



Interserve International Fellowship

**Trustees Annual Report and Unaudited
Financial Statements
Year ended 31 December 2021**

Charity registration - 1187558

Company number - 11599413

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Trustees annual report

The Board of Trustees, who are also directors of the Charity for the purposes of the Companies Act, and trustees for charity law purposes, submit their annual report and the financial statements of Interserve International Fellowship for the year ended 31 December 2021.

The Board of Trustees confirms that the annual report and financial statements of the Charity comply with current statutory requirements, including the Charity Act 2011, as well as the requirements of the Charity's governing document and the provisions of the 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Our nature, charitable purpose & approach

The Interserve International Fellowship charity joins with independently registered "Interserve" organisations in thirteen countries and a number of partnering agencies in other countries to form an alliance (broadly referred to as 'the fellowship') seeking to positively affect quality of life wherever we serve. Members of the fellowship serve among the peoples of Asia and the Arab World in the geography of Asia and the Arab World as well as peoples of Asia and the Arab world who live in diaspora elsewhere. We are united in our diverse contexts, and our diverse service efforts, by our vision, purpose, and values which are articulated on our foundation documents.

Our Vision:

To see lives and communities transformed through encounter with Jesus Christ.

Our Purpose:

To make Jesus Christ known among the peoples of Asia and the Arab World.

How We Work:

The Interserve International Fellowship charity oversees the work of Interserve around the world. The International Leadership Team provides overall leadership to the entities and ministry teams members of the fellowship are assigned and associated.

Regional Directors serve in distinct regions assisting local teams to craft relevant ministry plans, ensure members are healthy and cared for, and provide essential input from those local ministry dynamics to the international leadership body.

Functional Directors serve across Interserve to provide resources and tools generally, including leadership development, HR best practices and guidance, focus on emerging trends and ministry development, communication internally across the fellowship as well as coordinating communications externally through member organisations.

Supporting these roles, the Charity provides:

- Central information systems,
- Assists in managing financial resource development and distribution,
- Advises in personal security and operational security for our ministry groupings, and
- Coordinates regional and international meetings, forums, conferences, consultations and other gatherings.

The International Leadership Team is led by the International Director who is accountable to the Interserve International Council which includes the Charity's Board of Trustees.

The global fellowship of Interserve is 'evangelical' in its understanding and practice of the Bible's teaching. It works for, with and through the local church in roughly 50 countries. Interserve works 'wholistically', or in an integrated way, serving the whole person in the whole context of life – i.e. body, mind and spirit, within a social context and culture – the whole of life being subject to the whole nature of God and His goodness.

We do this through:

- Listening and responding to God;
- Building communities of disciples;
- Ministering wholistically with those from other cultures and faiths in appropriate and respectful ways; and,
- Facilitating missional engagement.

The Trustees have reviewed the guidance issued by the Charity Commission with regard to the public benefit arising from the activities undertaken by the Charity. The Trustees are satisfied that the services provided by the Charity fully meet the principles of public benefit as set out in the Charity Commission Guidance.

Strategic Report

The activities of the IIF continued to suffer significant disruption due to the ongoing COVID-19 pandemic throughout 2021. All countries in which the IIF works were affected to a greater or lesser degree by major, in some cases total, disruption to travel. To this was added the crippling financial effects of the pandemic which disproportionately affected the most vulnerable members of society – the very people the IIF exists to serve. In short, the personnel of the IIF were largely unable to travel as normal, faced additional contextual and social challenges, and yet were confronted with situations of profound need across Asia and the Arab World.

In the midst of these challenges the IIF continued its work. Some significant elements of our work in 2021 included:

[People Migration, globally displaced peoples and refugees](#)

Interserve's ministry among refugees and other globally displaced peoples continues to grow as the number of displaced peoples increases all across the world of the Interserve International Fellowship. Interserve personnel are involved in the lives of refugees in a number of ways, from assistance with basic personal needs such as food and accommodation through to counselling and other emotional support, while some Interserve personnel work closely with the UNHCR and other global agencies to assist them with refugee resettlement programmes. This area of our work is a natural part of our ministry to support the peoples of Asia and the Arab World in practical ways.

