

Annual Report

2019–2020



CLOTHED WITH LOVE

At the beginning of the first lockdown, we launched our Rapid Response Fund to aid grass-roots response to individuals and communities in need. One of the recipients was Harper Church in the centre of Glasgow. Located five minutes from the Home Office, around 4,000 asylum seekers and refugees are placed within a mile of the church building for their initial accommodation each year.

Harper Church made a connection with a local clothing factory and with part of the £20,000 granted by the Rapid Response Fund ran a day for refugees and asylum seekers to come along, have a snack and a chat and collect the clothes they needed. In the summer, they issued clothing vouchers paid for by the fund.

One family who benefited had absolutely nothing and felt incredibly lonely and isolated, they had nothing and wondered where their next meal would come from. The couple and their young baby had fled from their country of origin with just the clothes they stood up in. The wife came to the clothing event where she was given nappies, clothes and formula milk. The warm welcome and finding friends encouraged her to start attending church. She comes nearly every week and has now asked to join a Bible study group with the cross-cultural worker. Relationships are being built between the family and the church community. The husband's original antagonism towards Christianity is decreasing. None of this would have happened without the clothing day made possible by the Rapid Response Fund.


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The period at a glance

Timeline of Stewardship's extraordinary 15-month period



December 2019	Mission Christmas appeal raises nearly £0.5m giving each individual Christian worker a gift of £200.
December 2019	Brand refresh project begins.
February 2020	40acts 10th anniversary campaign commences.
March 2020	New brand direction and plan agreed at trustee away day.
March 2020	Stewardship closes office and moves to home working.
March 2020	Country moves into lockdown.
March 2020	Investment in Kingdom Bank completes, through Lamb's Passage Holding Limited.
March 2020	Stewardship creates webinars for church treasurers and charities as they grapple with closures, lack of income and furloughing staff. Over 500 church treasurers sign up for our first webinar.
March 2020	Rapid Response Fund launches and within 100 days, £5.37 million is raised and 101 grants made to 95 organisations.
April 2020	Furlough scheme launches and Stewardship supports hundreds of charities and churches making claims for vital support.
June 2020	New Chief Technology Officer joins.
August 2020	Global Rapid Response Fund launches to highlight amazing work of Christians around the world to respond to poverty, crisis and Covid-19.
December 2020	Publication of the Eido report on the impact of the Rapid Response Fund – '...the RRF achieved its primary goal of helping the Church and gospel-inspired charities to deliver an immediate and lasting impact as they proactively responded to the pandemic.'
December 2020	Stewardship win the STEP award for Philanthropy Team of the Year.
POST PERIOD END	
February 2021	New Chief Financial Officer joins.
April 2021	Launch of refreshed Stewardship brand, website and customer platform.

Message from our Chair of Trustees

Simon Blake



Thank you for taking the time to read our annual report and for taking an interest in our work which covers a 15-month period to our new December reporting date.

Our prayers go out to all of those who are suffering, grieving and healing at this time of global crisis. We honour the health professionals and key workers who have looked after the sick, kept us safe and ensured we had all we really needed. We give thanks to God for His chosen instrument of hope – the local church, and thereby give thanks to all of the local churches and generous Christians who stepped up to love their neighbours in this difficult time.

In the following pages we will tell our own story of 2020: how we made sure our team were safe at home, what we did to help others and how we have started to embrace the ‘new normal’ that lies ahead. But I hope you see something else in this. I pray you see our witness of how truly generous the Christian community is and how much local churches have done to become the fourth emergency service in these times.

