

**SERVANTS FELLOWSHIP INTERNATIONAL**

**(A company limited by guarantee)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**CONTENTS**

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	Page
<b>Reference and administrative details of the company, its Directors and advisers</b>	1
<b>Directors' report</b>	2 - 6
<b>Directors' responsibilities statement</b>	7
<b>Independent auditors' report on the financial statements</b>	8 - 11
<b>Statement of financial activities</b>	12
<b>Balance sheet</b>	13 - 14
<b>Statement of cash flows</b>	15
<b>Notes to the financial statements</b>	16 - 36

**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 2023**

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<b>Directors</b>	Mr J R Frith Mr H W Storm (resigned 4 May 2023) Mr R Minors (resigned 7 January 2025) Dr D R J P Phillips Mr N R Frost (appointed 4 May 2023, resigned 14 June 2024) Mr J Borowicz (appointed 7 January 2025)
<b>Company registered number</b>	1437414
<b>Charity registered number</b>	280859
<b>Registered office</b>	34 Victoria Avenue Harrogate North Yorkshire HG1 5PR
<b>Independent auditors</b>	Griffin Stone Moscrop & Co Chartered Accountants 21-27 Lamb's Conduit Street London WC1N 3GS
<b>Bankers</b>	Barclays Bank plc Level 27 One Churchill Place London E14 5HP
<b>Solicitors</b>	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 2023**

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The directors (who are also the trustees) present their annual report together with the audited financial statements of the charitable company for the year 1 January 2023 to 31 December 2023. 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.

As the gross income for 2023 for the group that this charity is a parent of was less than £1million, as permitted by charity law, the trustees have decided to prepare the 2023 financial statements for the charity on a stand-alone basis rather than on the group basis.

## **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 14 to the financial statements addresses this risk and the collection of research materials benefits from most of the measures in place for heritage assets.

In addition the trustees have identified further issues as described later in this report that have occurred in 2023 and which potentially pose a risk to the charity's assets and way in which it fulfils its objects.

## **OBJECTIVES AND ACTIVITIES**

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

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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 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 2023**

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## **FINANCIAL REVIEW**

The result of the charity's financial activities for the year is shown on page 11 with the balance sheet shown on page 12 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 financial position of 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 12 - 15. 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 currently held in the group and company's bank accounts.

### **Reserves policy**

The total funds of the charity at 31 December 2023 amounted to £8,435,231 compared to £8,140,872 at 31 December 2022. To facilitate understanding of the reserves of the charity, the charity has designated reserves to support both the property and the social and programme related investments of the charity and set aside a proportion of its general fund to cover the costs of major repairs to its property estate. These reserves are outlined as follows:-

#### **Designated reserves**

##### **Library fund**

This fund represents the net book value of the Moscrop Research Library of £1,101,324 (2022 - £1,129,806) 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 £173,768 (2022 - £157,274) 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 £67,791 were made and accordingly a transfer of this amount has been made to the fund from the general fund with depreciation charged in the year being included as an expense decreasing the carrying value of the

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

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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Research Materials Fund.

**Texts and Artefacts Fund**

This fund represents the net book value of £869,020 (2022 - £869,020) 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 £178,548 (2022 - £182,799) 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 £2,788,913 (2022 - £3,169,312) as the value of this fund cannot be realised without disposing of freehold buildings, one of which was sold during the year under review.

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

These funds represent the value of programme related loans £523,215 (2022 - £551,169). 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 £5,782 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.

**Risk management and current challenges faced by the charity**

The current trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are reviewing their analysis to ensure that satisfactory systems and procedures are in place to mitigate the charity's exposure to the major risks identified earlier in this report.

The trustees want to record that an independent international law firm authorised by Nexcus International completed a comprehensive investigation in April 2024. The investigation report was submitted to the Charity Commission, and we are now awaiting their findings. This investigation was not authorised or approved by the board of Servant Fellowship International.