[COVID-19 Vaccine Roll-Out](#)

The emergence of the vaccines developed to protect against COVID-19 gave us hope for the end of pandemic-induced travel restrictions. Information about the vaccines was rapidly shared throughout the Fellowship by our International Medical Advisor and everyone in the Fellowship was encouraged to take up the offer of a vaccine. Towards the end of 2021 certain countries in the IIF geographical footprint started to open their borders again, enabling at least a degree of international travel to recommence.

[Financial Accounts Migration](#)

The new charity continued to adapt to compliance needs with the UK Charities regulations. We undertook a major migration of our financial accounting systems, which is still taking place at the time of this report. Following a review of our UK based accounting advisor, a different accounting software platform was purchased which provides more appropriate reporting for compliance with regulations. The transition also gave opportunity for a streamlining and simplification of the accounting chart of accounts. As a result, a significant amount of accounting data will be manually keyed in to the new software by mid 2022 in time for financial audits to be completed.

Financial review

At the point of registration, at the start of the 2020 financial year, the Charity received an initial transfer from the previous unincorporated body of \$798,583 which is shown as an extraordinary item on the Statement of Financial Activities in the prior year - an additional \$281,837 was transferred in the current year. During the current financial year, the Charity achieved a surplus of \$99,081 (2020: \$245,408) through ongoing activities, resulting in total year end reserves of \$1,424,909 (2020: \$1,043,991).

The Trustees are satisfied with the financial performance of the Charity throughout the year.

Of the total reserves held at year end \$1,047,351 (2020: \$734,526) were unrestricted as to use, although only \$448,499 (2020: \$97,621) was available as general funds as a result of designations made to support various projects as outlined in note 9 of the financial statements.

[Reserves policy](#)

The Trustees have set a reserves policy that the Charity should hold a minimum unrestricted general reserve equivalent to three months expenditure - approximately \$95,000. The current level of \$448,499 (2020: \$97,621) is significantly above this level, but is not deemed excessive at this time especially given the financial risks noted below.

Principal Risks and Uncertainties

[Internal Alignment in Leadership and Governance](#)

The IIF charity fills a central role for the international fellowship towards clarity of purpose and the nature of our approach to ministry. Each independent organization within the fellowship has their own governing board in the national jurisdiction where they are incorporated. We have become increasingly sensitive to the challenge of helping those governing boards understand and develop a sense of ownership to the culture, ethos and operational approach of the wider fellowship. Failure to build core alignment in these elements risks fragmenting our efforts and undermining key priorities. As a result, priority focus will be given to directly engaging governing boards wherever an Interserve organization is registered so that the broader challenges of the fellowship are understood, our principle values are embraced and our sense of unity is strengthened.

[Access and Residency Permits](#)

Interserve personnel's ability to physically reside in the contexts where ministry, projects and commercial activities are being implemented remains a threat to our effectiveness in ministry. This includes our ability to provide relational support and encouragement to those serving in our Countries of Service (largely expatriates serving out of their passport countries). In the wake of the global pandemic and as a result of a longer trend for governments to take a guarded and protective posture toward expatriate residencies, immigration regulations are increasingly restrictive. In some countries citizens are restricted from travelling outside of national borders. In many more, there are restrictions on visa residency and work permits that provide longer term residency.

Our short-term response has been to utilize technology to communicate and collaborate across national boundaries. While these technologies are powerful and enable a significant degree of productivity, longer term solutions will need to get beyond these tools and develop trusted external networks where our ability to be physically present remains restricted.

[Financial Resource Models](#)

A continuing threat to our wider fellowship at all levels is that the financing models we have been using for most of our history are increasingly challenged. This is amplified as our mobilizing contexts (personnel and financial resources) are expanding to include parts of the world where this model is foreign. As a result, our ability to fund our ministries is threatened in the future.

