

SERVANTS FELLOWSHIP INTERNATIONAL

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Directors and advisers	1
Directors' report	2 - 6
Independent auditors' report on the financial statements	7 - 11
Consolidated statement of financial activities	12
Consolidated balance sheet	13 - 14
Company balance sheet	15 - 16
Consolidated statement of cash flows	17
Notes to the financial statements	18 - 44

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 2021

Directors Miss C J C Kerslake, Chair
Rev A B Hauser (Resigned 23 February 2022)
Mrs R M Hauser (Resigned 23 February 2022)
Mr J R Frith
Mr H W Storm

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 2021

The directors (who are also the trustees) present their annual report together with the audited financial statements of the group and the company for the year 1 January 2021 to 31 December 2021. 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 group and 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 15 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 2021

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 group and 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 Nexcus International (formerly known as Christian Relief International ("CRI")), related charities with similar objects, for use in their operations.

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 2021

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

After many years of laying quasi-dormant, the charity's subsidiary became active again in 2021 and recorded income and expenditure that was material to the group overall. Accordingly for the first time in several years, group accounts are being prepared for the charity. The result of the group's financial activities for the year is shown on page 12 with the consolidated and then individual charity balance sheets shown on the pages that follow. 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 14 - 17. 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 15 to the financial statements) 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 group at 31 December 2021 amounted to £7,773,601 (charity only - £7,773,601) compared to £6,697,546 at 31 December 2020 for the group (charity only - £6,696,852). To facilitate understanding of the reserves of the group and 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 £1,158,288 (2020 - £1,186,770) 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 £112,492 (2020 - £54,915) 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 with a net cost of £57,577 were made and accordingly a transfer of this amount has been made to the fund from the general fund.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Texts and Artefacts Fund

This fund represents the net book value of £860,227 (2020 - £855,054) 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 £5,173 were made and accordingly a transfer of that amount has been made to the fund from the general fund.

International study centre

This fund represents the net book value of £187,050 (2020 - £191,301) 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 (2020 - 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 £1,152,794 (2020 - £658,917). 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 £32,610 has been spent on renovations to these buildings and charged to this fund and an additional transfer of £70,000 has been made to the general fund.

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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 group and 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 charitable group'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 charitable group'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 group and company for the year ended 31 December 2021. 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:

H W Storm

Mr H W Storm

(Trustee)

Date: 16/9/2022

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Servants Fellowship International (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated 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 Group's and of the parent charitable company's affairs as at 31 December 2021 and of the Group's 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 and the Charities Act 2011.

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 Group 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 Group's or the parent 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)**

Other information

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

We have nothing to report in this regard.

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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)**

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 Group's and the parent 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 Group or the parent 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:

- Enquiries with 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.
- Carrying out substantive checking to supporting documents on a sample basis of individual transactions within the financial statements for both the parent and its subsidiary undertaking;
- Reviewing minutes of the directors' meetings.

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

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

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

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

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

- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Other matters

In planning the audit for Servants Fellowship International (SFI), following our enquiries regarding the activities of its wholly owned subsidiary, Pewsey Trading Company Limited (PTC), we determined that its income and expenditure was material in the context of the group as a whole. Accordingly as stated in the directors' report it was determined that group financial statements needed to be prepared for 2021. In forming our opinion on the financial statements, which is not modified, we draw your attention to the fact that the prior period consolidated financial statements were not audited. Consequently, International Standards on Auditing (UK) require the auditor to state that the corresponding figures contained within the financial statements as pertaining to the group are unaudited.

In order to issue an audit report on the consolidated financial statements for the year ended 31 December 2021, to gain assurances on the figures to be included in relation to its subsidiary, the following work was carried out during the audit of SFI in relation to PTC::

- Income receivable within the subsidiary of £71,150 was audited to gain assurance on entitlement and completeness;
- Staff costs of £63,680 incurred by subsidiary were audited and reconciled to supporting documentation; and
- Bank balance of £6,666 agreed to subsidiary's bank statement at the balance sheet date.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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

