**

As at 1 January 2020 and 31 December 2020 £ 500,000

The investment property has a historical cost of £109,382. In accordance with the Charities SORP FRS 102, the investment property is being carried at its market value. An informal independent valuation was undertaken by a qualified local estate agent as at 31 December 2015 which resulted in a revised valuation of £500,000. Having made enquiries of a local estate agent in January 2021 with regards to the current market value of the property, the trustees believe that they would achieve a selling price at least equal to, but not materially different from, its carrying value and do not consider it necessary to bring a revaluation into the 2020 accounts.

12 Debtors

	2020	2019
Tax recoverable	11,771	14,193
Prepayments and other debtors	32,163	33,427
	£ 43,934	47,620

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (Continued)

13 Creditors: amounts falling due within one year	2020	2019
Trade creditors	3,720	5,063
Taxation and social security costs	25,351	22,016
Other creditors	8,000	8,000
Pension creditors	15,466	-
Accruals and deferred income	5,520	9,246
	<u>£ 58,057</u>	<u>44,325</u>

14 Analysis of net assets	Unrestricted Funds			
	Restricted fund	General	Designated staff support funds	Total
Fixed assets	-	509,896	-	509,896
Current assets	28,724	81,700	1,061,051	1,171,475
Current liabilities	-	(32,706)	(25,351)	(58,057)
	<u>£ 28,724</u>	<u>£ 558,890</u>	<u>£ 1,035,700</u>	<u>£ 1,623,314</u>

Designated staff support funds

These funds consist of donations and gift income received plus funds set aside out of unrestricted funds for staff support.

The balances on individually designated funds are reviewed regularly. On an annual basis the Finance Committee will determine the extent to which transfers from the general fund should be made to ensure that the carrying value of individual staff support fund balances are recoverable. Following this year's review an aggregate transfer of £84,193 from the general fund to designated funds as reflected on the SOFA.

Restricted fund

The charity has one restricted fund, and the movements on this for 2020 are shown on the face of the SOFA. This restricted fund finances the support of international students from a sensitive and challenging context during their studies here in the UK.

15 Financial Commitments

At 31 December 2020 the charity had the following commitment to make the minimum lease payments under a non-cancellable lease for a property:

	2020	2019
Expiring between two and five years	14,209	26,941
	<u>£ 14,209</u>	<u>26,941</u>

16 Related party transactions

Gifts from trustees of the charity totalled £1,634 (2019 : £3,100).

17 COVID-19 post balance sheet impact

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration or severity of the consequences, as well as their impact on the financial position and results of the charity for future periods.

FRIENDS INTERNATIONAL MINISTRIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (Continued)

18 Statement of Financial Activities for the year ended 31 December 2019

	Restricted Fund	Unrestricted Funds		Total 2019
		General	Designated Staff Support Funds	
Income:				
Donations and gifts	30,630	90,339	1,425,044	1,546,013
Legacy	-	55,430	3,939	59,369
Charitable activities:				
Training events and literature sales	-	28,576	37,320	65,896
Investment income	-	41,224	-	41,224
Other income:				
National insurance rebate	-	3,000	-	3,000
Total income	30,630	218,569	1,466,303	1,715,502
Expenditure:				
Fundraising costs	-	21,602	23,380	44,982
Charitable activities	17,501	137,512	1,522,852	1,677,865
Total expenditure	17,501	159,114	1,546,232	1,722,847
Net incoming resources before revaluation of investments	13,129	59,455	(79,929)	(7,345)
Unrealised gain on revaluation of investment property	-	-	-	-
Net income/(expenditure)	13,129	59,455	(79,929)	(7,345)
Transfer between funds		(44,818)	44,818	-
Net movement in funds	13,129	14,637	(35,111)	(7,345)
 Total funds brought forward at 1 January 2019	 £ 3,264	 628,347	 1,166,394	 1,798,005
 Total funds carried forward at 31 December 2019	 £ 16,393	 642,984	 1,131,283	 1,790,660

Independent Auditor's Report to the Trustees of Friends International Ministries

Opinion

We have audited the financial statements of Friends International Ministries (the 'charitable company') for the year ended 31 December 2020 which comprise statement of financial activities, balance sheet, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 8 and 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- carrying out substantive checking to supporting documents on a sample basis of individual transactions within income and expenditure to give comfort that on a sample basis the SOFA does not contain any irregular items;
- carrying out walk-through testing to verify that the charity's accounting systems and controls are being implemented as designed;
- verifying the existence on a sample basis of individual employees on the payroll; and
- verifying that material balances within the balance sheet are supported by third party evidence to confirm the existence and valuation of these balances at the balance sheet date.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-

compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hill
(Senior Statutory Auditor)

for and on behalf of Griffin Stone Moscrop & Co.
Statutory Auditor
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Date: 8 March 2021