To address this risk, we have formed a number of working groups to explore, experiment and pilot alternative principles of raising needed resources, financial resources in particular. These efforts are considering the ability to practice a greater degree of international generosity, and community-based resource sharing, as well as developing an outcomes-based appeal to support our work that can be published across our varied contexts.

Governance and management structures

Interserve International Fellowship was incorporated as a company limited by guarantee (England & Wales) on October 2nd 2018 (registration number 11599413) and is governed by its Articles of Association. This company is registered with the Charity Commission in England and Wales under reference 1187558, with the registration completed on 24 January 2020.

The International Council, which includes the Trustees (who are appointed by trustees), are responsible for appointing the International Director (the senior role of the management team), approving the Annual Report and financial statements, appointing the auditors, and ensuring that the charitable company is managed by the International Director in accordance with the policies established by the International Council from time to time. All new members are provided with an induction from current members and support staff.

The International Council Finance Committee (ICFC) is a sub-committee of the Council. This committee monitors the work of the Chief Finance Officer and the Finance Manager and is tasked by Council with overseeing the preparation of the Financial Statements; the budgeting process; and the audit process.

The International Director, through a International Leadership Team, is responsible for taking all actions necessary to achieve the aims of the charity.

Registered Interserve organisations in their local jurisdiction have signed a “Covenant of Fellowship” with the other entities that form the International Fellowship. The covenant commits each signatory organisation to uphold the statement of faith, purpose statement, vision and values of the International Fellowship, to work within the accountability structures by which the fellowship functions, to observe agreed financial principles and procedures and maintain consistent communications. At the same time, each registered organisation retains its legal autonomy within the International Fellowship and duly operates within the charity laws and regulations within its registered jurisdictions.

The Charity currently does not employ any staff directly and instead utilises staff employed by other Interserve entities and reimburses those entities for expenses incurred in their services.

Reference and administrative details

Registered office

652 Alum Rock Road
Birmingham
B8 3NS

Trustees

The Trustees who served during the year, and since commencement, were as follows:

Mrs. Elizabeth Jane Fucella
Mr. Peter Michael Oyugi (Chair)
Mr. Arend Sylvester Zwanepol

These, the trustees of the IIF, are members of the International Council of Interserve as mentioned above in “Our nature, charitable purpose & approach.” The remaining members of the International Council of Interserve are as follows:

Mr. Vijay Alexander
Ms. Delnia Bastos
Mr. Minyoung Jung
Ms. Zaza Lima
Mr. Jay Matenga
Ms. Theresa Roco-Lua
Ms. Adrienne Strengholdt-Ester
Mr. Ross Wilkerson

Independent examiners

Andy Nash Accounting & Consultancy
Units 24 & 25
Goodsheds Container Village
Hood Road
Barry
CF62 5QU

Solicitor

Russell Cooke
2 Putney Hill
London
SW15 6AB

Statement of Board of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the Trustees confirm that they are happy that the content of the annual review on pages 3 to 9 of this document, meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant information of which the Charity's independent examiner is unaware; and,
- each Trustee has taken all the steps that they should have taken as a Trustee/Director in order to make themselves aware of any relevant independent examination information and to establish that the Charity's independent examiner is aware of that information.

Preparation of the report

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006, and the exemptions available for smaller charities under the Statement of Recommended Practice.

This report was approved and authorised for issue by the Board of Trustees on 23 September 2022 and signed on its behalf by:



PETER OYUGI (Sep 26, 2022 07:01 GMT+2)

PETER OYUGI

CHAIR



Bijoy Nainan Koshy (Sep 26, 2022 19:56 GMT+7)

BIJOY KOSHY

INTERNATIONAL DIRECTOR

Independent examiner's report

I report to the Trustees on my examination of the accounts of Interserve International Fellowship (charity number 1187558, company number 11599413) for the year ended 31 December 2021 which are set out on pages 12 to 24.

