

SERVANTS FELLOWSHIP INTERNATIONAL

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 - 10
Consolidated statement of financial activities	11
Consolidated balance sheet	12 - 13
Company balance sheet	14 - 15
Consolidated statement of cash flows	16
Notes to the financial statements	17 - 43

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 2022**

Directors	Mr J R Frith Mr H W Storm (resigned 4 May 2023) Miss C J C Kerslake (resigned 7 October 2022) Mr R Minors (appointed 7 October 2022) Dr D R J P Phillips (appointed 7 October 2022) Mr N R Frost (appointed 4 May 2023)
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 2022

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 2022 to 31 December 2022. 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. 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 16 to the financial statements addresses this risk and the collection of research materials benefits from most of the measures in place for heritage assets.

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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 Aid Limited, and to Nexcus International, 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. 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 crosscultural 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.

The significant activities of the charity in the year can be considered under the following headings:

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. During the year grants were also made to assist a local Christian School; a Christian organisation in the UK and one individual.
2. Consultancy and Advice – Advice was given on cross-cultural mission and the impact of non-Christian faiths on Western society, and related issues.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

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.

On 24 January 2022 the company acquired the freehold of Unit 23 Ash Industrial Park, Kembrey Park, Swindon. The building has been let to Barnabas Aid Limited on a seven year lease agreement. Consequently, Barnabas Aid Limited have vacated their previous offices in Coventry and these premises were placed on the market for disposal by SFI.

During the course of the year, Barnabas Australia relocated to new premises in Adelaide. Following the disposal of their former offices, the existing Australian dollar loan owed by Barnabas Australia to the company was repaid. A fresh loan for AUD 979,000 was made to the Australian charity in order to fund the acquisition of its new premises.

During 2022, the company advanced a total of £821,975 in loans to its wholly-owned subsidiary Pewsey Trading Company Limited, accounted for as a programme related investment in the balance sheet of SFI. Pewsey Trading Company Limited has used the money to acquire the whole of the share capital in Klesis Global Pvt Limited, a company based in Bangalore, India, which is involved in the field of digital communication and services. Subsequent to the initial cost of the acquisition, further equity investments have been made by Pewsey Trading Company Limited in Klesis to fund the purchase of land upon which to construct new premises for the company in Bangalore, India. The result of both subsidiaries are included within the consolidated financial statements of SFI. The financial position of the group and the stand-alone 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.

Investment policy

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

Reserves policy

The total funds of the group at 31 December 2022 amounted to £8,132,493 (charity only £8,140,872) compared to £7,775,641 at 31 December 2021 for the group (charity only - £7,773,601). 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 £1,129,806 (2021 - £1,158,288) 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 £157,276 (2021 - £112,492) 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

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 £82,223 were made and accordingly a transfer of this amount less depreciation charged in the year has been made to the fund from the general fund.

Texts and Artefacts Fund

This fund represents the net book value of £869,019 (2021 - £860,226) 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 £8,793 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 £182,799 (2021 - £187,050) 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 £3,169,312 (2021 - £3,169,312) 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 £551,169 (2021 - £1,152,794). 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 £9,758 has been spent on renovations to these buildings and charged to this fund.

The level of reserves

We now have sufficient reserves set aside and the charity is continuing to seek 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 company expects to continue to provide resources in terms of office space, personnel, funds, library and research material and to support other charities with similar objectives.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of disclosure of information to the auditor

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.

Auditors

Griffin Stone Moscrop & Co were appointed as auditors to the group and company for the year ended 31 December 2022. It is expected that they will be reappointed for the next financial year.

Statement of directors' responsibilities

The directors (who are also the directors of the company 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. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

N Frost

Mr N R Frost

(Trustee)

Date: 2/2/2024

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 2022 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 2022 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 MEMBERS 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.

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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

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

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 specific procedures designed and implemented to detect irregularities, including fraud are 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 judgement 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 MEMBERS OF SERVANTS FELLOWSHIP INTERNATIONAL
(CONTINUED)

- 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.

