



Stewardship American Donor Fund UK Limited

Trustees' Report and Financial Statements
for the year ended 31 December 2021

Registered charity number 1180678

Company registration number 11532453

Charity Information, Trustees and Advisors

Stewardship American Donor Fund UK Limited is a Private Limited Company registered in England and Wales as a company (number 11532453) and registered with the Charity Commission for England and Wales (number 1180678).

The Charity operates under the name of Stewardship America.

Registered Office

1 Lamb's Passage, London EC1Y 8AB

Trustees

The following served as directors (collectively referred to as trustees) for the year ended 31 December 2021, and up to the date of approval of the accounts, except where stated otherwise:

Lewis John Jackson

Gareth Eoin Burns

John Stephen Riches

Paul Anton Imbaraj Nicholas (resigned 24 February 2022)

Company Secretary

Janie Oliver (appointed 4 March 2021)

Auditor

Crowe UK LLP
55 Ludgate Hill London EC4M 7JW, UK

Banker

Lloyds Bank Plc
Black Horse House, Progression Centre, 42 Mark Road, Hemel Hempstead HP2 7DW

Investment Manager

JP Morgan
3 Lochside View, Edinburgh EH12 9DH

Solicitor

Withers LLP
20 Old Bailey, London EC4M 7AN

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Trustees' Report for the year ended 31 December 2021 including the Strategic Report (incorporating The Directors' Report)

Stewardship American Donor Fund UK Limited (the Charity) is registered with the Charity Commission in England and Wales (number 1180678) and is a Private Limited Company, with share capital, registered in England and Wales as a company (number 11532453). It is governed by its Memorandum and Articles of Association and operates under the name of Stewardship America. The directors are collectively referred to as the trustees in this report.

The trustees present their report, incorporating the strategic report, together with the audited Financial Statements of the Charity for the year from 1 January 2021 to 31 December 2021.

Strategic report

Objectives and Activities

The charitable objects of Stewardship America are to advance the Christian faith and to advance other charitable purposes.

Stewardship America carries out its objectives by encouraging and providing effective charitable giving solutions for those exposed to both the US and the UK tax systems, primarily US citizens who live in the UK. The Charity operates a dual-qualified donor advised fund, which allows qualifying donors to give with the benefit of both UK and US tax relief and then request donations to Christian and other charitable causes in the UK, the US and overseas.

Public benefit

Stewardship America provides public benefit by making charitable grants. The aim of the Charity is to encourage, support and develop the work of charities in the UK, the USA and elsewhere in the world by providing a range of services which ensure the most effective handling and distribution of charity funds.

When reviewing the Charity's aims and objectives, in planning future activities and setting the grant making policy, the trustees paid due regard to the guidance issued by the Charity Commission, HM Revenue & Customs and the US Internal Revenue Services.

Achievements and Performance

In 2021, despite the unexpected continuation of the pandemic, resulting in an uncertain economic situation and a lack of in-person networking for the second year in a row, Stewardship America received an encouraging £3.2m of Gifts In. We are still feeling the impact of the sudden halt of publicising and networking in this crucial start up stage, which prevented us from getting our foot in the door and building on the success of our first year of inception.

A key focus in 2021 was conducting a piece of market research with an independent organisation, Eido Research. There were several important findings from this research, and we believe it will enable us to better understand our target market and their needs, to ensure our service meets those needs. We believe this piece of work will be a real springboard for the coming year as we make decisions about how and where to focus our resources.

One of the exciting opportunities that developed in 2021 was our partnership with TrustBridge Global Network. In 2020, Stewardship America entered into an agreement with TrustBridge to help

Trustees' Report (continued)

us better facilitate grants to recipients outside the UK, provide a more efficient service for our clients and, ultimately, release more funds more quickly to create impact. In 2021, TrustBridge decided to use Stewardship America to help facilitate donations from its US donors to UK churches and charities. This will enable Stewardship America to increase its turnover, reach and impact as a charity.

Our aims for next year

We have recently recruited an experienced Relationship Manager who will have a specific focus on networking, building relationships and bringing new clients on board for Stewardship America and we're excited to see the impact this will have. The Relationship Manager will be employed by Stewardship Services (UKET) Limited, with a recharge being made to the Charity.