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

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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As part of the investigation referred to above, the former International CEO, trustee, and treasurer of Servant Fellowship International, Mr N R Frost, was dismissed in June 2024 from all roles he held within the related organisations. The Trustees also want to record that the former treasurer did not present the previous 2022 finance report to the board for approval before it was finalised and submitted.

The trustees, particularly the chair based in the UK, have not had access to his office at the Pewsey SFI property since the investigation was commenced. Nexcus International has been asked for the SFI documents required for the investigation and this report. It is also important to mention that, when writing this report, the SFI library at the Pewsey property does not have a librarian to uphold its charitable objectives and is closed to the public. These decisions were made without the knowledge of, or any consultation with, the SFI board.

The trustees are also mindful of the possible negative impact since the balance sheet date of the news that the Charity Commission opened a statutory inquiry in December 2024 under s46 of the Charities Act 2011, arising from a statutory inquiry that it originally opened into Barnabas Aid Limited (charity number 1092935) a charity which is related by reason of shared trustees and historic relationships of working together to achieve similar objects.

The Trustees acknowledge that whilst the inquiry is taking place, the Charity Commission have placed a restriction on the level at which the charity is permitted to make payments for any items which are not related to the running of the charity's payroll. As a consequence approval is required to be sought from the Commission before paying any transactions that are individually in excess of £2,500. The Trustees continue to fully cooperate with the Commission as they carry out this ongoing inquiry and are committed to improving the governance of the charity with due regard to any advice and guidance from the Commission.

**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 company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

Griffin Stone Moscrop & Co were appointed as auditors to the company for the year ended 31 December 2023. 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:



**Dr D R J P Phillips**  
(Chair of Trustees)  
Date: 6/3/2025



**SERVANTS FELLOWSHIP INTERNATIONAL**

**(A company limited by guarantee)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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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 . 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 company and of its incoming resources and application of resources, including its 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 company will continue in business.

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Emphasis of matter**

We draw attention to note 26 of the financial statements which describes events of note that have occurred since the balance sheet date that could impact on the way in which the charity operates. Our opinion is not modified in respect of this matter.

## **SERVANTS FELLOWSHIP INTERNATIONAL**

**(A company limited by guarantee)**

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

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#### **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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The 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;
- 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)**

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Use of our report**

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

*Richard Hill*

**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: 6/3/2025

**SERVANTS FELLOWSHIP INTERNATIONAL****(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
<b>Income from:</b>					
Donations and legacies	3	<b>4,020</b>	-	<b>4,020</b>	928,040
Investments	4	<b>250,889</b>	-	<b>250,889</b>	297,317
Other incoming resources	5	<b>320,611</b>	-	<b>320,611</b>	-
<b>Total income</b>		<b>575,520</b>	-	<b>575,520</b>	1,225,357
<b>Expenditure on:</b>					
Charitable activities	7	<b>404,728</b>	-	<b>404,728</b>	924,559
<b>Total expenditure</b>		<b>404,728</b>	-	<b>404,728</b>	924,559
<b>Net income before net gains on investments</b>		<b>170,792</b>	-	<b>170,792</b>	300,798
Net gains on investments		<b>123,652</b>	-	<b>123,652</b>	66,473
<b>Net income</b>		<b>294,444</b>	-	<b>294,444</b>	367,271
Transfers between funds	19	<b>515,975</b>	<b>(515,975)</b>	-	-
<b>Net movement in funds</b>		<b>810,419</b>	<b>(515,975)</b>	<b>294,444</b>	367,271
<b>Reconciliation of funds:</b>					
Total funds brought forward		<b>7,624,812</b>	<b>516,060</b>	<b>8,140,872</b>	7,773,601
Net movement in funds		<b>810,419</b>	<b>(515,975)</b>	<b>294,444</b>	367,271
<b>Total funds carried forward</b>		<b>8,435,231</b>	<b>85</b>	<b>8,435,316</b>	8,140,872

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

The notes on pages 16 to 36 form part of these financial statements.