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: 2/2/2024

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	92,065	835,975	928,040	1,096,388
Other trading activities	4	209,975	-	209,975	71,150
Investments	5	297,978	-	297,978	204,862
Total income		600,018	835,975	1,435,993	1,372,400
Expenditure on:					
Raising funds	6	197,217	-	197,217	69,502
Charitable activities	8	924,957	-	924,957	249,923
Total expenditure		1,122,174	-	1,122,174	319,425
Net (expenditure)/income before net gains on investments		(522,156)	835,975	313,819	1,052,975
Net gains on investments		43,255	-	43,255	25,422
Net (expenditure)/income before taxation		(478,901)	835,975	357,074	1,078,397
Taxation	13	(222)	-	(222)	(302)
Net (expenditure)/income after taxation		(479,123)	835,975	356,852	1,078,095
Transfers between funds	21	1,320,000	(1,320,000)	-	-
Net movement in funds		840,877	(484,025)	356,852	1,078,095
Reconciliation of funds:					
Total funds brought forward		6,775,556	1,000,085	7,775,641	6,697,546
Net movement in funds		840,877	(484,025)	356,852	1,078,095
Total funds carried forward		7,616,433	516,060	8,132,493	7,775,641

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 43 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	1,946,359	1,473,628
Heritage assets	16	869,019	860,226
Programme related investments	17	3,720,480	4,322,106
Investment property	15	1,343,942	555,000
		<u>7,879,800</u>	<u>7,210,960</u>
Current assets			
Debtors	18	42,393	27,434
Cash at bank and in hand		405,850	567,737
		<u>448,243</u>	<u>595,171</u>
Creditors: amounts falling due within one year	19	(195,550)	(30,490)
Net current assets		<u>252,693</u>	<u>564,681</u>
Total assets less current liabilities		<u>8,132,493</u>	<u>7,775,641</u>
Net assets excluding pension asset		<u>8,132,493</u>	<u>7,775,641</u>
Total net assets		<u><u>8,132,493</u></u>	<u><u>7,775,641</u></u>
Charity funds			
Restricted funds	21	516,060	1,000,085
Unrestricted funds			
Designated funds	21	7,490,174	6,760,713
General funds	21	126,259	14,843
		<u>7,616,433</u>	<u>6,775,556</u>
Total funds		<u><u>8,132,493</u></u>	<u><u>7,775,641</u></u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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:

N Frost

Mr N R Frost

(Trustee) 2/2/2024
Date:

The notes on pages 17 to 43 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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	1,510,568	1,473,628
Heritage assets	16	869,019	860,226
Social investments	17	4,542,455	4,322,107
Investment property	15	1,343,942	555,000
		<u>8,265,984</u>	<u>7,210,961</u>
Current assets			
Debtors	18	21,930	30,029
Cash at bank and in hand		38,754	561,071
		<u>60,684</u>	<u>591,100</u>
Creditors: amounts falling due within one year	19	(185,796)	(28,460)
Net current liabilities / assets		<u>(125,112)</u>	<u>562,640</u>
Total assets less current liabilities		<u>8,140,872</u>	<u>7,773,601</u>
Net assets excluding pension asset		<u>8,140,872</u>	<u>7,773,601</u>
Total net assets		<u><u>8,140,872</u></u>	<u><u>7,773,601</u></u>
Charity funds			
Restricted funds	21	1,835,975	1,000,085
Unrestricted funds	21	6,304,897	6,773,516
Total funds		<u><u>8,140,872</u></u>	<u><u>7,773,601</u></u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The company's net movement in funds for the year was £367,271 (2021 - £1,076,748).

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:

N Frost

Mr N R Frost

(Trustee)

Date: 2/2/2024

The notes on pages 17 to 43 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 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	341,128	877,865
Cash flows from investing activities		
Dividends, interests and rents from investments	297,978	204,863
Purchase of tangible fixed assets and heritage assets	(563,204)	(88,746)
Purchase of investment properties	(1,343,942)	-
Proceeds from sale of investment properties	500,000	-
Purchase of programme related investment	-	(531,860)
Purchase of subsidiary	(20,985)	-
Net cash used in investing activities	(1,130,153)	(415,743)
Cash flows from financing activities		
Cash inflows from realisation of programme related investments	627,138	-
Net cash provided by financing activities	627,138	-
Change in cash and cash equivalents in the year	(161,887)	462,122
Cash and cash equivalents at the beginning of the year	567,737	105,615
Cash and cash equivalents at the end of the year	405,850	567,737

The notes on pages 17 to 43 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 2022

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 2022

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.

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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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 institution with whom the funds are deposited.

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 £1,000 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 basis:

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.