Using the findings from Eido Research, we plan to reach out to specific groups including professional advisers, churches with high proportions of US citizens in their congregations and charities who may have major donors that could benefit from this service.

We aim to publicise the service more widely and grow the client base of Stewardship America to increase its charitable impact. This will enable our operations to run without ongoing financial support from Stewardship Services (UKET) Limited.

We will continue to learn and be intentional about understanding our market so we can solidify our offering and present ourselves well in relevant spaces. We know it will take time to build a strong market presence and client base, particularly with the delayed marketing capabilities over the last two years. Whilst this is a niche offering, the potential to maximise donations for those who pay tax in both UK and US is considered a significant opportunity and we look forward to growth in the coming years.

Financial Review

Prior period change in financial year end

The prior reporting period was 15 months (1 October 2019 – 31 December 2020), making it challenging to make a direct comparison with the current 12-month period (1 January 2021 – 31 December 2021). Therefore, to make the following commentary as useful as possible, we have commented on the current results against the actual prior year results presented in the Financial Statements as well as estimated an annualised equivalent 12-month figure, to have a more meaningful comparable figure of performance against the prior year. To do this we have applied a multiple of 0.8 to the results for the prior period.

Income

In 2021, the third reporting period for the Charity, income from donations was £3.2m. This includes a grant of £110k from Stewardship Services (UKET) Limited. Excluding the inter-company grant, this is a decrease of 17.9% compared to the prior reporting period. However, compared to the annualised equivalent figure for the prior year (£3m), income from donations increased by 2.6%. Compared to the annualised prior year figure, this is an encouraging result, after the decline in donations reported in the previous year, which was due to the large one-off gift of shares received in the first year of operation.

Expenditure

Grants out totalled £3.1m and were principally related to donations received in the same period. The significant decrease from grants out of £20m in the prior reporting period (£16m on an

Trustees' Report (continued)

annualised basis) is because those grants were a distribution of exceptional donations carried forward from the 2018/2019 reporting period.

Unrestricted charitable expenditure for the year totalled £74k. This is an increase of 30% and 62% when compared to the prior reporting period and annualised figure respectively. The increase was predominantly due to staff and marketing recharges from Stewardship Service (UKET) Ltd as we aim to raise awareness of the Charity.

Fund balances

Restricted fund balances at 31 December 2021 were £713k compared to £767k in the prior reporting period. These funds represent donor balances, where the donor has yet to recommend to Stewardship America where they wish the funds to be granted.

Unrestricted fund balances, which fund the running costs of the Charity, were £94k compared to £31k at 31 December 2020. The increase is due to a £110k grant from Stewardship Services (UKET) Limited in 2021.

Structure, governance and management

Structure

The Charity is a wholly owned subsidiary of Stewardship American Donor Fund US, Inc, (SADF-US) a corporation registered in the US State of Delaware with file number 6991071 and a US 501(c)(3) public charity with Employer Identification Number (EIN) 83-2161455.

The Charity has made a US tax election to be treated as a part of SADF-US so that a donation to the Charity is treated as a gift to SADF-US for US tax purposes. Given the Charity's UK charitable status, a donation to it may also be eligible for relief under UK tax legislation relating to gifts to charities.

Stewardship America is part of a family of charities alongside Stewardship Services (UKET) Limited, who provides the Charity with administrative and managerial services. The trustees also gratefully acknowledge the financial support provided by Stewardship Services (UKET) during this start-up phase of their operations. Details of related party transactions are included in note 6 and explanation of parent entity note 14.

Recruitment of Trustees

Under the articles of the Charity, the trustees of Stewardship America have the power to appoint new or additional trustees to its board subject to approval by Stewardship Services (UKET) Limited. Trustees are required to subscribe to the Charity's Statement of Christian Beliefs. The induction and training programme for new trustees covers the vision, mission and values of the Charity and the roles and responsibilities of trustees under charity law.

Operations and decision making

Stewardship America does not have any employees of its own. Administrative services are provided by Stewardship Services (UKET) Limited on the terms of a tripartite agreement and under the supervision of the trustees of Stewardship America and SADF-US.

Trustees' Report (continued)

Stewardship America and SADF-US are permitted to use the 'Stewardship' brand under the terms of the tripartite agreement.

Stewardship America and SADF-US each have a majority of trustees who are independent of Stewardship Services (UKET) Limited, so that any conflicts of interest can be properly managed.