Respective responsibilities of trustees and examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') nor under Part 16 of the 2006 Act, and that an independent examination is needed.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and,
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the Charity's Trustees as a body. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

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

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

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



ANDREW PHILIP NASH ACA

MEMBER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES – 2461833

DATED: 23 SEPTEMBER 2022

Andy Nash Accounting & Consultancy Ltd
Units 24 & 25
Goodsheds Container Village
Hood Road
Barry
CF62 5QU

Statement of financial activities

Incorporating the Income and Expenditure Account & Statement of Realised Gains and Losses
For the year ended 31 December 2021

		Unrestricted Funds 2021 \$	Restricted Funds 2021 \$	Total Funds 2021 \$	Total Funds 2020 \$
	Notes				
Income from:					
Donations & legacies	3	1,950	-	1,950	78,811
Charitable activities	4	414,742	67,534	482,276	542,358
Investments		374	-	374	2,865
Total income		417,066	67,534	484,600	624,034
Expenditure on:					
Charitable activities	5	333,739	51,780	385,519	378,626
Total expenditure		333,739	51,780	385,519	378,626
Net income/(expenditure)		83,327	15,754	99,081	245,408
Initial transfer of capital	6	229,498	52,339	281,837	798,583
Net movement in funds		312,825	68,093	380,918	1,043,991
Reconciliation of funds					
Funds brought forward	9 & 10	734,526	309,465	1,043,991	-
Funds carried forward	9 & 10	1,047,351	377,558	1,424,909	1,043,991

The notes on pages 15 to 24 form part of the financial statements.

Balance sheet

As at 31 December 2021

	Notes	\$	Total Funds 2021 \$	\$	Total Funds 2020 \$
Current assets:					
Debtors & prepayments	7	295,892		70,643	
Cash at bank and in hand		<u>1,615,987</u>		<u>1,256,213</u>	
Current assets			1,911,879		1,326,856
Liabilities:					
Creditors: amounts falling due within one year	8		(486,970)		(282,865)
Net current assets/(liabilities)			1,424,909		1,043,991
Net assets/(liabilities)			1,424,909		1,043,991
The funds of the charity:					
Restricted funds	9 & 10		377,558		309,465
Unrestricted funds					
General funds	9 & 10	448,499		97,621	
Designated funds	9 & 10	<u>598,852</u>		<u>636,905</u>	
Unrestricted funds			1,047,351		734,526
Total charity funds			1,424,909		1,043,991

The notes on pages 15 to 24 form part of the financial statements.

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A.

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2021, and the members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2021 under section 476 of the Companies Act 2006.

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

They were approved and authorised for issue by the Board of Trustees on 23 September 2022 and signed on their behalf by:



PETER OYUGI (Sep 26, 2022 07:01 GMT+2)

PETER OYUGI

CHAIR

Statement of cash flows

For year ended 31 December 2021

		Total Funds 2021	Total Funds 2020
	\$	\$	\$
Cash flows from operating activities:			
Net income/(expenditure) for period (as per SOFA)		99,081	245,408
Adjustments for:			
Investment income	(374)	(2,865)	
(Increase)/decrease in advances	(13,269)	(30,535)	
(Increase)/decrease in prepayments	(3,801)	(1,383)	
(Increase)/decrease in other debtors	(13,440)	(217)	
Increase/(decrease) in national office accounts	35,539	210,676	
Increase/(decrease) in accruals	(13,122)	17,637	
Increase/(decrease) in deferred income	(13,051)	16,044	
		(21,518)	209,357
Net cash used in operating activities		77,563	454,765
Cash flows from investing activities			
Investment income	374	2,865	
Net cash used in investing activities		374	2,865
Cash flows from financing activities			
Initial transfer of capital	281,837	798,583	
Net cash used in financing activities		281,837	798,583
Change in cash and cash equivalents in period			
Cash and cash equivalents at the beginning of the period		1,256,213	-
Cash and cash equivalents at the end of the period		1,615,987	1,256,213

The notes on pages 15 to 24 form part of the financial statements.