During 2020 we have expanded our trustee body to bring the expertise needed to support our journey towards becoming a distinctively digitally enabled relational platform for active generosity and stewardship. Our board welcomed the ‘fintech’ expertise of Mike Bugembe, Sunil Rajan and Curt Hopkins. We deepened our expertise of how our people and our clients can inhabit this new more digital world by welcoming Jen Charteris of Crosslands Theological Training and Ange Pattico, the Chief People Officer of MVP, a digital

marketing organisation that won the Sunday Times best place to work award in 2019. We also deepened our investment expertise with the appointment of James Ward of Rathbones. We give thanks for the amazing contribution of those trustees who retired during 2020 – Heather Grizzle who acted as vice chair, Helen Senior, who chaired the Audit & Risk Committee, Grace Broadhurst, who was with us for a short while but had to step down due to ill health and Michael Wright, who had joined Stewardship with the Maxco merger in 2007, all of whom are being missed significantly.

We also completed the investment of Kingdom Bank with a number of other Christian investors, some investing through their Stewardship philanthropy accounts. We are delighted to have led this project to safeguard Kingdom Bank as the only UK bank focussed on serving Christian churches and church workers, and enabling Christians to invest their savings with a missional focus in the work of the church. Stewardship controls a 35.5% investment in Lamb’s Passage Holding Limited (LPHL), the new holding company of Kingdom Bank. Stewardship has three of the nine director positions of LPHL, recognising our interest. Jeremy Marshall and I are delighted to represent LPHL as observers on Kingdom Bank’s board.

As we move forward to 2021 we have refreshed our brand and now step forward into the recovery phase of this crisis with a renewed vigour to serve generous Christians and active stewards to grow God’s kingdom.

Message from our CEO

Stewart McCulloch



Before I joined Stewardship in August 2018 I worked for World Vision's micro-finance organisation. My focus there was on how we could ensure poor farming families could recover their livelihoods from disasters as swiftly and surely as possible. When I joined Stewardship I grieved leaving the world of disaster response and recovery as something I had left behind. How wrong I was.

The greatest privilege of my role at Stewardship is to bear witness to God's work amongst 40,000 generous Christians, 4,000 churches, 6,000 Christian charities and 2,500 individual mission workers. What I saw this year was overwhelming! I witnessed generosity increase. I saw our amazing Church feed the hungry, comfort the grieving and rise to the challenge of the biggest crisis in our nation for over 300 years. Our story is just a tiny little part of this much bigger story of the Christian community rising to the challenges and needs of this season.

On 18 March 2020 we moved Stewardship to home working. It will be over 15 months that we will have been an entirely home-based organisation and we will never return to being the fully office-based organisation we once were. In fact, as we have started to recruit in lockdown we have been able to turn this to our advantage and access a much wider catchment area than our London base used to allow us.

Once safely working from home our thoughts turned to helping others. My dear friend, Dr John Kirkby CBE, the founder of CAP, and I were praying at the time and reflected that we wanted to say something positive to our grandchildren about what we had done during this crisis. At Stewardship we all did all we could to make our clients, partners and families proud of our efforts:

1. In the first 100 days of the crisis we launched the Rapid Response Fund and helped generous Christians give over £5m directly and through match funding to 100 churches and charities to bring practical help and gospel hope to over a million people. This had a huge impact with over two million food parcels, 100 abused women given refuge and thousands of vulnerable children supported. But we could not have imagined how profoundly encouraging this was to the causes we came along side until we evaluated the programme later in 2020 and saw that almost all the programmes we funded were operating long after our initial contribution had run out.
2. Church finances were hit hard as cash donations and face-to-face events stopped. Rental and retail income dried up overnight. Our church and charity lending team and the team at our sister organisation Kingdom Bank worked tirelessly to rearrange loan payments to give relief to hundreds of struggling churches. Our giving team helped church leaders move their giving online.
3. I was one minute late for our first webinar on the furlough scheme but could not get in because more church leaders had tried to join than our zoom licence allowed. Three webinars later over 1,400 church leaders had received the information they needed. Our Covid-19 information site has been an invaluable source of information for churches and charities and we have helped over 300 churches make their furlough claims and so maintain their financial viability.