Depreciation is provided on the following bases:

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Programme related investments consist of secured loans made to overseas charities and property which is owned by Servants Fellowship International and which it makes available to Barnabas Aid Limited and Nexcus International.

The secured loans to overseas charities were originally made in foreign currencies and after accounting for any adjustments in market value are retranslated at the balance sheet date at the exchange rate prevailing. Gains or losses arising on retranslation of Programme related Investments are taken to the Programme related loans designated fund. During the year under review some of the loans have been repaid, with investment income being recorded in this year as a result of SFI receiving a sum in excess of the amount originally lent in foreign currency, due to the underlying property on which the loan was secured being sold at a surplus and in accordance with the terms of the investment SFI being entitled to an uplift in the amount being repaid to it.

The freehold buildings categorised within programme related investments are required to be stated at their market value to comply with the SORP, meaning that depreciation is not charged. Not charging depreciation on such properties is a departure from the Companies Act 2006, but is required by accounting standards to enable the accounts to give a true and fair view. The directors consider that it is not practicable to carry out a professional valuation each year to determine the market value of the buildings concerned, but believe that the market value would be in excess of the carrying value within the accounts.

Investment properties are stated at their market value. In order to present a true and fair view, and to comply with FRS102, the company's investment properties are not being depreciated as required by the Companies Act 2006.

2.10 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.

2.11 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.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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 2022

3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	34,909	-	34,909
Donations from other related parties	57,156	835,975	893,131
	<u>92,065</u>	<u>835,975</u>	<u>928,040</u>
	<u><u>92,065</u></u>	<u><u>835,975</u></u>	<u><u>928,040</u></u>
	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
	<u>96,388</u>	<u>1,000,000</u>	<u>1,096,388</u>
	<u><u>96,388</u></u>	<u><u>1,000,000</u></u>	<u><u>1,096,388</u></u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Trading income contributed by UK subsidiary	74,500	74,500
Trading income contributed by Indian subsidiary	135,475	135,475
	<hr/> 209,975 <hr/>	<hr/> 209,975 <hr/>
	Unrestricted funds 2021 £	Total funds 2021 £
Trading income invoiced by UK subsidiary	71,150	71,150
	<hr/>	<hr/>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Rental income	248,443	248,443
Income from realising programme related investments	40,591	40,591
Bank interest	661	661
Loan interest	8,283	8,283
	<u>297,978</u>	<u>297,978</u>
	Unrestricted funds 2021 £	Total funds 2021 £
Rental income	204,320	204,320
Bank interest	5	5
Loan interest	537	537
	<u>204,862</u>	<u>204,862</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £
Administrative expenses borne by trading subsidiaries	54,392	54,392
Staff costs within trading subsidiaries	142,825	142,825
	<u>197,217</u>	<u>197,217</u>
	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 2022

7. Analysis of grants

	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Total funds 2022 £
Charitable activities	20,000	501,598	521,598

Grants to institutions include £15,000 to Maranatha School and £5,000 to Saltshakers. No grants were made to institutions in 2021.

	Grants to Individuals 2021 £	Total funds 2021 £
Charitable activities	15,000	15,000

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Charitable activities	924,957	924,957

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

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure by activities

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	521,598	403,359	924,957

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

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	52,107	70,431
Depreciation	81,680	63,995
Communication and office costs	4,207	3,876
Repairs and maintenance costs	9,842	32,980
Insurance	41,697	30,460
Other overhead expenses	7,692	13,473
Legal and professional fees	63,664	3,544
Realised loss on sale of investment property in the year	55,000	-
Consultancy costs	70,380	-
Governance costs	17,090	16,164
	403,359	234,923

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £9,500 (2021 - £7,800).

11. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	199,982	141,936	57,157	78,256

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Staff	2	2	2	2
Subsidiaries	16	3	-	-
	18	5	2	2

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

The staff costs for the parent company relate to recharged staff costs for individuals engaged to work by Nexcus International but whose time is spent in supporting the work of SFI. In 2022, the average number of staff whose time was recharged was 2 (2021- 2).

12. Directors' remuneration and expenses

During the year, no directors received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no director expenses have been incurred (2021 - £NIL).

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on net (expenditure)/income for the year	222	302
Taxation on net (expenditure)/income	222	302

There were no factors that affected the tax charge for the year which has been calculated on net (expenditure)/income at the standard rate of corporation tax in the UK of 19% (2021 - 19%).