Notes to the financial statements

1. Accounting policies

Basis of preparation of the financial statements

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

The effect of any event relating to the year ended 31 December 2021, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2021 and the results for the year ended on that date.

The functional currency of the Charity is USD and amounts in the financial statements are rounded to the nearest dollar.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on the going concern basis as the Board of Trustees is confident that future reserves and future income is more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment, and the ongoing global COVID-19 pandemic has had no material impact on this assessment.

Legal status

Interserve International Fellowship is a charitable company registered in England & Wales and meets the definition of a public benefit entity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The registered address is 652 Alum Rock Road, Birmingham, B8 3NS.

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.

Designated funds are unrestricted funds which have been designated for a specific purpose by the Trustees. The aim and use of each designated fund is set out in note 9 of the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 9 of the financial statements.

Income

Income is recognised when the Charity has entitlement to the funds, any performance indicators attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Gift aid receivable is included when claimable.

[1. Accounting policies \(continued from previous page\)](#)

[Income \(continued from previous page\)](#)

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a future period, in which case it is deferred.

Income from charitable activities, including national office and On Track contributions, is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period or event, in which case it is deferred.

Interest is recorded when it is receivable.

[Expenditure and irrecoverable VAT](#)

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Indirect costs, including governance costs, which cannot be directly attributed to activities, are allocated proportionate to total direct costs allocated to each project area, as outlined in note 5 of the financial statements.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

[Tangible fixed assets and depreciation](#)

All assets costing more than \$1,000 are capitalised.

There are currently no assets held by the Charity over this amount.

[Cash at bank and in hand](#)

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values but are not held for investment purposes.

[Debtors and prepayments](#)

Trade and other debtors are recognised at the settlement amount after any trade discount is applied. Prepayments are valued at the amount prepaid net of any trade discounts due.

[Creditors and accruals](#)

Creditors 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.

[Critical estimates and judgements](#)

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The annual depreciation charge for tangible fixed assets is sensitive to changes in useful economic lives and residual values of assets. In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

[Financial instruments](#)

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

[1. Accounting policies \(continued from previous page\)](#)

Foreign currencies

Foreign currency balances have been translated at the exchange rate ruling at the Balance Sheet date.

Income and expenditure transactions have been translated at the prevailing rate at the time of the transaction.

[2. Comparative statement of financial activities](#)

	Notes	Unrestricted Funds 2020 \$	Restricted Funds 2020 \$	Total Funds 2020 \$
Income from:				
Donations & legacies	3	78,811	-	78,811
Charitable activities	4	454,277	88,081	542,358
Investments		2,865	-	2,865
Total income		535,953	88,081	624,034
Expenditure on:				
Charitable activities	5	345,193	33,433	378,626
Total expenditure		345,193	33,433	378,626
Net income/(expenditure)		190,760	54,648	245,408
Initial transfer of capital	6	543,766	254,817	798,583
Net movement in funds		734,526	309,465	1,043,991
Reconciliation of funds				
Funds brought forward	9 & 10	-	-	-
Funds carried forward	9 & 10	734,526	309,465	1,043,991

3. Income from donations and legacies

	Unrestricted Funds 2021 \$	Restricted Funds 2021 \$	Total Funds 2021 \$
Donations	1,950	-	1,950
	1,950	-	1,950

	Unrestricted Funds 2020 \$	Restricted Funds 2020 \$	Total Funds 2020 \$
Donations	78,811	-	78,811
	78,811	-	78,811

4. Income from charitable activities

	Unrestricted Funds 2021 \$	Restricted Funds 2021 \$	Total Funds 2021 \$
National office contributions	404,149	-	404,149
On Track contributions	6,200	-	6,200
Other contributions	4,393	67,534	71,927
	414,742	67,534	482,276

	Unrestricted Funds 2020 \$	Restricted Funds 2020 \$	Total Funds 2020 \$
National office contributions	441,327	-	441,327
On Track contributions	12,950	-	12,950
Other contributions	-	88,081	88,081
	454,277	88,081	542,358