4. We stewarded our own resources with great care as you might expect of Stewardship. We immediately sought to review our entire risk register and to define key areas where we could reduce risk. We activated our contingency plan but also developed a plan B and a plan C just in case things deteriorated further. Our amazing trustees met frequently until we were completely sure of our footing. I confess that I miss my Chair of Trustees ringing me every day to see how we were doing.
5. As the first wave of Covid-19 passed our thoughts turned to the plight of those most affected across the global church and we launched the Global Rapid Response Campaign. We heard from Christians in Beirut on how they were coping with a failing state, a gigantic explosion at their harbour and Covid-19. We heard similar heart-breaking testimony from hard-pressed Christians in Nigeria, Yemen and India of how traumatic it was to face persecution, pandemic and crisis; but in every case all they talked about was how they were helping others. We listened and reached out to them a hand of friendship with a few coins to help them in their mission.
6. Our team coped well with the first lockdown, we accepted the second lockdown but the third lockdown was always going to be the hardest. The pressures of working alone, home schooling and our busy work lives affected our team deeply. We are a committed, energetic and positive bunch, but the winter of 2020 could not have been harder for us. We give thanks for the resilience of our team as we emerge now into the spring of 2021.
7. Having seen first hand the contribution of local churches and the generosity of the Christian community we started to look ahead beyond the second wave to the recovery ahead. We had been talking to church and national leaders for some time on the role of the Church in the recovery ahead. So again we stepped forward and in place of our usual 40acts lent campaign we worked with Your Neighbour to create the Give Hope campaign, our third Rapid Response initiative. Through this we revealed the role of the Church in supporting vaccination, vulnerable children, financial crisis, mental health, employability and support for youth.



GLOBAL RAPID RESPONSE FUND WEBINAR



'After the massive explosion in Beirut, amongst the chaos, I hear so many stories on the streets of people sharing miracles of how God protected them. But now there is so much need: Beirut is destroyed and homes shattered. So many countries have come together to help rebuild Beirut and this is such a comfort for me and I see God's hand within us.'

Nuna Matar from Triumphant Mercy Lebanon reported on the aftermath of the harbour explosion in Beirut in the first Global Rapid Response Webinar.

With the change of leadership and direction in 2019 and the refining experiences of 2020 a new Stewardship has emerged. We are becoming a place for the actively generous Christian to come for tools to realise their heart for gospel-inspired transformational change. We are becoming a place for churches, mission workers and Christian charities to come to mature their active stewardship of their God-given resources. We are becoming a place where these two communities can come together in Christian fellowship, build lasting relationships and together grow God's kingdom.

In 2019 we launched our philanthropy offering and in 2020 won the STEP award for Philanthropy Team of the Year. In 2020 we responded to Covid-19 and completed a root and branch refresh of our generosity platform. In 2021 we revealed what we have become and set out to truly serve all generous Christians, thereby to serve the Church.

In 2020 we were delighted to welcome our new Chief Technology Officer, Brett Mickelburgh. Brett is already making a huge difference as we move to fully embrace a digital platform strategy. Our new Chief Financial Officer, Janie Oliver, joined us in February 2021 to bring a fresh look to how we look at our own stewardship and particularly to provide a more sophisticated 'social investor' view of our balance sheet management.

You will have now seen that in April 2021 we refreshed our branding. This was no cosmetic exercise; it is truly symbolic of something much deeper. This is a revelation of what Stewardship has become and how we intend to serve the Christian community as it seeks to express God's love in active generosity and stewardship of the resources He has put in our care.

A HIGHLIGHT OF LOCKDOWN FOR ONE GIVER

'The webinars have been one of the highlights of this strange lockdown period. So helpful and inspiring and they have introduced me to some exciting work that the Lord is doing globally through dedicated servants. We meet regularly to pray for global issues and the persecuted Church and now have more projects to pray for. A wonderful initiative on the part of Stewardship at this time.

God bless you all, Eve.'