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

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Library books £	Total £
Cost or valuation						
At 1 January 2022	1,636,651	18,533	58,959	3,206	2,812,614	4,529,963
Additions	427,747	1,859	35,840	6,742	82,223	554,411
At 31 December 2022	2,064,398	20,392	94,799	9,948	2,894,837	5,084,374
Depreciation						
At 1 January 2022	291,313	12,210	49,484	3,206	2,700,122	3,056,335
Charge for the year	32,733	1,673	9,835	-	37,439	81,680
At 31 December 2022	324,046	13,883	59,319	3,206	2,737,561	3,138,015
Net book value						
At 31 December 2022	1,740,352	6,509	35,480	6,742	157,276	1,946,359
At 31 December 2021	1,345,338	6,323	9,475	-	112,492	1,473,628

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Library books £	Total £
Cost or valuation						
At 1 January 2022	1,636,651	18,533	58,959	3,206	2,812,614	4,529,963
Additions	-	557	35,840	-	82,223	118,620
At 31 December 2022	1,636,651	19,090	94,799	3,206	2,894,837	4,648,583
Depreciation						
At 1 January 2022	291,313	12,210	49,484	3,206	2,700,122	3,056,335
Charge for the year	32,733	1,673	9,835	-	37,439	81,680
At 31 December 2022	324,046	13,883	59,319	3,206	2,737,561	3,138,015
Net book value						
At 31 December 2022	1,312,605	5,207	35,480	-	157,276	1,510,568
At 31 December 2021	1,345,338	6,323	9,475	-	112,492	1,473,628

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Investment property
group and company

	Freehold investment property £
Valuation	
At 1 January 2022	555,000
Addition	1,343,942
Disposal	(555,000)
At 31 December 2022	1,343,942

A commercial property was purchased on 24 January 2022 and rental income has started being earned on it during 2022. It is considered that the market value at 31 December 2022 was not materially different to the cost. The freehold investment property that was sold during the year was a residential property, sold for £500,000. The difference between the valuation at the start of the year and the selling price has been recorded as a realised loss on sale of investment property within support costs.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Heritage assets

Group and Company

Assets recognised at cost

	Texts and artefacts 2022 £	Total 2022 £
Carrying value at 1 January 2022	860,226	860,226
Additions	8,793	8,793
	<u>869,019</u>	<u>869,019</u>

Analysis of heritage asset transactions

Group and Company

	2022 £	2021 £	2020 £	2019 £	2018 £
Purchases					
Texts and artefacts	8,793	5,173	43,529	21,188	8,351
Total additions	<u>8,793</u>	<u>5,173</u>	<u>43,529</u>	<u>21,188</u>	<u>8,351</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 2022

17. Programme related investments

Group

	Programme related investments £	Total £
Cost or valuation		
At 1 January 2022	4,322,106	4,322,106
Disposals	(627,138)	(627,138)
Revaluations	25,512	25,512
	3,720,480	3,720,480
Impairment provision		
	-	-
Net book value		
At 31 December 2022	3,720,480	3,720,480
At 31 December 2021	4,322,106	4,322,106

Company

	Programme related investments £	Total £
Cost or valuation		
At 1 January 2022	4,322,106	4,322,106
Additions	821,975	821,975
Disposals	(627,138)	(627,138)
Revaluations	25,512	25,512
	4,542,455	4,542,455
Impairment provision		
	-	-
Net book value		
At 31 December 2022	4,542,455	4,542,455
At 31 December 2021	4,322,106	4,322,106

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17. Programme related investments (continued)

Company (continued)

Programme related investments are further analysed below:

Carried within the company

	Property 2022 £	Listed investments 2022 £	Loans 2022 £	Total 2022 £	Total 2021 £
Tangible fixed assets	3,169,312	-	-	3,169,312	3,169,312
Loans to support overseas entities	-	551,169	-	551,169	1,152,794
Subsidiary companies	-	-	821,974	821,974	1

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Programme related investments (continued)

Tangible fixed assets:

The charity has for many years made available the majority of its freehold property to Barnabas Aid Limited (formerly Barnabas Fund), and more recently Nexcus 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:

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.