**SERVANTS FELLOWSHIP INTERNATIONAL****(A company limited by guarantee)****REGISTERED NUMBER: 1437414****BALANCE SHEET  
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	<b>1,484,158</b>	1,510,568
Heritage assets	14	<b>869,019</b>	869,019
Programme related investments	15	<b>4,134,100</b>	4,542,455
Investment property	13	<b>1,500,000</b>	1,343,942
		<b>7,987,277</b>	8,265,984
<b>Current assets</b>			
Debtors	16	<b>33,285</b>	21,930
Cash at bank and in hand		<b>832,860</b>	38,754
		<b>866,145</b>	60,684
Creditors: amounts falling due within one year	17	<b>(418,106)</b>	(185,796)
<b>Net current assets / liabilities</b>		<b>448,039</b>	(125,112)
<b>Total assets less current liabilities</b>		<b>8,435,316</b>	8,140,872
<b>Net assets excluding pension asset</b>		<b>8,435,316</b>	8,140,872
<b>Total net assets</b>		<b>8,435,316</b>	8,140,872
<b>Charity funds</b>			
Restricted funds	19	<b>85</b>	516,060
Unrestricted funds			
Designated funds	19	<b>7,755,773</b>	7,490,174
General funds	19	<b>679,458</b>	134,638
Total unrestricted funds	19	<b>8,435,231</b>	7,624,812
<b>Total funds</b>		<b>8,435,316</b>	8,140,872

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

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2023**

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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:



**Dr D R J P Phillips**  
(Chair of Trustees)  
Date: 6/3/2025

The notes on pages 16 to 36 form part of these financial statements.



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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(90,004)</b>	346,558
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>250,889</b>	297,317
Purchase of tangible fixed assets and heritage assets	<b>(67,791)</b>	(127,413)
Purchase of investment properties	-	(1,343,942)
Proceeds from sale of investment properties	-	500,000
<b>Net cash provided by/(used in) investing activities</b>	<b>183,098</b>	<b>(674,038)</b>
<b>Cash flows from financing activities</b>		
Cash inflows from realisation of programme related investments	<b>701,012</b>	627,138
Loan to subsidiary to finance acquisition of programme related investment	-	(821,975)
<b>Net cash provided by/(used in) financing activities</b>	<b>701,012</b>	<b>(194,837)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>794,106</b>	<b>(522,317)</b>
Cash and cash equivalents at the beginning of the year	<b>38,754</b>	561,071
<b>Cash and cash equivalents at the end of the year</b>	<b>832,860</b>	38,754

The notes on pages 16 to 36 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 2023**

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#### **1. General information**

Servants Fellowship International (SFI) is established as a company limited by guarantee and is registered in England and Wales under Company Number 1437414. The company is also a registered as a 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 charitable company is the parent of a small group and as the gross income of the group for 2023 was below £1m, there is no requirement to prepare consolidated financial statements for this year. Accordingly the financial statements disclose the results and financial position of the charity as a stand-alone entity.

##### **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 2023**

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**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 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 company's objectives, as well as any associated support costs.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. Accounting policies (continued)**

**2.5 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

**2.6 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 2023**

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**2. Accounting policies (continued)**

**2.7 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 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 in the comparative year included a property which is owned by Servants Fellowship International and which was made available to Barnabas Aid Limited.

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 comparative year 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.

During the year under review the charity sold its freehold property which had previously been categorised within programme related investments. This resulted in a profit on disposal, which is required by the SORP to be reported within Other income.

Properties held 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 considered that it was not practicable to carry out a professional valuation each year to determine the market value of the buildings concerned, but did believe that the market value would be in excess of the carrying value within the accounts. This was borne out by the profit realised on sale of this property in the year.

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.