Photo credits: Tearfund



Message from our CFO

Janie Oliver



I'm thrilled to have joined the Stewardship team in February 2021 and am privileged to look back on the past year's financial performance, which in so many ways is a testament to the generosity of Christians across the UK. In a difficult year for so many, Stewardship saw our gifts increase on a like-for-like comparison as we saw generosity flourish in the face of a global pandemic. Our Rapid Response Funds, investment in our giving accounts and give.net, and investment in the Philanthropy Services team all helped to drive both new givers beyond 40,000 and increased levels of giving amongst existing givers during the year.

We made the decision to change our financial year end from September to December, in order to simplify our reporting and align our reporting dates with our sister organisation Kingdom Bank. This change in year end means 2020 figures include 15 months of actuals (1 October 19 – 31 December 20) whereas 2019 includes 12 months (1 October 18 – 30 September 19). Throughout the financial review commentary to follow, we've therefore commented on both the actual results presented in the financial statements, as well as calculated an annualised equivalent 12-month figure for the current financial year, in order to have a more meaningful comparable figure to contrast performance against the prior year.

Despite the challenges of the past year, the story of 2020's gifts in is an amazing one of growth in generosity. When the first lockdown hit us all in March 2020, the community of Christians we serve stepped up and we saw giving increase in the most remarkable way, in spite of the economic uncertainty.

We saw a number of larger gifts by philanthropic families be delayed by the crisis; but we remain expectant that we

can help philanthropists with future exceptional, large one-off gifts as the recovery commences. The pandemic also affected our ability to develop Stewardship America in the way we had hoped over 2020, as many of the traditional routes to grow a presence in this very relational community we had worked so hard to enter in 2019 were closed to us. As relational opportunities open up in 2021, we look forward to continuing to grow this area of the Stewardship family.

The nature of some of the larger one-off exceptional acts of generosity, such as the ones received in 2019, is that by their very nature they are as infrequent as they are transformational. If the one-off exceptional gifts received in 2019 are removed to aid comparison, and if we compare annualised like-for-like growth rather than growth over financial periods, then gifts coming into Stewardship grew by 17% in 2020.

We have been innovators in the field on taking non-cash gifts. Last year (2019) we saw some exceptionally large gifts in shares during a time of meaningful stock market adjustments and a volatile pound which resulted in recognised losses on sale and conversion to sterling. However, as they were included in donors' giving accounts, these losses had no impact on our general reserves. These losses made in these specific circumstances overshadowed the investment gains on the remainder of our wider portfolio last year. This year, without those same exceptional circumstances, and through very careful management and a number of additions to the managed accounts portfolio, our investments have performed well, resulting in gains (realised and unrealised) of £7.7m.

As we continued to adapt to the impact of reducing interest rates over the last decade we made the strategic decision

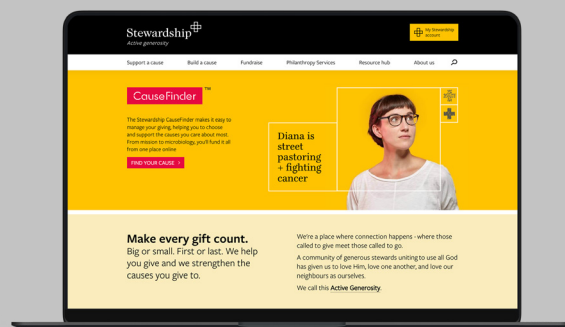
to change our pricing structures for the first time in a decade in 2019. Whilst our headline rate remained static and fell for larger donations the removal of certain capped fees meant that our fees better represented our costs and value added. Having run these for a full year we are now making modest adjustments to reflect what we have learnt, including the first increase to our headline rate for small donations for over a decade, from 3% to 3.5%. Prices are more transparent, segment appropriate and offer incredible value for money as one of the cheapest in the market, allowing us to earn income for the value we create; we have thereby eliminated a historic over reliance on investment income.