The original loan of A\$568,000 and further loan advanced in 2015 of A\$600,000 to Barnabas Fund (Australia) Ltd were repaid in full during the year. In 2021 a further loan of A\$979,000 (£551,169 when translated) (2021 - £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 2022 in accordance with the accounting policy, giving rise to a net foreign exchange gain of £25,512 (2021 - £37,983 loss) relating to the remaining loan 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:

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 2022 the company had a deficit on capital and reserves of £52,132 (2021 - positive reserves £2,040), but this was principally due to an impairment provision being made against the carrying value of its investment in Klesis Global Private Limited, a company incorporated in India. Upon consolidation this provision has been reversed. The investment of £821,974 in SFI the company, represents a £1 investment in PTC share capital and £821,973 of long-term loan made to PTC. Within the group accounts these investments are brought down to nil.

Further details with regard to the acquisition of Klesis Global Private Limited are given below:

The initial share purchase, representing an acquisition of the entire issued share capital of Klesis at the time, was made in March 2022. The purchase price of the shares acquired was determined by an independent valuation, based on a fair value of the company of INR 2,099,030. This equated to initial acquisition cost was £20,989. In accounting for the fair value of the assets and liabilities acquired in consideration of this sum, negative goodwill of approximately £7,000 arose and has been recognised in the consolidated Statement of Financial Activities in 2022.

Subsequent to the initial acquisition, further sums totalling £806,000 were invested to 31 December 2022 by Pewsey Trading Company, as consideration for further shares being allotted to the group and within the consolidated balance sheet the investment by Pewsey Trading Company Limited and the corresponding entries within Klesis Global Private Limited are eliminated.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	10,134	-	10,134	-
Amounts owed by group undertakings	-	-	2,779	2,779
Other debtors	27,983	6,116	4,741	5,932
Prepayments and accrued income	4,276	21,318	4,276	21,318
	42,393	27,434	21,930	30,029

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	150	-	-	-
Corporation tax	222	302	-	-
Other taxation and social security	181	169	-	-
Other creditors	159,637	362	155,836	-
Accruals and deferred income	35,360	29,657	29,960	28,460
	195,550	30,490	185,796	28,460

20. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through income and expenditure	405,850	567,737	38,754	561,071

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 2022**

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds							
Designated funds							
Library Fund	1,158,288	-	-	-	(28,482)	-	1,129,806
Research Materials Fund	112,492	-	-	-	44,784	-	157,276
Text and Artifacts Fund	860,227	-	-	-	8,793	-	869,020
International Study Centre	187,050	-	-	-	(4,251)	-	182,799
Programme Related Buildings Fund	3,169,314	-	-	-	-	-	3,169,314
Programme Related Loans	1,152,794	-	-	-	(627,137)	25,512	551,169
Programme Related Subsidiaries	1	-	-	-	-	-	1
Major repairs fund	120,547	-	(9,758)	-	-	-	110,789
Swindon Investment Property	-	-	-	-	1,320,000	-	1,320,000
	6,760,713	-	(9,758)	-	713,707	25,512	7,490,174
General funds							
General Funds - all funds	-	-	-	-	-	-	-

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

21. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
General fund including consolidation adjustments	12,804	389,382	(914,932)	-	606,293	19,522	113,069
Pewsey Trading Company Limited	2,039	74,531	(73,365)	(222)	-	-	2,983
Klesis Global Private Limited	-	136,105	(124,119)	-	-	(1,779)	10,207
	<u>14,843</u>	<u>600,018</u>	<u>(1,112,416)</u>	<u>(222)</u>	<u>606,293</u>	<u>17,743</u>	<u>126,259</u>
Total Unrestricted funds	<u>6,775,556</u>	<u>600,018</u>	<u>(1,122,174)</u>	<u>(222)</u>	<u>1,320,000</u>	<u>43,255</u>	<u>7,616,433</u>
Restricted funds							
Restricted Fund	85	-	-	-	-	-	85
Building projects	1,000,000	835,975	-	-	(1,320,000)	-	515,975
	<u>1,000,085</u>	<u>835,975</u>	<u>-</u>	<u>-</u>	<u>(1,320,000)</u>	<u>-</u>	<u>516,060</u>
Total of funds	<u>7,775,641</u>	<u>1,435,993</u>	<u>(1,122,174)</u>	<u>(222)</u>	<u>-</u>	<u>43,255</u>	<u>8,132,493</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Statement of funds (continued)

22. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	6,760,713	-	(9,758)	-	713,707	25,512	7,490,174
General funds	14,843	600,018	(1,112,416)	(222)	606,293	17,743	126,259
Restricted funds	1,000,085	835,975	-	-	(1,320,000)	-	516,060
	<u>7,775,641</u>	<u>1,435,993</u>	<u>(1,122,174)</u>	<u>(222)</u>	<u>-</u>	<u>43,255</u>	<u>8,132,493</u>