**2.8 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.

**2.9 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 2023**

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**2. Accounting policies (continued)**

**2.10 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.

**2.11 Financial instruments**

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

**2.12 Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.13 Fund accounting**

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**3. Income from donations and legacies**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	420	-	420	34,909
Donations from other related parties	3,600	-	3,600	893,131
	4,020	-	4,020	928,040
	92,065	835,975	928,040	
Total 2022				

**4. Investment income**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rental income	240,987	240,987	248,443
Income from realising programme related investments	-	-	40,591
Loan interest	9,902	9,902	8,283
	250,889	250,889	297,317
	297,317	297,317	
Total 2022			

**5. Other incoming resources**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Profit on sale of property held within Programme Related Investments	320,611	320,611	-

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**6. Analysis of grants**

	<b>Grants to Institutions 2023 £</b>	<b>Grants to Individuals 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Charitable activities	-	63,600	<b>63,600</b>	521,598
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total 2022	<u>20,000</u>	<u>501,598</u>	<u>521,598</u>	

Grants to institutions in 2022 include £15,000 to Maranatha School and £5,000 to Saltshakers.

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

**Summary by fund type**

	<b>Unrestricted funds 2023 £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Charitable activities	404,728	<b>404,728</b>	924,559
	<u>          </u>	<u>          </u>	<u>          </u>
Total 2022	<u>924,559</u>	<u>924,559</u>	



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**8. Analysis of expenditure by activities**

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	63,600	341,128	<b>404,728</b>	924,559
	<u>63,600</u>	<u>341,128</u>	<u>404,728</u>	
Total 2022	521,598	402,961	924,559	
	<u>521,598</u>	<u>402,961</u>	<u>924,559</u>	

**Analysis of support costs**

	Total funds 2023 £	Total funds 2022 £
Staff costs	<b>43,733</b>	52,107
Depreciation	<b>94,201</b>	81,680
Travelling expenses	<b>4,057</b>	-
Communication and office costs	<b>3,389</b>	4,209
Repairs and maintenance costs	<b>46,539</b>	9,842
Insurance	<b>52,180</b>	41,697
Other overhead expenses	<b>4,783</b>	7,692
Legal and professional fees	<b>9,759</b>	63,664
Realised loss on sale of investment property	-	55,000
Consultancy costs	<b>59,710</b>	70,380
Governance costs	<b>22,777</b>	16,690
	<u>341,128</u>	<u>402,961</u>
	<u>341,128</u>	<u>402,961</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**9. Auditors' remuneration**

The auditors' remuneration accrued for in the financial statements amounts to an auditor fee of £9,000 (2022 - £6,000), and fees for the preparation of the financial statements of £9,600 (2022 - £5,640).

**10. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Staff costs (including employer's NI and pension costs)	<b>47,910</b>	57,157

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Staff	<b>1</b>	2

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

The staff costs for Servants Fellowship International relate to recharged staff costs which are principally for the librarian who is engaged to work by Nexcus International but whose time is spent in supporting the work of SFI.

**11. Directors' remuneration and expenses**

During the year, no directors received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no director expenses have been incurred (2022 - £NIL).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**12. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Library books £	Total £
<b>Cost or valuation</b>						
At 1 January 2023	1,636,651	19,090	94,799	3,206	2,894,837	4,648,583
Additions	-	-	-	-	67,791	67,791
At 31 December 2023	1,636,651	19,090	94,799	3,206	2,962,628	4,716,374
<b>Depreciation</b>						
At 1 January 2023	324,046	13,883	59,319	3,206	2,737,561	3,138,015
Charge for the year	32,733	1,301	8,870	-	51,297	94,201
At 31 December 2023	356,779	15,184	68,189	3,206	2,788,858	3,232,216
<b>Net book value</b>						
At 31 December 2023	1,279,872	3,906	26,610	-	173,770	1,484,158
At 31 December 2022	1,312,605	5,207	35,480	-	157,276	1,510,568

SERVANTS FELLOWSHIP INTERNATIONAL  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 January 2023	1,343,942
Surplus on revaluation	156,058
At 31 December 2023	<u>1,500,000</u>