We are going through a season of investing surplus unrestricted reserves in our technology, brand and people to build a Stewardship fit for the future to better serve our customers and increase the flow of funds into the Church and Christian community, running a carefully managed deficit as we do so. We have plans and targets in place to move from this deficit position to a surplus position by 2023, having transformed Stewardship into a digitally enabled charity that can provide its customers with all of the tools that leading and larger charities provide, thereby crucially adding value every step of the way to our donors and recipients. Our recent brand refresh and the underlying transformation of our customer-facing systems is the first step in this journey.

Key to delivering our strategy is our investment in our people. We grew our headcount by 12% over the period as we invested in our capabilities across our organisation; to deliver the refreshed Generosity Services platform revealed recently, a huge amount of enabling, 'behind the scenes' work on our technology platform, and strengthened our Partnership and Philanthropy Services teams.

We will now continually invest, year in and year out, in our technology platforms to enable us to serve our customers and grow our impact going forward, and Ritz Steytler, Chair of the IT and Digital Strategy Committee, has set out more about our journey towards a digital revolution and just why it is so important (see box inset).

Before joining Stewardship, I had the privilege of leading a Christian charity whose mission is to help Christians connect their faith and financial choices. How do we as Christians use the entirety of our resources to bring about God's kingdom on earth? I'm now delighted to be at Stewardship, where over the coming year we will embark on a strategic financial review, examining how we utilise the entirety of our resources, including our whole balance sheet, to more fully achieve our mission as Stewardship and as a community of 40,000 generous Christians. While we have begun this journey with a number of social investments, I look forward to working together to do more, further increasing resources to benefit kingdom causes.



Stewardship is on an ambitious journey of technology-led transformation, from a traditional transactional service provider to becoming an innovative and digital-orientated organisation at the cutting edge of giving and receiving between Christians and the causes they care about.

In recent years, digital transformation has become increasingly important as companies strive to keep up with technological innovation. The Covid-19 pandemic has undoubtedly accelerated the pace, as our lives, from shopping to entertainment to work, have moved online.

However, this acceleration of digital initiatives is about building long-term foundational capabilities to make a genuine impact in a much smarter and more sustainable way.

Stewardship's journey is more digital revolution than evolution, to create a flexible and sustainable digital infrastructure and team to enable the next phase of innovation for the organisation.

A relaunched 'digital-first' Stewardship will deliver:

- 1 A refreshed brand and visual identity which amplifies our voice and position in the Christian marketplace.
- 2 Products that are a pleasure to use and create customer journeys that are joined up and delightful for the new and lifetime giver.
- 3 Accelerated product development cycles and a transformed technology environment through which and on which all of these can be delivered.

Starting with our new CTO's recruitment in 2020, these initiatives are making excellent progress, and we are looking forward to seeing them come to fruition in 2021 and beyond.

Ritz Steytler
Chair of the IT and
Digital Strategy
Committee



Who we are

For over 100 years we've helped Christians, charities and churches maximise generosity, fulfil their vision and make a difference.

In 1906 Stewardship was established by a group of Christian philanthropists, church planters and evangelists to steward generous gifts and financial support to Christian ministries in the UK and overseas.

Our methods have changed since then but our mission remains the same. Today, we help over 40,000 people give more than £100 million each year to 4,000 churches, 6,000 charities and 2,500 individual mission workers.

Our vision:

for the world to encounter Jesus through the generosity of His Church

Our mission:

to transform generosity, by making giving easy, inspiring greater generosity and strengthening Christian causes

Our values:

at our core, as believers in Jesus Christ, are the biblical values of:

Generosity *Relationship*

Integrity *Excellence*

Our theology:

we see a role described for Stewardship as the unnamed brother

*'Along with Titus, we are sending the **brother** who is praised by all the churches for his work in the gospel. More than that, this brother was chosen by the churches to accompany us with the offering – the gracious gift we administer to honour the Lord Himself and to show our eagerness to help.'*