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: 16/9/2022

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	96,388	1,000,000	1,096,388	772,748
Trading income within subsidiary	4	71,150	-	71,150	-
Investments	5	204,862	-	204,862	204,135
Other income		-	-	-	2,647
Total income		372,400	1,000,000	1,372,400	979,530
Expenditure on:					
Raising funds	6	69,502	-	69,502	61
Charitable activities	7	249,923	-	249,923	1,018,972
Total expenditure		319,425	-	319,425	1,019,033
Net income/(expenditure) before net gains on investments		52,975	1,000,000	1,052,975	(39,503)
Net gains on investments		25,422	-	25,422	39,808
Net income before taxation		78,397	1,000,000	1,078,397	305
Taxation	13	(302)	-	(302)	-
Net movement in funds		78,095	1,000,000	1,078,095	305
Reconciliation of funds:					
Total funds brought forward		6,697,461	85	6,697,546	6,697,241
Net movement in funds		78,095	1,000,000	1,078,095	305
Total funds carried forward		6,775,556	1,000,085	7,775,641	6,697,546

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

The notes on pages 18 to 44 form part of these financial statements.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)
REGISTERED NUMBER: 1437414

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,473,628	1,454,049
Heritage assets	16	860,226	855,054
Programme related investments	17	4,322,106	3,828,229
Investment property	15	555,000	490,000
		<u>7,210,960</u>	<u>6,627,332</u>
Current assets			
Debtors	18	27,434	17,523
Cash at bank and in hand		567,737	105,615
		<u>595,171</u>	<u>123,138</u>
Creditors: amounts falling due within one year	19	(30,490)	(52,924)
		<u>564,681</u>	<u>70,214</u>
Net current assets		<u>564,681</u>	<u>70,214</u>
Total net assets		<u><u>7,775,641</u></u>	<u><u>6,697,546</u></u>
Charity funds			
Restricted funds:			
Restricted funds	21	1,000,085	85
Total restricted funds	21	<u>1,000,085</u>	<u>85</u>
Unrestricted funds			
Designated funds	21	6,760,713	6,339,429
General funds	21	14,843	358,032
Total unrestricted funds	21	<u>6,775,556</u>	<u>6,697,461</u>
Total funds		<u><u>7,775,641</u></u>	<u><u>6,697,546</u></u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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:

H W Storm

Mr H W Storm
(Trustee)

Date: 16/9/2022

The notes on pages 18 to 44 form part of these financial statements.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)
REGISTERED NUMBER: 1437414

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,473,628	1,454,049
Heritage assets	16	860,226	855,054
Programme related investments	17	4,322,107	3,828,230
Investment property	15	555,000	490,000
		<u>7,210,961</u>	<u>6,627,333</u>
Current assets			
Debtors	18	30,029	17,523
Cash at bank and in hand		561,071	104,921
		<u>591,100</u>	<u>122,444</u>
Creditors: amounts falling due within one year	19	(28,460)	(52,925)
Net current assets		<u>562,640</u>	<u>69,519</u>
Total assets less current liabilities		<u>7,773,601</u>	<u>6,696,852</u>
Net assets excluding pension asset		<u>7,773,601</u>	<u>6,696,852</u>
Total net assets		<u><u>7,773,601</u></u>	<u><u>6,696,852</u></u>
Charity funds			
Restricted funds:			
Total restricted funds	21	1,000,085	85
Unrestricted funds	21	6,773,516	6,696,767
Total funds		<u><u>7,773,601</u></u>	<u><u>6,696,852</u></u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The Company's net movement in funds for the year was £1,076,748 (2020 - £366).

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:

H W Storm

Mr H W Storm

(Trustee)

Date: 16/9/2022

The notes on pages 18 to 44 form part of these financial statements.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	877,865	(83,349)
Cash flows from investing activities		
Dividends, interests and rents from investments	204,863	204,135
Purchase of tangible fixed assets and heritage assets	(88,746)	(105,621)
Purchase of programme related investment	(531,860)	-
Net cash (used in)/provided by investing activities	(415,743)	98,514
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	462,122	15,165
Cash and cash equivalents at the beginning of the year	105,615	90,450
Cash and cash equivalents at the end of the year	567,737	105,615

The notes on pages 18 to 44 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 2021

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.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 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 consolidated 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 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 charitable activities is incurred on directly undertaking the activities which further the Group'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.

2.5 Interest receivable

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

2.6 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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.