A commercial property was purchased on 24 January 2022 and rental income started being earned on it during 2022. The trustees have estimated that the open market value at 31 December 2023 of this asset is £1.5m and accordingly in compliance with the SORP this uplift in the valuation has been reflected within the 2023 financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. Heritage assets**

**Assets recognised at cost**

	<b>Texts and artefacts 2023 £</b>	<b>Total 2023 £</b>
Carrying value at 1 January 2023	869,019	<b>869,019</b>
	<u>869,019</u>	<u><b>869,019</b></u>

**Analysis of heritage asset transactions**

	<b>2023 £</b>	<b>2022 £</b>	<b>2021 £</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Purchases</b>					
Texts and artefacts	-	8,793	5,173	43,529	21,188
<b>Total additions</b>	<u>-</u>	<u>8,793</u>	<u>5,173</u>	<u>43,529</u>	<u>21,188</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 2023**

**15. Programme related investments**

	Programme related investments £	Total £
<b>Cost or valuation</b>		
At 1 January 2023	4,542,456	4,542,456
Disposals	(380,401)	(380,401)
Revaluations	(27,955)	(27,955)
	<u>4,134,100</u>	<u>4,134,100</u>
<b>Impairment provision</b>		
	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2023	<u>4,134,100</u>	<u>4,134,100</u>
At 31 December 2022	<u>4,542,456</u>	<u>4,542,456</u>

Programme related investments are further analysed below:

**Carried within the company**

	Property 2023 £	Loans 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Tangible fixed assets	2,788,910	-	-	2,788,910	3,169,312
Loans to support overseas entities	-	523,215	-	523,215	551,169
Subsidiary companies	-	821,974	1	821,975	821,974

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**15. 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. During this year one of its properties with a net book value brought forward of £380,401 was sold.

**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.

In 2021 a loan of A\$979,000 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 2023 in accordance with the accounting policy and this equates to a carrying balance of £523,215 (2022 - £551,169). The net foreign exchange loss arising of £27,954 (2022 - £25,512 gain) 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 (PTC), a company limited by shares, registered in England and Wales. Company Number 04414938, is a wholly owned subsidiary. As at 31 December 2023 the company had a deficit on capital and reserves of £5,931 (2022 - deficit £52,132), however after eliminating liabilities that PTC owes back to SFI it has net assets at 31 December 2023 of £835,954. The investment of £821,975 in PTC the company, represents a £1 investment in PTC share capital and £821,974 of long-term loan made to PTC. PTC in turn in 2022 invested £826,989 in Klesis Global Private Limited.

**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. 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.

At 31 March 2024 the audited balance sheet of Klesis Global Private Limited when converted into £ at an appropriate exchange rate showed this company had net assets valued at approximately £867,000.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**16. Debtors**

	<b>2023</b>	2022
	£	£
<b>Due within one year</b>		
Trade debtors	<b>393</b>	10,134
Amounts owed by group undertakings	<b>13,979</b>	2,779
Other debtors	<b>1,477</b>	4,741
Prepayments and accrued income	<b>17,436</b>	4,276
	<u><b>33,285</b></u>	<u>21,930</u>

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

	<b>2023</b>	2022
	£	£
Trade creditors	<b>2,826</b>	-
Other creditors	<b>353,734</b>	155,836
Accruals and deferred income	<b>61,546</b>	29,960
	<u><b>418,106</b></u>	<u>185,796</u>

**18. Financial instruments**

	<b>2023</b>	2022
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<u><b>832,860</b></u>	<u>38,754</u>