None of the trustees has an interest in the shares of the company or in any associated entity.

The trustees have taken out indemnity insurance cover.

Share capital

The Charity's authorised share capital of one ordinary share of £1 was issued at par upon incorporation and is held by SADF-US.

Risk management

The Charity's risks are managed through a risk register which is reviewed by trustees. The principal risks faced by the Charity have been identified as:

Risk Title	Risk Description	Management
Investment and Liquidity Risk	Volatile economic conditions have the potential to adversely impact the value of the investments, particularly Gifts In in the form of shares.	Liquidity is managed by the trustees and Executive Finance team who monitor cash flow and risk, ensuring we use highly credit rated organisations. Any losses in gifted shares or the impact of foreign exchange are borne by specific restricted funds and are therefore segregated from the general funds of the Charity. When we undertake the sale of gifted shares we ensure donors are fully informed throughout the process. Any subsequent gain or loss when the shares are sold is reflected in the donor's giving balance.
Reputational Risk	<p>Reputational risk is the risk of an adverse event resulting in damage to our reputation, leading to lost revenue or increased operating, capital or regulatory costs.</p> <p>We protect our standing and reputation by being a sound and trusted organisation, ensuring a positive client experience whilst complying with all legal and regulatory requirements.</p>	<p>We continue to build and protect our standing by ensuring our values are embedded in our staff and external communications. We listen to and act on feedback, including complaints, to ensure we strive to deliver the best possible service to our customers.</p> <p>We have compliance policies and programmes to assist with extensive risk-based due diligence procedures which seek to mitigate the risk of contentious gifts being accepted and our grants being misapplied.</p>
Maintain public charity	The USA requires the charity to achieve a broad spread of givers within five years of initial	Embedding and monitoring a growth strategy to promote the service, with an aim to enhance

Trustees' Report (continued)

status in the US	registration to ensure it meets US public charity status. The Covid Pandemic has negatively impacted the Charity's performance, resulting in a time constraint to achieve the required results and to ensure the public charity status is maintained.	<p>awareness through appropriate networks, relational connections and media content.</p> <p>Deliberate investment in staff and resources to enhance the marketing of the service, with aims to increase our customer reach and enable us to meet our US public charity status requirement within 5 years of becoming registered as a public charity in the US (which was in 2019).</p> <p>Fee structures have been adjusted to maximise the attraction of the service to a donor profile that will assist meeting the US public charity status requirement.</p>
IT and Cyber Security Risk	In common with other organisations, cyber-attacks remain a constant threat to the integrity and availability of our systems and data.	There are ongoing security and resilience enhancements to strengthen the IT systems and infrastructure within the Charity's service partner. In addition, there is continued awareness raised internally around IT and Cyber Security risks, and controls and training are provided to relevant individuals.

Grant making policy

The Charity supports cross-border tax effective giving by enabling donors liable for tax in both the UK and the USA to obtain tax relief in both countries on their charitable giving. Donors can request, but they may not direct, how the trustees distribute their donation. This may be to organisations carrying out charitable activities anywhere in the world.

Each grant request is reviewed having regard for grant making guidance issued by the Charity Commission, HM Revenue & Customs and the US Department of the Treasury and Internal Revenue Service. If a donor's request is not in accordance with issued guidance, then steps are taken to ensure that the funds are paid to an organisation with similar charitable objects.

The trustees seek feedback from the beneficiary charities on the use of grants received and achievements made to monitor the effective use of grants.

Funds received to support grant making are held as restricted funds pending distribution to beneficiary charities. Grants are only made based on funds currently held in donor balances and no grants are awarded in anticipation of future income.

Going concern and Reserves

The Charity's activities, together with its financial position and plans for its future development and performance, have been described in this report. The Charity's reserve policy is to hold unrestricted reserves to cover running costs for 3 months. At 31 December 2021, unrestricted reserves were £94k, which comfortably exceeds 3 months worth of budgeted running costs (approximately £54k).

Trustees' Report (continued)

In 2020, Stewardship Services (UKET) Limited agreed, if required, to financially support Stewardship America Donor Fund UK Limited during its start-up phase. This took the form of an unsecured loan of £260k at an interest rate of 4% to cover up to 2 years of expenditure, with no repayments due before June 2022.