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 Group 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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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 Group 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 Group 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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	18,144	-	18,144
Donations from other related parties	78,244	1,000,000	1,078,244
Grant from former subsidiary	-	-	-
	<u>96,388</u>	<u>1,000,000</u>	<u>1,096,388</u>
		Unrestricted funds 2020 £	Total funds 2020 £
Donations from other related parties		81,945	81,945
Grant from former subsidiary		690,803	690,803
		<u>772,748</u>	<u>772,748</u>

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Trading income invoiced by subsidiary	<u>71,150</u>	<u>71,150</u>	<u>-</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Rental income	204,320	204,320
Bank interest received	5	5
Loan interest received	537	537
	<u>204,862</u>	<u>204,862</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Rental income	200,986	200,986
Bank interest received	266	266
Loan interest received	2,883	2,883
	<u>204,135</u>	<u>204,135</u>

6. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £
Administrative expenses borne by trading subsidiary	5,821	5,821
Staff costs within trading subsidiary	63,681	63,681
	<u>69,502</u>	<u>69,502</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Expenditure on raising funds (continued)

Other trading expenses (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Administrative expenses borne by trading subsidiary	61	61

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Charitable activities	249,923	249,923

	Unrestricted funds 2020 £	Total funds 2020 £
Charitable activities	1,018,972	1,018,972

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	15,000	234,923	249,923

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

Analysis of support costs

	Activities 2021 £	Total funds 2021 £
Staff support costs	70,431	70,431
Depreciation	63,995	63,995
Communication and office costs	3,876	3,876
Repairs and maintenance costs	32,980	32,980
Insurance	30,460	30,460
Other overhead expenses	13,473	13,473
Legal and professional fees	3,544	3,544
Governance costs	16,164	16,164
	234,923	234,923

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

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

9. Analysis of grants

	Grants to Institutions 2021 £	Grants to Individuals 2021 £	Total funds 2021 £
Grants Paid	-	15,000	15,000
	-	15,000	15,000

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total funds 2020 £
Grants Paid	675,189	17,000	692,189
	675,189	17,000	692,189

No grants were made to institutions in 2021. In 2020 grants to institutions included £655,213 being paid to K.A.F KITI Almond Foundation (as disclosed in note 28 - Related party transactions), £10,000 to Marantha Christian School and £7,977 to VirtueOnline.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £7,800 (2020 - £7,604).

11. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	141,936	81,945	78,256	81,945
	141,936	81,945	78,256	81,945

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Staff	5	2	2	2

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

The staff costs for the company relate to recharged staff costs for individuals engaged to work by Nexcus (previously known as Christian Relief International) but whose time is spent in supporting the work of SFI. In 2021, the average number of staff whose time was recharged was 2 (2020- 2).

12. Directors' remuneration and expenses

During the year, no directors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no director expenses have been incurred (2020 - £NIL).

13. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on net income for the year	302	-
Taxation on net income	302	-

There were no factors that affected the tax charge for the year which has been calculated on net income at the standard rate of corporation tax in the UK of 19% (2020 - 19%).

There are no factors considered likely to affect future tax charges.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tangible fixed assets

Group and Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation						
At 1 January 2021	1,636,651	18,533	58,959	3,206	2,729,041	4,446,390
Additions	-	-	-	-	83,573	83,573
At 31 December 2021	1,636,651	18,533	58,959	3,206	2,812,614	4,529,963
Depreciation						
At 1 January 2021	258,580	10,103	46,326	3,206	2,674,126	2,992,341
Charge for the year	32,733	2,107	3,158	-	25,996	63,994
At 31 December 2021	291,313	12,210	49,484	3,206	2,700,122	3,056,335
Net book value						
At 31 December 2021	1,345,338	6,323	9,475	-	112,492	1,473,628
At 31 December 2020	1,378,071	8,430	12,633	-	54,915	1,454,049

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 January, and 31 December 2020	490,000
Surplus on revaluation	65,000
	<hr/>
At 31 December 2021	555,000 <hr/>

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 £555,000 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 2021.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Heritage assets

Group and Company

Assets recognised at cost

	Texts and artefacts 2021 £	Total 2021 £
Carrying value at 1 January 2021	855,053	855,053
Additions	5,173	5,173
	<u>860,226</u>	<u>860,226</u>

Analysis of heritage asset transactions

Group and Company

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases					
Texts and artefacts	5,173	43,529	21,188	8,351	5,741
Total additions	<u>5,173</u>	<u>43,529</u>	<u>21,188</u>	<u>8,351</u>	<u>5,741</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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Programme related investments