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 2023**

**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Library Fund	1,129,806	-	(28,482)	-	-	1,101,324
Research Materials Fund	157,276	-	(51,297)	67,791	-	173,770
Text and Artifacts Fund	869,020	-	-	-	-	869,020
International Study Centre	182,799	-	(4,251)	-	-	178,548
Programme Related Buildings Fund	3,169,314	-	-	(380,401)	-	2,788,913
Programme Related Loans	551,169	-	-	-	(27,954)	523,215
Programme Related Subsidiaries	1	-	-	-	-	1
Major repairs fund	110,789	-	(5,782)	-	-	105,007
Swindon Investment Property	1,320,000	-	-	23,943	156,057	1,500,000
Programme Related Loan to Subsidiary	-	-	-	515,975	-	515,975
	<u>7,490,174</u>	<u>-</u>	<u>(89,812)</u>	<u>227,308</u>	<u>128,103</u>	<u>7,755,773</u>
<b>General funds</b>						
General fund	134,638	575,520	(314,916)	288,667	(4,451)	679,458
<b>Total Unrestricted funds</b>	<u>7,624,812</u>	<u>575,520</u>	<u>(404,728)</u>	<u>515,975</u>	<u>123,652</u>	<u>8,435,231</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
<b>Restricted funds</b>						
Restricted Fund	85	-	-	-	-	85
Building projects	515,975	-	-	(515,975)	-	-
	<u>516,060</u>	<u>-</u>	<u>-</u>	<u>(515,975)</u>	<u>-</u>	<u>85</u>
<b>Total of funds</b>	<u><u>8,140,872</u></u>	<u><u>575,520</u></u>	<u><u>(404,728)</u></u>	<u><u>-</u></u>	<u><u>123,652</u></u>	<u><u>8,435,316</u></u>

The purpose of holding the various respective material funds is set out in the trustees' report.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**20. Summary of funds**

**Summary of funds - current year**

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds	7,490,174	-	(89,812)	227,308	128,103	7,755,773
General funds	134,638	575,520	(314,916)	288,667	(4,451)	679,458
Restricted funds	516,060	-	-	(515,975)	-	85
	<u>8,140,872</u>	<u>575,520</u>	<u>(404,728)</u>	<u>-</u>	<u>123,652</u>	<u>8,435,316</u>

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

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,484,158	-	1,484,158
Investment property	1,500,000	-	1,500,000
Heritage assets	869,019	-	869,019
Programme related investments	4,134,100	-	4,134,100
Current assets	686,060	180,085	866,145
Creditors due within one year	(238,106)	(180,000)	(418,106)
<b>Total</b>	<u>8,435,231</u>	<u>85</u>	<u>8,435,316</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	<b>294,444</b>	367,271
<b>Adjustments for:</b>		
Depreciation charges	<b>94,201</b>	81,680
Dividends, interests and rents from investments	<b>(250,889)</b>	(297,317)
Loss on the sale of investment property	-	55,000
Decrease/(increase) in debtors	<b>(11,355)</b>	8,099
Increase in creditors	<b>232,310</b>	157,336
Unrealised investment (gains)/losses	<b>(128,104)</b>	(25,511)
Profit on sale of property held in programme related investments	<b>(320,611)</b>	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(90,004)</b>	346,558

**23. Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash in hand	<b>832,860</b>	38,754
<b>Total cash and cash equivalents</b>	<b>832,860</b>	38,754

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

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	<b>38,754</b>	<b>794,106</b>	<b>832,860</b>
	<b>38,754</b>	<b>794,106</b>	<b>832,860</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**25. Related party transactions**

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

**Barnabas Aid Limited** (formerly known as Barnabas Fund)

Barnabas Aid Limited, a company limited by guarantee, company registration number 4029536 and charity registration number 1092935.

During the year under SFI received rental income of £116,667 (2022 - £94,444) from Barnabas Aid. At 31 December 2023 £5,305 (2022 - £4,360) was owed to Barnabas Aid.

**Nexcus International**

An organisation incorporated in the USA which with effect from 1 April 2017 has taken on the role for the entities within Barnabas Fund International of distributing project grant payments. As SFI and Nexcus International have previously shared some common directors it is considered that these entities should be disclosed as related, although they are governed independently. During the year under review SFI received rental income of £120,000 (2022 - the same) from this organisation. Grants of £835,975 were made in 2022 by Nexcus International with £320,000 to facilitate the acquisition of the company's investment property in Swindon and £515,975 to support the charity investing in Klesis Global Pvt Limited, via its subsidiary, Pewsey Trading Company Limited. No such grants were made in 2023.