In 2021, a £110k grant was made to the Charity by Stewardship Services (UKET) Limited to cover budgeted expenditure until December 2022, at which time the progress and financial position of Stewardship America would be reassessed. In addition, the Stewardship Services (UKET) Limited trustees have agreed to extend the unsecured loan offer for an amount of £330k (to cover expenditure from January 2023 to July 2024) at an interest rate of 4%, with no repayments due before June 2023.

Therefore, the Charity's aims and objectives can continue to be developed and the trustees have a reasonable expectation that the Charity should have sufficient resources to continue its operations and meet its liabilities as they fall due for at least twenty-four months from the date of signing of this report. Consequently, these Financial Statements have been prepared on a going concern basis.

We are grateful for the ongoing financial support from Stewardship Services UKET Limited during this start-up phase of the Charity.

Fundraising statement

Stewardship America is registered with the Fundraising Regulator. A Relationship Manager has been hired into Stewardship Services (UKET) Limited with a focus raising awareness of Stewardship America. While Stewardship America does provide marketing information, the aim of these documents is not to raise funds for its purposes but to promote its services in order to fulfil its objective.

No third-party professional was employed to engage in such fundraising activities during the period.

Stewardship America did not receive any formal complaints during the year in respect of any fundraising activities.

The costs of fundraising for Stewardship America in the reporting period was £13k.

Investment powers and policy

The trustees may invest giving account balances held at their discretion. Any resulting investment income or capital growth shall form part of its general charitable funds. The trustees need to ensure investments are made in a diversified portfolio of assets that are suitable to risk and liquidity requirements. Ethical and sustainable investment approaches shall be applied where possible and appropriate, to limit exposure to companies with operations in areas that are contrary to the Christian faith.

Funds are held predominately in cash deposit accounts in both GBP and USD. A high level of liquidity is maintained to ensure grants can be made promptly at the request of account holders. Money market deposit accounts may be used with counterparties with a credit rating of A- and above, for notice periods not exceeding 6 months.

Trustees' Report (continued)

For more significant giving account balances, the trustees may, at the request of the account holder, invest the balance through nominated investment options. The financial gains and losses, including any interest or dividends (less any management fees and transaction costs) from the investments are allocated to the client's giving account from which grants are made. These investments are made at the trustees' discretion with ongoing oversight.

For clients who wish to make a gift of shares, due diligence will be undertaken with ethical and risk considerations prior to accepting the gift. The gifted shares are usually sold promptly upon receipt with the realised net proceeds allocated to the client's giving account from which grants are made.

Related parties

Stewardship Services (UKET) Limited provides the Charity with administrative and managerial services. Details of the related parties and the transactions with these entities during the year are included in note 6 to the accounts.

Post balance sheet events

There have been no significant post balance sheet events.

Trustees' Report (continued)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Strategic Report, the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these Financial Statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial Statements are published on the Stewardship Services (UKET) Limited website, www.stewardship.org.uk in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The trustees are responsible for the maintenance and integrity of the corporate and financial information relating to the Charitable Company included on that website. The trustees' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Auditor

Each person who is a trustee at the date of approval of this report confirms that:

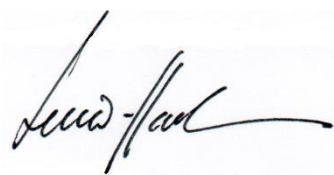
1. so far as the trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
2. the trustees have taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint auditors of the Charity and authorising the board to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

Trustees' Report (continued)

Approved by the trustees on 8 July 2022 and signed on their behalf

A handwritten signature in black ink, appearing to read 'Lewis John Jackson', written over a light grey rectangular background.