5. Total expenditure

	Unrestricted Funds 2021 \$	Restricted Funds 2021 \$	Total Funds 2021 \$
Leadership	11,503	-	11,503
Operational development	5,727	-	5,727
People development	2,276	-	2,276
Regional development	6,726	-	6,726
Other support	87,787	51,780	139,567
Administation	214,809	-	214,809
Governance	4,911	-	4,911
	333,739	51,780	385,519

	Unrestricted Funds 2020 \$	Restricted Funds 2020 \$	Total Funds 2020 \$
Leadership	27,484	-	27,484
Ministry development	828	-	828
Operational development	31,616	-	31,616
People development	20,207	-	20,207
Regional development	17,286	-	17,286
Other support	61,686	33,433	95,119
Administation	181,590	-	181,590
Governance	4,496	-	4,496
	345,193	33,433	378,626

Governance costs includes:

	Total Funds 2021 \$	Total Funds 2020 \$
Independent examination	3,643	3,692
Trustee indemnity insurance	1,268	352
Other	-	452
	4,911	4,496

6. Initial transfer of capital

Previously, the operations of Interserve International Fellowship had been managed through an unincorporated entity. An initial transfer of net assets totalling \$798,583 were transferred to the newly registered charity in January 2020 and a further \$281,837 were transferred in current period.

This transfer has been treated as an extraordinary item below income and expenditure as permitted under clauses 4.16 to 4.18 of the SORP.

7. Debtors and prepayments

	Total Funds 2021 \$	Total Funds 2020 \$
National office accounts	233,247	38,508
Advances	43,804	30,535
Prepayments	5,184	1,383
Other	13,657	217
	295,892	70,643

8. Creditors: amounts falling due within one year

	Total Funds 2021 \$	Total Funds 2020 \$
National office accounts	479,462	249,184
Accruals	4,515	17,637
Other	2,993	16,044
	486,970	282,865

9. Analysis of charity funds

	Balance brought forward 2021 \$	Income in year 2021 \$	Costs in year 2021 \$	Transfer of capital 2021 \$	Transfers between funds 2021 \$	Balance carried forward 2021 \$
Restricted						
Asian Mission Fund	8,400	-	(8,400)	-	-	-
Arab World Conference	100,607	31,325	-	-	-	131,932
E2S Development Fund	59,689	5,489	-	-	-	65,178
Europe Development	-	-	-	52,339	-	52,339
Medical Fund	140,769	30,720	(43,380)	-	-	128,109
Total restricted	309,465	67,534	(51,780)	52,339	-	377,558
Unrestricted						
Designated						
Leadership Development	60,557	-	(2,737)	-	-	57,820
Latin America	44,744	-	-	-	-	44,744
Ministry Development	39,231	-	-	-	-	39,231
International Meeting Fund	181,756	-	-	-	-	181,756
Global South	78,159	-	(27,816)	-	-	50,343
Leadership Financial Support	25,819	-	(7,500)	-	-	18,319
Philippines	23,042	-	-	-	-	23,042
Africa Development	21,533	-	-	-	-	21,533
Emergency Fund	162,064	-	-	-	-	162,064
Total designated	636,905	-	(38,053)	-	-	598,852
General	97,621	417,066	(295,686)	229,498	-	448,499
Total unrestricted	734,526	417,066	(333,739)	229,498	-	1,047,351
Total funds	1,043,991	484,600	(385,519)	281,837	-	1,424,909

Asian Mission Fund

This fund is to provide financial support to needy partners and training local ministries and member care ministries.

Arab World Conference

The Arab World Conference fund is to cover the costs of the joint Arab World Conference, held every three years. Each partner in the Arab World is assessed a monthly charge, paid by the partner's respective national office. These funds are accumulated in order to cover the costs of the conference.

E2S Development Fund

This fund is designed to pay the costs of E2S Conference and contributions are made from Conference participants.