Charges totalling £38,323 were incurred and paid over to Nexcus in respect of items categorised as property maintenance costs that were deemed to be expenditure of SFI. Charges totalling £7,495 were incurred and paid over to Nexcus in respect of items categorised as legal and professional fees that were deemed to be expenditure of SFI.

Included in creditors is £348,429 (2022 - £151,476) owing to Nexcus.

**Barnabas Fund (Australia) Ltd**

In 2021 a loan of A\$979,000 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 2023 in accordance with the accounting policy and this equates to a carrying balance of £523,215 (2022 - £551,169). 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.

In the comparative year two loans that had originally been made to Barnabas Fund (Australia) Limited were repaid following the sale of the properties upon which they were secured. 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.

**The Reconciliation Trust**

Dr D R J P Phillips was a trustee of The Reconciliation Trust until December 2024. During the year under review this charity gave a donation of £3,600 to TBF Trust (2022 - nil).

**SERVANTS FELLOWSHIP INTERNATIONAL****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**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 is £13,979 due from this company (2022 - £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**

Rosemary Sookhdeo is a connected party as she is a trustee of TBF Trust, and has in recent times been a trustee of 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 as well as a trustee of TBF Trust.

The trustees agreed to pay £40,000 (2022 - £12,000) in grants in order to assist the Sookhdeos in continuing their ministry in line with SFI's objectives. In 2022 SFI paid £488,598 as a grant to Patrick and Rosemary Sookhdeo from the proceeds of the sale of 106 St Marks Road, an investment property that had originally been donated to the charity several years before from a charity that had similar charitable objects to SFI.

Caroline Kerslake is a connected party by virtue of her trusteeship of TBF Trust and also having served as a trustee of Barnabas Aid Limited. The trustees agreed to pay £20,000 (2022 - nil) in a grant in order to assist her in her ministry in line with SFI's objectives.

Legal fees of £5,427 (2022 - £11,402) were paid to Wilson Bramwell Ltd. Robert Minors, who was a trustee of SFI during the year and up to January 2025, is a director of Wilson Bramwell Ltd.

**26. Post balance sheet events**

In early 2024 the charity received a donation of a managed investment portfolio from a connected charity KITI Almond Foundation (K.A.F.), an organisation incorporated in Cyprus to promote and further the principles of international peace, friendship and understanding across all nations. The value at 5 April 2024 of the investment portfolio donated was circa £9.7m.

The trustees want to record that an independent international law firm authorised by Nexcus International completed a comprehensive investigation in April 2024. The investigation report was submitted to the Charity Commission, and we are now awaiting their findings. This investigation was not authorised or approved by the board of Servant Fellowship International. Following this investigation, the former International CEO, trustee, and treasurer of Servant Fellowship International, Mr N R Frost, was dismissed in June 2024 from all roles he held within the related organisations.

The trustees are also mindful of the possible negative impact since the balance sheet date of the news that the Charity Commission opened a statutory inquiry in December 2024 under s46 of the Charities Act 2011, arising from a statutory inquiry that it originally opened into Barnabas Aid Limited (charity number 1092935) a charity which is related by reason of shared trustees and historic relationships of working together to achieve similar objects.

The Trustees acknowledge that whilst the inquiry is taking place, the Charity Commission have placed a restriction on the level at which the charity is permitted to make payments for any items which are not related to the running of the charity's payroll. As a consequence approval is required to be sought from the Commission before paying any transactions that are individually in excess of £2,500. The Trustees continue to co-operate with the Commission as they carry out this ongoing inquiry and are committed to improving the governance of the charity with due regard to any advice and guidance from the Commission.