Lewis John Jackson

Trustee

Date 8 July 2022

Auditor's report

Independent Auditor's Report to the Members of Stewardship American Donor Fund Limited

Opinion

We have audited the Financial Statements of Stewardship American Donor Fund limited (the "charitable company") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the Financial Statements, 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 2021 and of 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 Auditor's 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 UK, including the FRC'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 trustee's 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other

Auditor's report (continued)

information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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 trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the Financial Statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Financial Statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related Financial Statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were fundraising regulations, taxation legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the Financial Statements from irregularities, including fraud, to be within the timing and recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading regulatory reports and minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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 the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

14 July 2022

Stewardship American Donor Fund UK Limited

Statement of Financial Activities

(incorporating the Income and Expenditure Account)

	Notes	12 months to December 2021			15 months to December 2020		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:							
Donations	2	137	3,102	3,239	16	3,796	3,812
Investments	3	-	-	-	10	-	10
Total income		137	3,102	3,239	26	3,796	3,822
Expenditure on:							
Raising funds		(13)	-	(13)			
Grants	4	-	(3,143)	(3,143)	(20)	(19,969)	(19,989)
Charitable activities	5	(61)	(13)	(74)	(47)	(145)	(192)
Total expenditure		(74)	(3,156)	(3,230)	(67)	(20,114)	(20,181)
Net gains on investments	10	-	-	-	-	141	141
Net (expenditure) / income		63	(54)	9	(41)	(16,177)	(16,218)
Net movement in funds		63	(54)	9	(41)	(16,177)	(16,218)
Reconciliation of funds							
Total Funds brought forward		31	767	798	72	16,944	17,016
Total Funds carried forward		94	713	807	31	767	798

All transactions arise from continuing operations.

All gains and losses are included above.

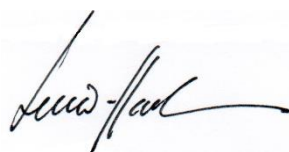
The notes on pages 20 to 26 form part of these Financial Statements.

Stewardship American Donor Fund UK Limited

Balance Sheet

	Notes	31 Dec 21 £'000	31 Dec 20 £'000
Current assets			
Debtors	7	67	65
Cash at bank and in hand		773	767
Total current assets		840	832
Liabilities			
Creditors: amounts falling due within one year	8	(33)	(34)
Total liabilities		(33)	(34)
Net current assets		807	798
Total net assets		807	798
The funds of the Charity:			
Restricted funds	9, 11	713	767
Unrestricted funds	9, 11	94	31
Called up share capital	10	-	-
Total funds		807	798

Approved and authorised for issue by the Board of Trustees
on 8 July 2022 and signed on its behalf



Lewis John Jackson

Trustee

Date 8 July 2022

Company registration number 11532453

The notes on pages 20 to 26 form part of these Financial Statements

Cash flow statement

for the year 1 January to 31 December 2021 (2020: 1 October 2019 to 31 December 2020)

	2021 £'000	2020 £'000
Cash flows from operating activities		
Net cash provided/(used in) by operating activities	6	(8,612)
Cash flows from investing activities:		
Dividends and interest from investments	-	10
Net cash utilised by investing activities	-	10
Change in cash and cash equivalents in the reporting period	6	(8,602)
Cash and cash equivalents at the beginning of the reporting period	767	9,369
Cash and cash equivalents at the end of the reporting period	773	767
Reconciliation of net income to net cash flows from operating activities		
Net income / (expenditure) for the reporting period	9	(16,218)
Adjustments for:		
Decrease in current asset investments	-	7,640
Dividends and interest from investments	-	(10)
Increase in debtors	(2)	(53)
(Decrease)/increase in creditors	(1)	29
Net cash provided/(used in) by operating activities	6	(8,612)
Analysis of cash and cash equivalents		
Cash at bank	773	767
Total cash and cash equivalents	773	767

Analysis of changes in cash and cash equivalents

	At start of period £'000	Cash-flows £'000	Foreign exchange movements £'000	At end of period £'000
Cash	767	20	(14)	773
Total	767	20	(14)	773

The notes on pages 20 to 26 form part of these Financial Statements

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

1) Accounting Policies

The principal accounting policies and judgements used in the preparation of the Financial Statements are:

a) Basis of preparation

These Financial Statements have been prepared in accordance with applicable United Kingdom law and UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, (as issued by the Financial Reporting Council), the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Companies Act 2006 and the Charities SORP 2019 (FRS 102).

Stewardship American Donor Fund Limited is a UK Charitable Company incorporated in the UK and registered with the Charity Commission for England and Wales.

The Charity meets the definition of a public benefit entity under FRS 102.

b) Going concern

The trustees have reviewed the financial position, plans, reserves and risk management of the Charity and believe, given the financial support provided by Stewardship Services (UKET) Limited, it has adequate resources to continue operations for the foreseeable future and therefore support the preparation of these Financial Statements on a going concern basis.