Medical fund

This fund is to provide funds for medical care when the partner is in the field. This fund is refreshed each month with a medical levy on each participant in the plan.

9. Analysis of charity funds (continued from previous page)

Leadership development

This fund is to encourage existing and emerging leaders across the Fellowship to engage in continuous personal development including study, reading and training.

Less Affluent Contexts (LAC) & Global South

Generally these funds are setup to support global south national offices and also to assist other national offices in times of financial difficulties.

Ministry development

This fund is for the development of core ministry within Interserve.

International Meeting Fund

The fund is to cover some of the costs of international meetings (Leaders Consultation, Regional Forums, Functional Leaders Conferences).

Leadership Financial Support

The fund is designed to assist and encourage members of the ILT in continuous personal development, training and study. It can also be used to assist in meeting financial obligations such as visa expenses while performing their leadership role.

Philippines

This fund is for the development of Philippines partnership.

Africa Development

This fund is for partnership development with Africa missions and churches.

Emergency Fund

The Emergency Fund is for the purpose of evacuating partners and their families out of an emergency situation while serving in their country of service where a National Office does not exist in that country.

9. Analysis of charity funds (continued from previous page)

	Balance brought forward 2020 \$	Income in year 2020 \$	Expenditure in year 2020 \$	Transfer of capital 2020 \$	Transfers between funds 2020 \$	Balance carried forward 2020 \$
Restricted						
Asian Mission Fund	-	-	-	8,400	-	8,400
Arab World Conference	-	37,485	-	63,122	-	100,607
E2S Development Fund	-	14,496	-	45,193	-	59,689
Medical Fund	-	36,100	(33,433)	138,102	-	140,769
Total restricted	-	88,081	(33,433)	254,817	-	309,465
Unrestricted						
Designated						
Leadership Development	-	-	-	10,557	50,000	60,557
Latin America	-	-	-	4,744	40,000	44,744
Ministry Development	-	-	(5,000)	44,231	-	39,231
International Meeting Fund	-	-	-	141,756	40,000	181,756
Global South	-	-	(12,400)	39,959	50,600	78,159
Leadership Financial Support	-	-	(15,000)	30,819	10,000	25,819
Philippines	-	-	-	23,042	-	23,042
Africa Development	-	-	-	21,533	-	21,533
Emergency Fund	-	-	-	162,064	-	162,064
Total designated	-	-	(32,400)	478,705	190,600	636,905
General	-	535,953	(312,793)	65,061	(190,600)	97,621
Total unrestricted	-	535,953	(345,193)	543,766	-	734,526
Total funds	-	624,034	(378,626)	798,583	-	1,043,991

10. Analysis of net assets

	Unrestricted Funds 2021 \$	Restricted Funds 2021 \$	Total Funds 2021 \$
Current assets	1,534,321	377,558	1,911,879
Current liabilities	(486,970)	-	(486,970)
	1,047,351	377,558	1,424,909
	Unrestricted Funds 2020 \$	Restricted Funds 2020 \$	Total Funds 2020 \$
Current assets	1,017,391	309,465	1,326,856
Current liabilities	(282,865)	-	(282,865)
	734,526	309,465	1,043,991

11. Analysis of net debt

	As at 1 Jan '21 2021 \$	Cash flows 2021 \$	Other mmts 2021 \$	As at 31 Dec '21 2021 \$
Cash and cash equivalents				
Cash at bank	1,256,213	359,774	-	1,615,987
	1,256,213	359,774	-	1,615,987

	As at 1 Jan '20 2020 \$	Cash flows 2020 \$	Other movements 2020 \$	As at 31 Dec '20 2020 \$
Cash and cash equivalents				
Cash at bank	-	1,256,213	-	1,256,213
	-	1,256,213	-	1,256,213

12. Trustee remuneration

During the year, no trustee received any remuneration (2020: NIL). No members of the Board of Trustees received reimbursement of expenses (2020: NIL).

13. Related party transactions

During the year there were no related party transactions (2020: NIL).