

**SERVANTS FELLOWSHIP INTERNATIONAL**

**(A company limited by guarantee)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**SERVANTS FELLOWSHIP INTERNATIONAL**  
**(A company limited by guarantee)**

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# **SERVANTS FELLOWSHIP INTERNATIONAL**

(A company limited by guarantee)

## **REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Directors**

Miss C J C Kerslake, Chair  
Rev A B Hauser  
Mrs R M Hauser  
Mr J R Frith  
Mr H W Storm (appointed 16 October 2020)

### **Company registered number**

1437414

### **Charity registered number**

280859

### **Registered office**

34 Victoria Avenue  
Harrogate  
North Yorkshire  
HG1 5PR

### **Independent auditors**

Griffin Stone Moscrop & Co  
Chartered Accountants  
21-27 Lamb's Conduit Street  
London  
WC1N 3GS

### **Bankers**

Barclays Bank plc  
Level 27  
One Churchill Place  
London  
E14 5HP

### **Solicitors**

Wilson Bramwell Solicitors Ltd  
34 Victoria Avenue  
Harrogate  
North Yorkshire  
HG1 5PR

**SERVANTS FELLOWSHIP INTERNATIONAL**  
**(A company limited by guarantee)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors (who are also the trustees) present their annual report together with the audited financial statements of the company for the year 1 January 2020 to 31 December 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The directors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Servants Fellowship International (SFI) is established as a company limited by guarantee and is registered as a charity with the Charity Commission. The affairs of the company are governed by its Memorandum and Articles of Association. Ultimate responsibility lies with the board of directors, who meet regularly to review the activities and financial position of the charity. For the purposes of charity law, the directors act as trustees of the charity. New directors are appointed from time to time by the existing directors. Recruitment of new directors focuses on individuals with a long-standing knowledge of the charity and who are known personally to the existing directors. At each Annual General Meeting, one-third of the trustees retire by rotation (those who have been longest in office since their appointment or last re-appointment) and any who are willing to act may be reappointed. Induction and training of trustees includes providing them with copies of the charity's governing documents, "The Essential Trustee: What you need to know" (Charity Commission publication CC3), and the charity's Statement of Faith.

Trustees are normally familiar with the work of the charity already (see above on recruitment) but any extra information necessary will be provided. New trustees are required to sign a statement that they have read and understood "The Essential Trustee: What you need to know" (Charity Commission publication CC3), that they are not disqualified from acting as a trustee (Charity Commission publication "Automatic disqualification rules for charity trustees and charity senior positions"), that they affirm the charity's Statement of Faith, and that they will seek to act always in accordance with Biblical principles. They are also required to declare in writing any potential conflicts of interest.

**RISK ANALYSIS**

The trustees consider the principal risks affecting the charity to be:

1. Damage to the project related investment properties, which risk the trustees seek to minimise by maintaining adequate insurance cover;
2. Tenants at the properties unable to pay rent due to ongoing COVID-19 pandemic;
3. Loss or damage to the growing collection of research materials and heritage assets. The policy for the maintenance of heritage assets set out in note 13 to the financial statements addresses this risk and the collection of research materials benefits from most of the measures in place for heritage assets.

**SERVANTS FELLOWSHIP INTERNATIONAL**  
**(A company limited by guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**OBJECTIVES AND ACTIVITIES**

In accordance with its Memorandum and Articles, as amended by Special Resolution dated 6 November 2009, Servants Fellowship International (SFI) seeks to maintain, advance and promote the Christian faith, to communicate the teaching of the Bible and the Gospel of the Lord Jesus Christ, and to promote, undertake and publish research into the relationship, effect and impact upon Christian churches and Christian communities and the Judaeo-Christian heritage in society in the United Kingdom and elsewhere of non-Christian faiths and ideologies.

**Objectives, activities, achievements and performance in the year**

The principal activity of the company during the year has been to advance and promote the Christian faith, the teachings of the Bible and the Gospel of the Lord Jesus Christ, and to facilitate research into the impact on the Church and Christian communities of non-Christian faiths and ideologies.

With the rapidly changing nature of pluralist societies around the world, with resultant conflict and tensions developing, social cohesion coupled with the inter-relationship of cultures has become crucial. SFI, with its history in inner city understanding of cultures and religions and communications, has been able to provide assistance in these and other areas.

**Related parties and co-operation with other organisations**

SFI worked in partnership with Christian organisations and individuals engaged in similar ministry.

Transactions with those other organisations are stated in the notes to the accounts.

SFI has for many years made available the majority of its freehold property to Barnabas Fund, and to Christian Relief International ("CRI"), related charities with similar objects, for use in their operations.