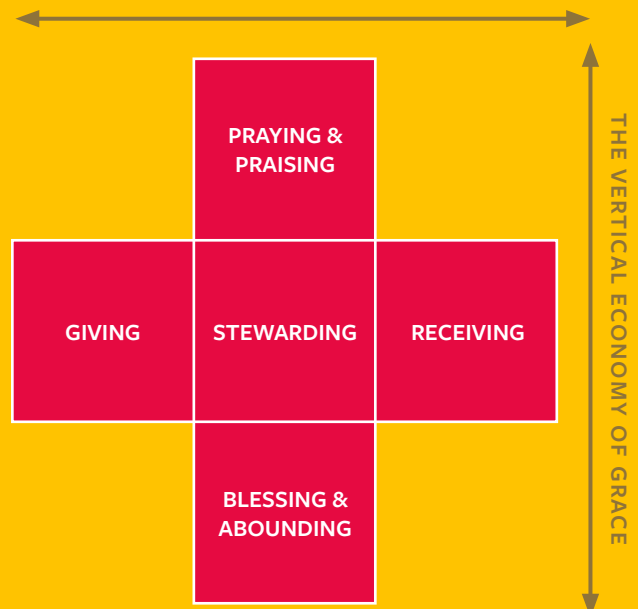
(2 Corinthians 8:18-19)

In 2 Corinthians 8 and 9 Paul writes about two economies:

1. A horizontal economy that includes human generosity.
2. A vertical economy of grace that includes abounding joy.

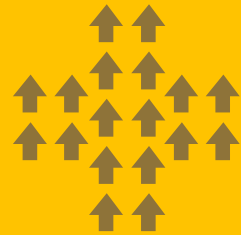
In this biblical context we see ourselves as the unnamed brother who encourages, supports and administers gifts in a way that is pleasing to God and man.

THE HORIZONTAL ECONOMY OF GENEROSITY



'For we are taking great care to do what is right, not only in the eyes of the Lord, but also in the eyes of men.'

(2 Corinthians 8:21)



Our
period
in review





Generosity Services

In 2020 our
community of givers
grew from **35,000**
to over **40,000**.

Our ambition is to help Christians make every gift count, releasing even more funds to Christian causes. Over the past year, we focussed on a major transformation of our services, including the establishment of a new compelling brand identity that would reposition Stewardship as a lifetime partner for generous Christians, passionate about giving and supporting the causes that they love.

To properly serve our community we know we need to be pioneers, to create 'best in class' giving products, campaigns and experiences which will release new generations into an abundant life of radical Christian giving.

As the country entered lockdown in March 2020, we remained optimistic that the remarkable community of Christians we serve would continue to give generously in spite of the economic uncertainty that the pandemic created. Throughout the remainder of the year we saw one-off gifts made by card on give.net hit record highs, with significant spikes in April and December eclipsing any amounts raised previously on the platform.

With both our giving accounts and give.net platform growing so well in 2020, and galvanised by the work under way on our new identity, we took the bold decision to start a process of uniting all of our digital products under one platform.

The new platform, www.stewardship.org.uk, has been entirely rebuilt to provide rich and engaging experiences, bringing together the stability and security of our giving accounts with the activism and engagement of our give.net platforms, which will be the bedrock on which we build our growth plans for years to come.





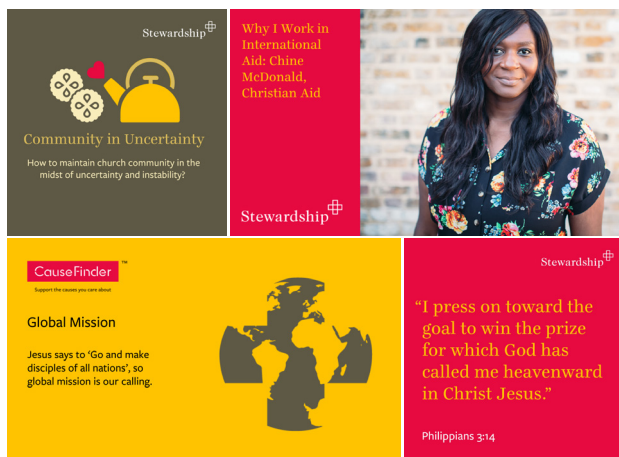
EMILY ON HOW HER GIVING ACCOUNT HAS MADE HER FEEL MORE ACCOUNTABLE, ORGANISED AND MORE GENEROUS