In 2021, a £110k grant was made to the Charity by Stewardship Services (UKET) Limited to cover budgeted expenditure until December 2022, at which time the progress and financial position of Stewardship America would be reassessed. In addition, the Stewardship Services (UKET) Limited trustees have agreed to extend the unsecured loan offer (previously made in 2020) for an amount of £330k (to cover expenditure from January 2023 to July 2024) at an interest rate of 4%, with no repayments due before June 2023.

Therefore, the Charity's aims and objectives can continue to be developed and the trustees have a reasonable expectation that the Charity should have sufficient resources to continue its operations and meet its liabilities as they fall due for at least twenty-four months from the date of signing of this report.

c) Income recognition

Donations and gifts are recognised in the statement of financial activities usually in the period they are received or, if appropriate, when any requested conditions have been met. Where a donation or gift is made with a valid Gift Aid declaration, the Gift Aid is recognised in the period in which the original donation or gift was made.

Non-cash gifts are recognised at their valuation on the date of the gift.

All other income is recognised on an accruals basis and included in the Statement of Financial Activities when the Charity is entitled to the income. This includes all earned investment income and fee income on services provided by the Charity.

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

d) Expenditure

- i. Grants to charitable causes principally represent the payments made following the expression of wishes made by our givers, from their Stewardship America accounts. These are recognised in the accounts on receipt of the givers' expression of wishes, provided that Stewardship America has completed the appropriate due diligence and financial assessment checks on the charitable cause nominated. Where Stewardship America has followed a donor's request and allocated funds to a recipient's account, Stewardship America continues to have discretion to decline to make payment, if circumstances have changed between the allocation of funds and payment date. However, the trustees are of the view that in most cases this is unlikely to occur and therefore the accounts include amounts yet to be paid to the recipient as a liability.
- ii. Raising Funds includes costs incurred in seeking donation income and is accounted for on an accruals basis.
- iii. Other expenditure in the furtherance of charitable objects is accounted for on an accruals basis. Where expenditure does not fall clearly into one category, costs are apportioned by headcount.
- iv. Governance costs include the cost of the audit, trustees' expenses and the staff costs associated with directly supporting trustees' meetings.
- v. Fund management charges are charged directly to the investment and reflected in closing asset valuations.

e) Current asset investments

Current asset investments are assets held pending sale and are measured at their estimated net realisable value at the balance sheet date.

f) Debtors

Trade and other debtors are measured on the basis of their recoverable amount.

g) Money market deposits

Money market deposits are held as part of Stewardship America's investment allocation of total assets. These are generally fixed term and notice deposits of up to one year but can also include instant access savings accounts which generate additional investment income and liquidity.

h) Cash at bank and in hand

Cash at bank and in hand is held to meet the day-to-day running costs of the Charity as they fall due.

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

i) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt or pay for services or goods received.

j) Reserves

- i. Unrestricted funds are available to cover the cost of running the Charity.
- ii. Restricted funds are comprised of gifts received into the Charity's Giving Accounts. Donors at some future date will express preferences as to how these funds may be granted out to specific recipient causes. Upon approval of the preferences the grant payments will be made. Until such a time the funds are held as restricted within Stewardship America's accounts.

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

2) Donations

	12 months to December 2021			15 months to December 2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000
Gifts	27	2,703	2,730	16	3,060	3,076
Gift aid tax	-	399	399	-	717	717
Gift from Stewardship Services (UKET) Limited	110	-	110	-	19	19
	137	3,102	3,239	16	3,796	3,812

3) Investment income

	12 months to December 2021			15 months to December 2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000
Interest on money market deposits	-	-	-	10	-	10

4) Grants

	12 months to December 2021			15 months to December 2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000
Stewardship Services (UKET) Limited	-	3,122	3,122	-	19,969	19,969
Stewardship American Donor Fund US Inc.	-	-	-	20	-	20
Other	-	21	21	-	-	-
	-	3,143	3,143	20	19,969	19,989
Number of grants made:						
Stewardship Services (UKET) Limited	-	21	21	-	25	25
Stewardship American Donor Fund US Inc.	-	-	-	1	-	1
Other	-	7	7	-	-	-
	-	28	28	1	25	26

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

5) Analysis of expenditure on charitable activities

	12 months to December 2021			15 months to December 2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000	Funds £'000
Governance costs	11	-	11	7	-	7
Professional costs	49	-	49	38	-	38
Other costs	-	-	-	2	-	2
Exchange rate losses	1	13	14	-	145	145
	61	13	74	47	145	192

Net income for the period is stated after charging:

Auditors' remuneration: audit	6	-	6	6	-	6
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6) Related Party transactions

During the period Stewardship Services (UKET) Limited made an unrestricted grant of £110,000 to the Charity (2020 £18,544) and recharged staff and support costs of £40,113 (£24,302).