The company owns 100% of the share capital of Harvester Conferences Limited a company registered in England and Wales, company number 3727424, and Registered Charity Number 1144859, an organisation with objects compatible with those of Servants Fellowship International. On 25 February 2020 the directors of Harvester Conferences Limited submitted to Companies House an application for Strike Off, as the company is no longer required. Completion of the strike off process took place on 29 September 2020.

**Public benefit**

In preparing this report, 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.

In accordance with the charity's objects, the charity directly benefits a certain section of the public i.e. Christians functioning in plural societies or other cross-cultural contexts. Within this section of the public are a range of denominations, nationalities and ethnic groups. It also directly benefits other sections of the public in that help can be made available to anyone irrespective of faith who seeks information, advice or resources about cross-cultural socio-religious issues. The charity benefits the public as a whole by increasing the level of understanding of other faiths and ideologies and their impact on the Judeo-Christian heritage of the UK and other societies, thus contributing to societal harmony, stability and mutual understanding.

Information, advice and training on the areas of cross-cultural communication, social cohesion and related subjects help to provide skills and information for Christians engaged in ministry in plural contexts, thus maintaining, advancing and promoting the Christian faith, as well as for other members of the public. Likewise, the provision of consultancy, advice, information, research, publications and other resources on the same range of subjects help to equip Christians functioning in such contexts and thus to maintain, advance and promote the Christian faith as well as to provide information for the general public on the impact of non-Christian faiths and ideologies on society.

Support for Christian workers directly serves to maintain, advance and promote the Christian faith and to communicate the teaching of the Bible and the Gospel of the Lord Jesus Christ.

**SERVANTS FELLOWSHIP INTERNATIONAL**  
**(A company limited by guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The significant activities of the charity in the year can be considered under three headings, as follows:

1. **Information, Research, Education and Training** – The charity aims to help Western Christians and others understand the nature of other cultures and of a multi-cultural society, the nature of other religions, the relationship of religion to culture, the relationship of religion to violence, the interaction of religion and law, and related subjects. The charity made grants to support the Moscrop Research Library, which focuses on religion and culture. A grant was made to assist a local Christian School.
2. **Consultancy and Advice** – Advice was given on cross-cultural mission and the impact of non-Christian faiths on Western society, and related issues.
3. **Christian Ministry** - Support was given to a Christian ministry in London.

**FINANCIAL REVIEW**

The result of the charity's financial activities for the year is shown on page 11 with the balance sheet shown on the page immediately after that. The financial position of the charity at the end of the year is regarded as satisfactory.

**Fixed assets**

Details of the changes to the fixed assets are shown in notes 11 - 14. The directors consider that the value in use of the land and buildings is in line with the net book value.

The Enfield Property Trust (as referred to in note 12 to the accounts) was established to facilitate the support of needy Christian workers.

**Investment policy**

Any surplus funds are held in the company's bank accounts.

**Reserves policy**

The total funds of the charity amounted to £6,696,852 at 31 December 2020 (2019 - £6,696,486). To facilitate understanding of the reserves of the charity, the charity has designated reserves to support both the property and the social and programme related investments of the charity and set aside a proportion of its general fund to cover the costs of major repairs to its property estate. These reserves are outlined as follows:-

**Designated reserves**

**Library fund**

This fund represents the net book value of the Moscrop Research Library of £1,186,770 (2019 - £1,215,252) which as described elsewhere in the report is being used in accordance with the charitable activities of the company and cannot be realised without disposing of freehold property.

**Research Materials Fund**

This fund represents the net book value of works of £54,915 (2019 - £142,025) of an academic nature of finite useful life in the large collection of specialist scholarly books held in the library which is used by Christian and other researchers in accordance with the charitable activities of the company. The value of this fund cannot be realised without disposing of the academic works. During the year acquisitions of academic works amounting to £62,092 were made and accordingly a transfer of this amount has been made to the fund from the general fund.

**Texts and Artefacts Fund**

This fund represents the net book value of £855,054 (2019 - £811,525) of texts and artefacts of some historicity in the large collection of specialist scholarly books held in the library which is used by Christian and other researchers in accordance with the charitable activities of the company. The value of this fund cannot be realised without disposing of the texts and artefacts. During the year acquisitions of texts and artefacts of some historicity amounting to £43,529 were made and accordingly a transfer of that amount has been made to the fund from the general fund.

**SERVANTS FELLOWSHIP INTERNATIONAL**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**International study centre**

This fund represents the net book value of £191,301 (2019 - £195,552) of freehold buildings constructed to provide a study centre to be used in accordance with the charitable activities of the company. The value of this fund cannot be realised without disposing of freehold buildings. Depreciation of the building has been charged to the fund during the year.

**Programme related buildings fund**

This fund represents the net book value of the properties owned by the charity made available to related charities with similar objects, for use in their operations, amounting to £3,169,314 (2019 - the same) and has been set aside as the directors do not anticipate any disposal of the property and the value of this fund cannot be realised without disposing of freehold buildings.