Group

	Programme related investments £	Total £
Cost or valuation		
At 1 January 2021	3,828,229	3,828,229
Additions	531,860	531,860
Revaluations	(37,983)	(37,983)
	<u>4,322,106</u>	<u>4,322,106</u>
Impairment provision		
	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2021	<u>4,322,106</u>	<u>4,322,106</u>
At 31 December 2020	<u>3,828,229</u>	<u>3,828,229</u>

Company

	Programme related investments £	Total £
Cost or valuation		
At 1 January 2021	3,828,229	3,828,229
Additions	531,860	531,860
Revaluations	(37,983)	(37,983)
	<u>4,322,106</u>	<u>4,322,106</u>
Impairment provision		
	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2021	<u>4,322,106</u>	<u>4,322,106</u>
At 31 December 2020	<u>3,828,229</u>	<u>3,828,229</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Programme related investments (continued)

Programme related investments

	Property 2021 £	Loans 2021 £	Subsidiary company 2021 £	Total 2021 £	Total 2020 £
Tangible fixed assets	3,169,312	-	-	3,169,312	3,169,312

The charity has for many years made available the majority of its freehold property to Barnabas Fund, and more recently Nexcus International (formerly known as 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	-	1,152,794	-	1,152,794	658,917
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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 (£304,978 when translated) (2020 - £320,432) to Barnabas Fund (Australia) Ltd. In 2015 a further loan of A\$600,000 (£322,159 when translated) (2020 - £338,485) was advanced to Barnabas Fund (Australia) Ltd. In 2021 a further loan of A\$979,000 (£525,657 when translated) 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 2021 in accordance with the accounting policy, giving rise to a net foreign exchange loss of £37,983 (2020 - £40,076 gain) relating to loans to 3 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	1	1
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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 2021 the company had capital and reserves of £2,040 (2020 - £694).

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Amount owed by subsidiary	-	-	2,779	-
Other debtors	6,116	84	5,932	84
Prepayments and accrued income	21,318	17,439	21,318	17,439
	<u>27,434</u>	<u>17,523</u>	<u>30,029</u>	<u>17,523</u>

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Corporation tax	302	-	-	-
Other taxation and social security	169	-	-	-
Pension contributions payable	362	-	-	-
Other creditors	-	30,208	-	30,208
Accruals and deferred income	29,657	22,716	28,460	22,717
	<u>30,490</u>	<u>52,924</u>	<u>28,460</u>	<u>52,925</u>

20. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through income and expenditure	567,737	105,615	561,071	104,921

Financial assets measured at fair value through income and expenditure are comprised of cash at bank and in hand.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds							
Designated funds							
Library Fund	1,186,770	-	-	-	(28,482)	-	1,158,288
International Study Centre	191,301	-	-	-	(4,251)	-	187,050
Research Materials Fund	54,915	-	-	-	57,577	-	112,492
Text and Artifacts Fund	855,054	-	-	-	5,173	-	860,227
Programme Related Buildings Fund	3,169,314	-	-	-	-	-	3,169,314
Programme Related Loans	658,917	-	-	-	531,860	(37,983)	1,152,794
Programme Related Subsidiaries	1	-	-	-	-	-	1
Major repairs fund	223,157	-	(32,610)	-	(70,000)	-	120,547
	6,339,429	-	(32,610)	-	491,877	(37,983)	6,760,713
General funds							
General Funds	358,032	372,400	(286,815)	(302)	(491,877)	63,405	14,843

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Total Unrestricted funds	6,697,461	372,400	(319,425)	(302)	-	25,422	6,775,556
Restricted funds							
Restricted Funds	85	-	-	-	-	-	85
Conference Centre Building Project	-	1,000,000	-	-	-	-	1,000,000
	85	1,000,000	-	-	-	-	1,000,085
Total of funds	6,697,546	1,372,400	(319,425)	(302)	-	25,422	7,775,641

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Designated funds						
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
Programme 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>
General funds						
General Funds	<u>313,077</u>	<u>980,224</u>	<u>(1,018,972)</u>	<u>83,971</u>	<u>(268)</u>	<u>358,032</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Total Unrestricted funds	6,696,401	980,224	(1,018,972)	-	39,808	6,697,461
	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Restricted funds						
Restricted Funds	85	-	-	-	-	85
Total of funds	6,696,486	980,224	(1,018,972)	-	39,808	6,697,546

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21. 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 £5,173 were made (2020 - £43,529).

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

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Statement of funds (continued)

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 was originally set aside to provide for this with expenditure being charged when incurred to arrive at the balance being carried forward at the year-end.

22. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	6,339,429	-	(32,610)	-	491,877	(37,983)	6,760,713
General funds	358,032	372,400	(286,815)	(302)	(491,877)	63,405	14,843
Restricted funds	85	1,000,000	-	-	-	-	1,000,085
	<u>6,697,546</u>	<u>1,372,400</u>	<u>(319,425)</u>	<u>(302)</u>	<u>-</u>	<u>25,422</u>	<u>7,775,641</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

22. Summary of funds (continued)

Summary of funds - prior 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	980,224	(1,018,972)	83,971	(268)	358,032
Restricted funds	85	-	-	-	-	85
	<u>6,696,486</u>	<u>980,224</u>	<u>(1,018,972)</u>	<u>-</u>	<u>39,808</u>	<u>6,697,546</u>

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	473,628	1,000,000	1,473,628
Investment property	555,000	-	555,000
Heritage assets	860,226	-	860,226
Social investments	4,322,106	-	4,322,106
Current assets	595,086	85	595,171
Creditors due within one year	(30,490)	-	(30,490)
Total	<u>6,775,556</u>	<u>1,000,085</u>	<u>7,775,641</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	1,078,095	305
Adjustments for:		
Depreciation charges	63,994	188,957
Gains/(losses) on investments	(65,000)	266
Dividends, interests and rents from investments	(204,862)	(204,135)
Increase in debtors	(12,690)	(128)
Decrease in creditors	(19,655)	(28,538)
Unrealised investment loss/(gain) arising on retranslation of programme related investments at the balance sheet date	37,983	(40,076)
Net cash provided by/(used in) operating activities	877,865	(83,349)

25. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	567,737	105,615
Total cash and cash equivalents	567,737	105,615

26. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	105,615	462,122	567,737
Debt due within 1 year	-	-	-
	105,615	462,122	567,737

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

27. 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.

28. 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 £80,000 (2020 - £76,666) 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 Nexcus International, which are connected charities and her husband is a director of the charity's subsidiary, Pewsey Trading Company Limited. During the year SFI paid £12,000 (2020 - £12,000) in order to assist the Sookhdeos in continuing their ministry in line with SFI'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 generated from the letting of this property. Whilst the charity no longer receives the benefit of the rental income it currently bears responsibility for maintaining the property and in this year incurred various property related expenditure totalling £12,360 (2020 - £nil).

Nexcus International (formerly known as Christian Relief International)

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.

A grant of £1,000,000 was made by Nexus International for the future construction of the second floor of the conference centre. During the year under review SFI received rental income of £120,000 (2020 - the same) from this organisation. The subsidiary of SFI, Pewsey Trading Company Limited, which is consolidated within these financial statements charged Nexus International £71,500 for providing cleaning services to the entity in 2021 (2020 - £nil).

Included in creditors for both the charity and the group is £nil (2020 - £30,208) owing to Nexcus.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

28. Related party transactions (continued)

Barnabas Fund (Australia) Ltd

An original loan in the sum of A\$568,000 (£304,978 when translated) (2020 - £320,432) was made to Barnabas Fund (Australia) Ltd. In 2015 a further loan of A\$600,000 (£322,160 when translated) (2020 - £338,485) was advanced to Barnabas Fund (Australia) Ltd. In 2021 a further loan of A\$979,000 (£525,657 when translated) was advanced to Barnabas Fund (Australia) Ltd. All loans are secured on properties occupied by Barnabas Fund (Australia) Ltd. In the event of the properties being sold, there is an agreement that the sale proceeds will be paid to SFI. Since the year end, the first two loans have been repaid following 2 property sales.

Wholly owned subsidiary company

Pewsey Trading Company Limited, a company limited by shares, registered in England and Wales, Company Number 04414938, is a wholly owned subsidiary. Included in debtors in the stand-alone charity is £2,779 due from this company (2020 - £nil).

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. There were no transactions with this entity in 2021 but during the comparative year SFI paid a grant of £655,213 to this organisation.

29. Post balance sheet events

Since the year end, SFI have acquired freehold property for consideration of £1,320,000.

The Coventry freehold property was vacated during 2022 and has been placed on the market for sale.

In addition to the above events which affect the parent charity directly as well as the group. The subsidiary company acquired on 30 March 2022 a controlling interest in the shares of a private company registered in India which provides IT services to Christian organisations throughout the globe.