Grants totalling £3,121,907 were made to Stewardship Services (UKET) Limited (2020 £19,969,000). No grants were made to Stewardship American Donor Fund Inc. (2020 £20,000).

Closing balances due to Stewardship Services (UKET) Limited at the year end were £25,810.

During the reporting period, no trustees received any remuneration or reimbursement of expenses relating to their duties as trustees.

To ensure the Charity's remains viable, Stewardship Services (UKET) Limited has agreed to make available, if required, an amount of £330k (equating to budgeted operating costs from January 2023 to June 2024) via an unsecured loan at an interest rate of 4% with no repayments due prior to 30 June 2023.

7) Debtors: due within one year

	31 Dec 21 £'000	31 Dec 20 £'000
Gift aid tax receivable	50	60
Prepayments and accrued income	17	5
	67	65

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

8) Creditors: amounts falling due within one year

	31 Dec 21 £'000	31 Dec 20 £'000
Accruals and deferred income	29	6
Amounts owed to Group undertakings	4	28
	33	34

9) Analysis of charitable funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Balance 1 January 2021	31	767	798
Income	137	3,102	3,239
Expenditure	(74)	(3,156)	(3,230)
Balance 31 December 2021	94	713	807

Gifts received into Stewardship America Giving Accounts

Donors at some future date will request funds to be granted out to specific recipient causes. Upon approval of the request, the grant payment will be made. Until such a time the funds are held as restricted within Stewardship America's Financial Statements.

Analysis of charitable funds – prior year

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Balance 1 October 2019	72	16,944	17,016
Income	26	3,796	3,822
Expenditure	(67)	(20,114)	(20,181)
Net gains on investments	-	141	141
Balance 31 December 2020	31	767	798

10) Shareholder's funds

	31 Dec 2021 £	31 Dec 2020 £
Authorised, allotted, called up and fully paid: 1 Ordinary share of £1	1	1

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

11) Analysis of net assets by fund

	12 months to December 2021			15 months to December 2020		
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Debtors	16	51	67	5	60	65
Cash at bank and in hand	101	672	773	60	707	767
Other creditors	(23)	(10)	(33)	(34)	-	(34)
Total net assets	94	713	807	31	767	798

12) Indemnity insurances

Stewardship America has taken out indemnity insurance cover for trustees. Premiums due for the policies during the period totalled £2,127 (period to 31 December 2020 £2,417).

13) Taxation

The trustees consider that Stewardship America meets the Charity tests set out in Part 1 Schedule 6 Finance Act 2010 and accordingly is potentially exempt from taxation in respect of income or capital gains within categories covered by 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. No tax charge arose in the period.

14) Parent entity

All of the Charity's issued share capital is owned by Stewardship American Donor Fund US Inc.

The Charity's trustees are appointed by its existing trustees subject to approval by Stewardship Services (UKET) Limited (UK registered charity number 234714). Stewardship American Donor Fund US Inc. is the Charity's controlling entity and the smallest group into which the Charity is consolidated.

Stewardship American Donor Fund US Inc. is a US 501(c)(3) public charity recognised by the US Internal Revenue Service. It is incorporated in the State of Delaware and its headquarters are located at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), DE 19801, USA.

Three trustees, by virtue of the office they hold for Stewardship Services (UKET) Limited, are the members of Stewardship American Donor Fund US Inc. The appointment of additional members and the removal of members can be made by Stewardship Services (UKET) Ltd at any time. The consolidated accounts of Stewardship Services (UKET) Ltd, which under accounting guide lines includes the results of Stewardship America Donor Fund UK Limited and Stewardship America Donor Fund US Inc, can be obtained from their registered address at 1 Lamb's Passage, London EC1Y 8AB.