**Programme related loans and programme related subsidiary companies funds**

These funds represent the value of programme related loans £658,917 (2019 - £618,841). Programme related loans are loans made to similar entities who share the same objectives and purpose of Servants Fellowship International for use in their operations.

Exchange gains/(losses) on loans to overseas entities have been credited/debited to the programme related loans fund.

**Major repairs fund**

As the charity owns two large, old, listed buildings. During the year an amount of £7,391 has been spent on renovations to these buildings.

**The level of reserves**

We now have sufficient reserves set aside and the charity is seeking suitable projects to fund from its undesignated general reserves.

**Monitoring and reviewing the policy**

The policy will be reviewed at the end of each financial year and the amount of reserves required recalculated according to the prevailing situation.

**PLANS FOR THE FUTURE**

The model of working in partnership with other bodies seems to be increasingly popular in many spheres of life. SFI seeks to be flexible and to adapt the methodology of achieving its objects in the coming years, and anticipates that it may well involve increasing partnership with other charities or ministries with similar aims.

SFI can provide resources in terms of office space, personnel, funds, library and research material, which can be shared with other charities, for example, those engaged in Christian training and research.

SFI will continue monitoring the COVID-19 pandemic, and the impact it has had, and will have, on Christian ministries in the UK and globally. Of particular interest to SFI is the monitoring of the impact of COVID on the ministries of our tenants. SFI is grateful that COVID-19 has not had a negative impact on the organisation to date, and thank the Lord for His protection and provision.

**SERVANTS FELLOWSHIP INTERNATIONAL**  
**(A company limited by guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The trustees (who are also directors of Servants Fellowship International for the purposes of company law) are responsible for preparing the directors' 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 directors 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 the incoming resources and application of resources, including the income or expenditure, of the charitable company for the year. In preparing these financial statements, the directors are required to:

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

The directors 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 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.

**Statement of disclosure of information to auditors**

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

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's 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.

**Auditors**

Griffin Stone Moscrop & Co were appointed as auditors to the company for the year ended 31 December 2020. It is expected that they will be reappointed for the next financial year.

Approved by order of the members of the board of directors and signed on their behalf by:

**Miss C J C Kerslake**

Chair of Trustees

Date:



# **SERVANTS FELLOWSHIP INTERNATIONAL**

**(A company limited by guarantee)**

## **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SERVANTS FELLOWSHIP INTERNATIONAL**

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### **Opinion**

We have audited the financial statements of Servants Fellowship International (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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.

### **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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

**SERVANTS FELLOWSHIP INTERNATIONAL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SERVANTS FELLOWSHIP  
INTERNATIONAL (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 Directors' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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.

## **SERVANTS FELLOWSHIP INTERNATIONAL**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SERVANTS FELLOWSHIP INTERNATIONAL (CONTINUED)**

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#### **Responsibilities of trustees**

As explained more fully in the directors' responsibilities statement, the directors (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 directors 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

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 auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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 of 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 directors.

## **SERVANTS FELLOWSHIP INTERNATIONAL**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SERVANTS FELLOWSHIP INTERNATIONAL (CONTINUED)**

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- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 and its members, 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**

Chartered Accountants

Statutory Auditors

21-27 Lamb's Conduit Street

London

WC1N 3GS

Date:

**SERVANTS FELLOWSHIP INTERNATIONAL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	3	772,748	-	772,748	181,745
Investments	4	204,135	-	204,135	212,434
Exchange gain on retranslation of foreign currency bank accounts		2,647	-	2,647	-
<b>Total income</b>		<b>979,530</b>	<b>-</b>	<b>979,530</b>	<b>394,179</b>
<b>Expenditure on:</b>					
Raising funds		-	-	-	12,500
Charitable activities	5	1,018,972	-	1,018,972	3,233,706
<b>Total expenditure</b>		<b>1,018,972</b>	<b>-</b>	<b>1,018,972</b>	<b>3,246,206</b>
<b>Net expenditure before net gains/(losses) on investments</b>		<b>(39,442)</b>	<b>-</b>	<b>(39,442)</b>	<b>(2,852,027)</b>
Net gains/(losses) on investments		39,808	-	39,808	(2,634)
<b>Net movement in funds</b>		<b>366</b>	<b>-</b>	<b>366</b>	<b>(2,854,661)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,696,401	85	6,696,486	9,551,147
Net movement in funds		366	-	366	(2,854,661)
<b>Total funds carried forward</b>		<b>6,696,767</b>	<b>85</b>	<b>6,696,852</b>	<b>6,696,486</b>

The notes on pages 14 to 37 form part of these financial statements.