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,518,612	427,747	1,946,359
Investment property	1,343,942	-	1,343,942
Heritage assets	869,019	-	869,019
Social investments	3,720,480	-	3,720,480
Current assets	179,930	268,313	448,243
Creditors due within one year	(15,550)	(180,000)	(195,550)
Total	7,616,433	516,060	8,132,493

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	356,852	1,078,095
Adjustments for:		
Depreciation charges	81,680	63,994
Negative goodwill	(6,983)	-
Gains on investments	-	(65,000)
Dividends, interests and rents from investments	(297,978)	(204,862)
Loss on the sale of investment property	55,000	-
Decrease/(increase) in debtors	474	(12,690)
Increase/(decrease) in creditors	154,496	(19,655)
Unrealised investment (gains)/losses	(2,413)	37,983
Net cash provided by operating activities	341,128	877,865

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	405,850	567,737
Total cash and cash equivalents	405,850	567,737

26. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 December 2022 £
Cash at bank and in hand	567,737	(174,658)	12,771	405,850
	567,737	(174,658)	12,771	405,850

27. Operating lease commitments

A lease agreement was made in the year between SFI and Barnabas Fund relating to the new property purchased in the year (Unit 23, Ash Industrial Park, Kembrey Park, Swindon, SN2 8UN). Rent will be received at a rate of £8,333 per month.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 Aid Limited (formerly known as Barnabas Fund)

Barnabas Aid Limited, 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 Aid Limited.

During the year under SFI received rental income of £94,444 (2021 - £80,000) from Barnabas Aid. At 31 December 2022 £4,360 was owed to Barnabas Aid.

Rosemary Sookhdeo is a connected party as she is a trustee of Barnabas Aid Limited, 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.

An interest in possession trust (The Enfield Property Trust) was created during the year ended 31 December 2017 in respect of the investment property at 106 St Marks Road held by the charity. This trust determined 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 bore responsibility for maintaining the property and in this year incurred various property related expenditure totalling £nil (2021 - £12,360). During the year SFI paid £12,000 (2021 - £12,000) in order to assist the Sookhdeos in continuing their ministry in line with SFI's objectives. Also during the year SFI paid £488,598 as a grant to Patrick and Rosemary Sookhdeo from the proceeds of the sale of 106 St Marks Road, the aforementioned property.

Nexcus International

An organisation incorporated in the USA and which has taken on the role of grant-making for the entities within the Barnabas Family of charities with effect from 1 April 2017 shares some common directors with SFI. A grant of £835,975 (2021 - £1,000,000) was made by Nexcus 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 (2021 - the same) from this organisation. The subsidiary of SFI, Pewsey Trading Company Limited, which is consolidated within these financial statements charged Nexcus International £74,500 for providing cleaning services to the entity in 2022 (2021 - £71,500).

Included in creditors for both the charity and the group is £151,476 (2021 - £nil) owing to Nexcus.

Barnabas Fund (Australia) Ltd

An original loan in the sum of A\$568,000 (2021 - £304,978 when translated) was made to Barnabas Fund (Australia) Ltd. In 2015 a further loan of A\$600,000 (2021 - £322,160 when translated) was advanced to Barnabas Fund (Australia) Ltd. Both loans were repaid in the year following the sale of the properties. A\$1,238,667 was paid into the bank account of SFI (£711,489 when translated) for both loans, with the surplus of A\$70,667 accounted for within investment income.

SERVANTS FELLOWSHIP INTERNATIONAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

In 2021 a further loan of A\$979,000 (£551,169 when translated) (£525,657 - 2021) 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.

Wholly owned subsidiary companies

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 (2021 - £2,779). £821,975 is recorded in programme related investments relating to monies advanced by SFI to PTC to facilitate the initial acquisition and subsequent further investment in PTC's new subsidiary, - Klesis Global Private Limited, a company registered in India.

Other related party transactions

Legal fees of £11,402 were paid to Wilson Bramwell Ltd, a company in which Robert Minors, a trustee of SFI, is a director.

29. Post balance sheet events

In December 2023 the charitable company and group realised the sale of a property included within Programme Related Investments at 31 December 2022 for a price of £720,000.