**SERVANTS FELLOWSHIP INTERNATIONAL****(A company limited by guarantee)****REGISTERED NUMBER: 1437414****BALANCE SHEET  
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	11	<b>1,454,049</b>	1,580,914
Heritage assets	13	<b>855,054</b>	811,525
Programme related investments	14	<b>3,828,230</b>	3,788,420
Investment property	12	<b>490,000</b>	490,000
		<b>6,627,333</b>	6,670,859
<b>Current assets</b>			
Debtors	15	<b>17,523</b>	17,395
Cash at bank and in hand		<b>104,921</b>	89,518
		<b>122,444</b>	106,913
Creditors: amounts falling due within one year	16	<b>(52,925)</b>	(81,286)
<b>Net current assets</b>		<b>69,519</b>	25,627
<b>Total net assets</b>		<b>6,696,852</b>	6,696,486
<b>Charity funds</b>			
Restricted funds	18	<b>85</b>	85
Unrestricted funds	18	<b>6,696,767</b>	6,696,401
<b>Total funds</b>		<b>6,696,852</b>	6,696,486

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

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

The financial statements were approved and authorised for issue by the directors and signed on their behalf by:

**Miss C J C Kerslake**  
Chair of Trustees

Date:

The notes on pages 14 to 37 form part of these financial statements.

**SERVANTS FELLOWSHIP INTERNATIONAL**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(83,111)</b>	(2,216,979)
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>204,135</b>	212,434
Purchase of tangible fixed assets and heritage assets	<b>(105,621)</b>	(62,676)
Repayment of overseas loans	-	2,073,837
<b>Net cash provided by investing activities</b>	<b>98,514</b>	<b>2,223,595</b>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	-	-
<b>Change in cash and cash equivalents in the year</b>	<b>15,403</b>	<b>6,616</b>
Cash and cash equivalents at the beginning of the year	<b>89,518</b>	82,902
<b>Cash and cash equivalents at the end of the year</b>	<b>104,921</b>	89,518

The notes on pages 14 to 37 form part of these financial statements

**SERVANTS FELLOWSHIP INTERNATIONAL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

Servants Fellowship International (SFI) is established as a company limited by guarantee and is registered in England and Wales under Company Number 1437414. The company is also a registered charity with the Charity Commission under charity number 280859.

The charity's principal address and registered office is 34 Victoria Avenue, Harrogate, England, HG1 5PR.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

Servants Fellowship International meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Presentation of consolidated financial statements**

The charity has taken advantage of the exemption provided by paragraph 19(1)(d) of The Charities (Accounts and Reports) Regulations 2008 from preparing consolidated accounts in respect of its wholly owned subsidiary company Pewsey Trading Company Limited company number 4414938 on the grounds that it is entitled to that exemption as that subsidiary is immaterial for the purpose of giving a true and fair view.

**2.3 Company status**

The charity is a company limited by guarantee. The members of the company are the directors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.



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**2. Accounting policies (continued)**

**2.4 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**2. Accounting policies (continued)**

**2.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Plant and machinery	- 25% on the reducing balance
Motor vehicles	- 25% on the reducing balance
Computer equipment	- 25% on the reducing balance
Library books	- 20% on cost

**2.8 Heritage assets**

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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**2. Accounting policies (continued)**

**2.9 Debtors**

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

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.12 Financial instruments**

The company 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.

**2.13 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

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**3. Income from donations and legacies**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations from other related parties	81,945	-	<b>81,945</b>
Grant from former subsidiary	690,803	-	<b>690,803</b>
	<u>772,748</u>	<u>-</u>	<u><b>772,748</b></u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations from other related parties	177,924	1,643	179,567
Other donations	2,178	-	2,178
	<u>180,102</u>	<u>1,643</u>	<u>181,745</u>

**4. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £
Rental income	200,986	<b>200,986</b>
Bank interest received	266	<b>266</b>
Loan interest received	2,883	<b>2,883</b>
	<u>204,135</u>	<u><b>204,135</b></u>

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**4. Investment income (continued)**

	Unrestricted funds 2019 £	Total funds 2019 £
Rental income	204,320	204,320
Income from local listed investments	9	9
Loan interest received	8,105	8,105
	<u>212,434</u>	<u>212,434</u>

**5. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2020 £	Total funds 2020 £
Charitable activities	<u>1,018,972</u>	<u>1,018,972</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Charitable activities	<u>3,233,706</u>	<u>3,233,706</u>

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**6. Analysis of expenditure by activities**

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Charitable activities	692,189	326,783	<b>1,018,972</b>

	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Charitable activities	2,912,935	320,771	3,233,706

**Analysis of support costs**

	Activities 2020 £	Total funds 2020 £
Staff support costs	73,750	<b>73,750</b>
Depreciation	188,957	<b>188,957</b>
Travelling expenses	4	<b>4</b>
Communication and office costs	2,991	<b>2,991</b>
Repairs and maintenance costs	7,922	<b>7,922</b>
Insurance	29,887	<b>29,887</b>
Other overhead expenses	5,313	<b>5,313</b>
Legal and professional fees	1,964	<b>1,964</b>
Governance costs	15,995	<b>15,995</b>
	<b>326,783</b>	<b>326,783</b>

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**6. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	Activities 2019 £	Total funds 2019 £
Staff support costs	115,133	115,133
Depreciation	115,543	115,543
Travelling expenses	1,513	1,513
Communication and office costs	2,859	2,859
Repairs and maintenance costs	26,211	26,211
Insurance	26,108	26,108
Other overhead expenses	10,815	10,815
Legal and professional fees	2,192	2,192
Governance costs	20,397	20,397
	<u>320,771</u>	<u>320,771</u>

**7. Analysis of grants**

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total funds 2020 £
Grants Paid	<u>675,189</u>	<u>17,000</u>	<u>692,189</u>

  

	Grants to Institutions 2019 £	Grants to Individuals 2019 £	Total funds 2019 £
Grants Paid	<u>2,846,519</u>	<u>66,416</u>	<u>2,912,935</u>

The company has made the following material grants to institutions during the year:

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**7. Analysis of grants (continued)**

	2020 £	2019 £
<b>Name of institution</b>		
Marantha Christian School	10,000	-
VirtueOnline	7,977	-
Binyamin Ministries	2,000	-
K.A.F. KITI Almond Foundation	655,212	2,073,085
Barnabas Fund Inc. (write-off of balance of loan made previously not repaid)	-	747,434
Epaphras Trust	-	25,000
Pewsey Trading Company Limited	-	1,000
	<u>675,189</u>	<u>2,846,519</u>
	<u><u>675,189</u></u>	<u><u>2,846,519</u></u>

**8. Auditors' remuneration**

The auditors' remuneration amounts to a fee for the preparation and audit of the financial statements of £7,800 (2019 - £7,604).

**9. Staff costs**

	2020 £	2019 £
Wages and salaries	81,945	127,926
	<u>81,945</u>	<u>127,926</u>

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Staff	<u>2</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

These relate to recharged staff costs for individuals engaged to work by Christian Relief International but whose time is spent in supporting the work of SFI. In 2020, the average number of staff whose time was recharged was 2 (2019 - 2).



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**10. Directors' remuneration and expenses**

During the year, no directors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no director expenses have been incurred (2019 - £NIL).

**11. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Library books £	Total £
<b>Cost or valuation</b>						
At 1 January 2020	1,636,651	18,533	58,959	3,206	2,666,949	4,384,298
Additions	-	-	-	-	62,092	62,092
At 31 December 2020	1,636,651	18,533	58,959	3,206	2,729,041	4,446,390
<b>Depreciation</b>						
At 1 January 2020	225,847	7,292	42,115	3,206	2,524,924	2,803,384
Charge for the year	32,733	2,811	4,211	-	149,202	188,957
At 31 December 2020	258,580	10,103	46,326	3,206	2,674,126	2,992,341
<b>Net book value</b>						
At 31 December 2020	1,378,071	8,430	12,633	-	54,915	1,454,049
At 31 December 2019	1,410,804	11,241	16,844	-	142,025	1,580,914

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**12. Investment property**

**Freehold  
investment  
property  
£**

**Valuation**

At 1 January, and 31 December 2020

**490,000**

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During 2009 the company received the gift of a dilapidated residential property. The market value at the time of the gift was considered to be £140,000. Since that time Servants Fellowship International has undertaken a major renovation programme on the property to prepare it for sale and the carrying value at the balance sheet date reflects the opening value and the costs incurred to date. Although the property was marketed for a time, in view of the current state of the market it was agreed that the property be let to an unrelated third party at a market rent. The trustees are confident that the carrying amount will be recovered in full when the property is sold.

The property has been assessed and an open market value of £490,000 has been suggested if the property were to be sold and the directors have considered that the financial statements reflect that carrying value as at 31 December 2020.

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**13. Heritage assets**

**Assets recognised at cost**

	<b>Texts and artefacts 2020 £</b>	<b>Total 2020 £</b>
Carrying value at 1 January 2020	811,525	<b>811,525</b>
Additions	43,529	<b>43,529</b>
	<u>855,054</u>	<u><b>855,054</b></u>

**Analysis of heritage asset transactions**

	<b>2020 £</b>	<b>2019 £</b>	<b>2018 £</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Purchases</b>					
Texts and artefacts	43,529	21,188	8,351	5,741	34,055
<b>Donations</b>					
Texts and artefacts	-	-	-	-	742,190
<b>Total additions</b>	<u>43,529</u>	<u>21,188</u>	<u>8,351</u>	<u>5,741</u>	<u>776,245</u>

Texts and artefacts of some historicity are acquired for use within the library by Christian and other researchers in accordance with the charitable activities of the company. Historic books are included within the library cataloguing system and artefacts are noted separately. All of the items in the collection are considered "stable", so no special arrangements are necessary for their preservation, but they are securely kept in locked cabinets in an alarmed building on a secure site with a night watchman. Access is by appointment only and items may not be removed from the building. The directors reserve the right to refuse access to persons whom they consider unlikely to treat the historic items with due respect.

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**14. Programme related investments**

	Programme related investments £	Total £
<b>Cost or valuation</b>		
At 1 January 2020	3,788,420	3,788,420
Revaluations	40,076	40,076
Write off loan to subsidiary & shares in subsidiary	(266)	(266)
	<u>3,828,230</u>	<u>3,828,230</u>
<b>Impairment provision</b>		
	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2020	<u>3,828,230</u>	<u>3,828,230</u>
At 31 December 2019	<u>3,788,420</u>	<u>3,788,420</u>

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**14. Programme related investments (continued)**

**Programme related investments**

	Property 2020 £	Loans 2020 £	Subsidiary company 2020 £	Total 2020 £	Total 2019 £
Tangible fixed assets	3,169,312	-	-	<b>3,169,312</b>	3,169,312

The charity has for many years made available the majority of its freehold property to Barnabas Fund, and more recently Barnabas Aid International/Christian Relief International, related charities with similar objects, for use in their operations. The directors consider those parts of its property as programme related investments.

Loans to support overseas entities	-	658,917	-	<b>658,917</b>	618,841
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As outlined in the directors report, the charity has for a number of years supported other charities with similar objectives. This support has for some years included loans made to overseas charities as detailed below.

An original loan in the sum of A\$568,000 (£320,432 when translated) (2019 - £300,943) to Barnabas Fund (Australia) Ltd. In 2015 a further loan of A\$600,000 (£338,485 when translated) (2019 - £317,898) was advanced to Barnabas Fund (Australia) Ltd.

The loan balance due from Barnabas Fund (Australia) Ltd at the year end has been retranslated into £ at the exchange rate at 31 December 2020 in accordance with the accounting policy, giving rise to a net foreign exchange gain of £40,076 (2019 - £26,202 loss) relating to loans to 2 different entities outlined above) and this has been recorded on the face of the statement of financial activities and has been taken to the programme related loans fund.

Subsidiary companies	-	-	1	<b>1</b>	267
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Pewsey Trading Company Limited, a company limited by shares, registered in England and Wales, Company Number 04414938, is a wholly owned subsidiary. As at 31 December 2020 the company had capital and reserves of £694 (2019 - £755).

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**15. Debtors**

	<b>2020</b>	2019
	<b>£</b>	£
<b>Due within one year</b>		
Amounts owed by group undertakings	-	2
Other debtors	<b>84</b>	86
Prepayments and accrued income	<b>17,439</b>	17,307
	<u><b>17,523</b></u>	<u>17,395</u>

**16. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£</b>	£
Amounts owed to group undertakings	-	33,249
Other creditors	<b>30,208</b>	27,208
Accruals and deferred income	<b>22,717</b>	20,829
	<u><b>52,925</b></u>	<u>81,286</u>

**17. Financial instruments**

	<b>2020</b>	2019
	<b>£</b>	£
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<u><b>104,921</b></u>	<u>89,518</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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**18. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Library Fund	1,215,252	-	-	(28,482)	-	1,186,770
International Study Centre	195,552	-	-	(4,251)	-	191,301
Research Materials Fund	142,025	-	-	(87,110)	-	54,915
Text and Artifacts Fund	811,525	-	-	43,529	-	855,054
Programm Related Buildings Fund	3,169,314	-	-	-	-	3,169,314
Programme Related Loans	618,841	-	-	-	40,076	658,917
Programme Related Subsidiaries	267	-	-	(266)	-	1
Major repairs fund	230,548	-	-	(7,391)	-	223,157
	<u>6,383,324</u>	<u>-</u>	<u>-</u>	<u>(83,971)</u>	<u>40,076</u>	<u>6,339,429</u>
<b>General funds</b>						
General Funds	313,077	979,530	(1,018,972)	83,971	(268)	357,338
<b>Total Unrestricted funds</b>	<u>6,696,401</u>	<u>979,530</u>	<u>(1,018,972)</u>	<u>-</u>	<u>39,808</u>	<u>6,696,767</u>
<b>Restricted funds</b>						
Restricted Funds	85	-	-	-	-	85
<b>Total of funds</b>	<u>6,696,486</u>	<u>979,530</u>	<u>(1,018,972)</u>	<u>-</u>	<u>39,808</u>	<u>6,696,852</u>

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**18. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Library Fund	1,272,216	-	(28,482)	(28,482)	-	1,215,252
International Study Centre	204,054	-	(4,251)	(4,251)	-	195,552
Research Materials Fund	252,259	-	(73,761)	(36,473)	-	142,025
Text and Artifacts Fund	790,337	-	-	21,188	-	811,525
Programm Related Buildings Fund	3,169,314	-	-	-	-	3,169,314
Programme Related Loans	3,466,312	-	(747,434)	(2,073,835)	(26,202)	618,841
Programme Related Subsidiaries	267	-	-	-	-	267
Major repairs fund	250,000	-	(19,452)	-	-	230,548
	<u>9,404,759</u>	<u>-</u>	<u>(873,380)</u>	<u>(2,121,853)</u>	<u>(26,202)</u>	<u>6,383,324</u>
	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
<b>General funds</b>						
General Funds	147,946	392,536	(2,372,826)	2,121,853	23,568	313,077
<b>Total Unrestricted funds</b>	<u>9,552,705</u>	<u>392,536</u>	<u>(3,246,206)</u>	<u>-</u>	<u>(2,634)</u>	<u>6,696,401</u>



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**18. Statement of funds (continued)**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
<b>Restricted funds</b>						
Robin Cosgrove	85	-	-	-	-	85
GCN grants fund	(1,643)	1,643	-	-	-	-
	<u>(1,558)</u>	<u>1,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85</u>
 <b>Total of funds</b>	 <u>9,551,147</u>	 <u>394,179</u>	 <u>(3,246,206)</u>	 <u>-</u>	 <u>(2,634)</u>	 <u>6,696,486</u>

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**18. Statement of funds (continued)**

**Library Fund**

This fund represents the net book value of the library which is being used in accordance with the charitable activities of the company and cannot be realised without disposing of freehold property.

**Research Materials Fund**

This fund represents the net book value of works of an academic nature of finite useful life in the large collection of specialist scholarly books held in the library which is used by Christian and other researchers in accordance with the charitable activities of the company. The value of this fund cannot be realised without disposing of the academic works.

**Texts and Artefacts Fund**

This fund represents the net book value of texts and artefacts of some historicity in the large collection of specialist scholarly books held in the library which is used by Christian and other researchers in accordance with the charitable activities of the company. The value of this fund cannot be realised without disposing of the texts and artefacts. During the year acquisitions of texts and artefacts of some historicity amounting to £43,529 were made (2019 - £21,188).

**International Study Centre**

This fund represents the net book value of freehold buildings constructed to provide a study centre to be used in accordance with the charitable activities of the company. The value of this fund cannot be realised without disposing of freehold buildings. Depreciation of the building was charged to the fund in the year.

**Programme Related Buildings Fund**

This fund represents the net book value of the properties owned by the charity made available to related charities with similar objects, for use in their operations and has been set aside as the directors do not anticipate any disposal of the property and the value of this fund cannot be realised without disposing of freehold buildings.

**Programme Related Loans and Programme Related Subsidiary Companies Funds**

These funds represent the value of Programme related loans and Programme related subsidiary company loans made to similar entities who share the same objectives and purpose of Servants Fellowship International for use in their operations. These funds cannot be realised without having a serious detrimental effect on operations and directors do not anticipate requiring repayment of these loans except where the subsidiaries operations have ceased.

**Major Repairs Fund**

As the charity owns two large, old, listed buildings, there is the likelihood that from time to time major repair work will need to be carried out in an appropriate way which could be very costly and £250,000 has been set aside to provide for this.

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**19. Summary of funds**

**Summary of funds - current year**

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	6,383,324	-	-	(83,971)	40,076	6,339,429
General funds	313,077	979,530	(1,018,972)	83,971	(268)	357,338
Restricted funds	85	-	-	-	-	85
	<u>6,696,486</u>	<u>979,530</u>	<u>(1,018,972)</u>	<u>-</u>	<u>39,808</u>	<u>6,696,852</u>

**Summary of funds - prior year**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	9,404,759	-	(873,380)	(2,121,853)	(26,202)	6,383,324
General funds	147,946	392,536	(2,372,826)	2,121,853	23,568	313,077
Restricted funds	(1,558)	1,643	-	-	-	85
	<u>9,551,147</u>	<u>394,179</u>	<u>(3,246,206)</u>	<u>-</u>	<u>(2,634)</u>	<u>6,696,486</u>

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,454,049	-	1,454,049
Investment property	490,000	-	490,000
Heritage assets	855,054	-	855,054
Social investments	3,828,230	-	3,828,230
Current assets	122,359	85	122,444
Creditors due within one year	(52,925)	-	(52,925)
<b>Total</b>	<u>6,696,767</u>	<u>85</u>	<u>6,696,852</u>

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**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,580,914	-	1,580,914
Investment property	490,000	-	490,000
Heritage assets	811,525	-	811,525
Social investments	3,788,420	-	3,788,420
Current assets	106,828	85	106,913
Creditors due within one year	(81,286)	-	(81,286)
<b>Total</b>	<b>6,696,401</b>	<b>85</b>	<b>6,696,486</b>

**21. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	<b>366</b>	(2,854,661)
<b>Adjustments for:</b>		
Depreciation charges	<b>188,957</b>	115,581
Unrealised loss/(gains) on investments	<b>266</b>	(24,800)
Dividends, interests and rents from investments	<b>(204,135)</b>	(212,434)
Loss on the sale of fixed assets	-	154
Write-off of balance of programme related investment loan not repaid (disclosed in grants paid)	-	747,434
Increase in debtors	<b>(128)</b>	(12,959)
Decrease in creditors	<b>(28,361)</b>	(1,494)
Unrealised investment loss/(gain) arising on retranslation of programme related investments at the balance sheet date	<b>(40,076)</b>	26,200
<b>Net cash used in operating activities</b>	<b>(83,111)</b>	(2,216,979)

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**22. Analysis of cash and cash equivalents**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Cash in hand	<b>104,921</b>	89,518
<b>Total cash and cash equivalents</b>	<b>104,921</b>	89,518

**23. Analysis of changes in net debt**

	<b>At 1 January 2020</b>	<b>Cash flows</b>	<b>At 31 December 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>89,518</b>	<b>15,403</b>	<b>104,921</b>
	<b>89,518</b>	<b>15,403</b>	<b>104,921</b>

**24. Operating lease commitments**

The lease agreements on the existing properties expired on 31 March 2019. Under the Landlord and Tenant Act 1954 ("Act"), the terms of both leases continue until either the landlord or the tenant serves notice in accordance with the Act. Therefore whilst there is no financial commitment to disclose within the financial statements, unless either party serves notice on the other, rent will continue to be received at a combined rate of £16,667 per month.

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**25. Related party transactions**

In the year under review, Servants Fellowship International (SFI) has undertaken transactions with the following entities which share similar objects. SFI has worked alongside these entities for many years. Some of the directors of SFI serve on the boards of these entities too. Accordingly transactions undertaken by SFI with these entities and with the trustees/directors of these entities are considered related party transactions and are disclosed in this note.

**Barnabas Fund**

Barnabas Fund, a company limited by guarantee, company registration number 4029536 and charity registration number 1092935. C J C Kerslake and Rev A B Hauser are trustees/directors of Barnabas Fund.

During the year under SFI received rental income of £76,666 (2019 - £80,000) from Barnabas Fund.

Rosemary Sookhdeo is a connected party as she is a trustee of Barnabas Fund, the TBF Trust, Barnabas Fund Inc., Barnabas Fund Australia, Barnabas Fund (NZ) and Christian Relief International, which are connected charities. During the year Servants Fellowship International gave a grant of £12,000 (2019 - £12,000) in order to assist her in continuing her ministry in line with Servants Fellowship International's objectives.

An interest in possession trust (The Enfield Property Trust) was created during the year ended 31 December 2017 in respect of the investment property held by the charity to determine that Rosemary Sookhdeo, together with her husband Patrick, would in future be entitled to receive the rental income being generated from the letting of this property. Accordingly during the year under review £18,000 (2019 - £16,075) arising from this arrangement was paid directly to these beneficiaries.

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**25. Related party transactions (continued)**

**Christian Relief International**

Christian Relief International (CRI), an organisation incorporated in the USA and which has taken on the role for the entities within the Barnabas Family of charities with effect from 1 April 2017 shares some common directors with SFI.

During the year under review SFI received rental income of £120,000 (2019 - the same) from this organisation.

CRI recharged staff costs of £81,945 (2019 - £127,924) to SFI in the period.

Included in creditors is £30,208 (2019 - £27,207) owing to CRI.

**Barnabas Fund (Australia) Ltd**

Included in Programme related investments is an original loan of A\$568,000 (£320,432 when translated) (2019 - £300,943) to Barnabas Fund (Australia) Ltd. A further loan of A\$600,000 (£338,485 when translated) (2019 - £317,898) was advanced to Barnabas Fund (Australia) Ltd. This loan is secured on a property occupied by Barnabas Fund (Australia) Ltd. In the event of this property being sold there is an agreement that the sale proceeds will be paid to SFI.

**K.A.F KITI Almond Foundation**

K.A.F KITI Almond Foundation, is an organisation incorporated in Cyprus to promote and further the principles of international peace, friendship and understanding across all nations. The entity shares some common directors and trustees with SFI.

During the year under review SFI paid grant paid by SFI of £655,213 (2019 - £2,073,085) to this organisation.