Emily Kendall joined our Giving team in 2018. In a recent article for *Share Magazine*, she writes:

‘Not to plug, but my Stewardship account has genuinely transformed the way I give and has enabled me to be so much more organised and generous with my giving. And actually, having a set amount of money going into my account each month does then mean I can’t hoard it for myself! It’s straight out my bank account and I know it’s going to good causes. Seeing the impact of these donations and the possibilities of a life changed is priceless. Having a right perspective and good biblical understanding of giving makes it so much easier to loosen our grip and giving becomes really exciting. It really is more blessed to give than to receive.’

‘My Stewardship account has genuinely transformed the way I give and has enabled me to be so much more organised and generous with my giving. And actually, having a set amount of money going into my account each month does then mean I can’t hoard it for myself!’

Creating a bold new identity for a new season of growth



The review of Stewardship's brand identity, positioning and strategy began towards the end of 2019, working to capture the core of our identity, to articulate it in a bold and innovative new way and to express it in a vibrant, dynamic and creative way. The work was never intended as purely a cosmetic exercise, but rather to create an identity to capture a new season of growth – a revelation of what Stewardship has become and how we intend to serve the Christian community as it seeks to express God's love in active generosity.

Following some good progress in Q1 2020, Covid-19 forced a temporary pause to the design, development and rollout; it also challenged us to inhabit all but the creative elements of this new identity early.

The Church needed us to be the new Stewardship straight away.

Design and branding work paused in Q2 while our creative and marketing teams supported the remarkable work from Partner Services to provide up-to-date guidance and support for churches and charities trying to navigate Covid-19, lockdown, building closures and the furlough scheme to name a few. We launched the Rapid Response Fund, an idea straight from the pages of the new identity, which raised and distributed £5.37m within 100 days of lockdown being announced, demonstrating the power of our relationships, the trust others have in us, and our relentless activity on behalf of those we serve.

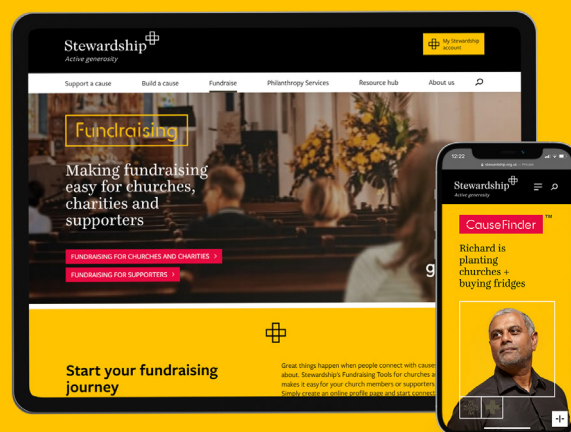
By the summer we were able to restart our ambitious transformation programme, pulling together cross-functional teams to mastermind the change, thanks to the backing of trustees, and support from a remarkable range of creative and technology partners.

The end result is a bold, vibrant identity which honours our rich history, affirms our Christian identity and has formed the glue that brings together our people, our culture and our strategy as we pursue growth to transform the Church for many years to come.

Our services

Giving Account

Our giving accounts help people be generous with the resources God has given them. It allows individuals and companies to be spontaneously generous and arrange regular giving all in one place. Individuals can practise the biblical discipline of giving, without managing multiple direct debits. The end result is a community of over 40,000 generous givers who are empowered to bless others freely.



Fundraising

Our Fundraising platform allows individuals and organisations to fundraise for their favourite causes. During the 2020 Covid-19 pandemic, this service became invaluable to organisations who could no longer collect cash donations. Give.net saw a surge in online activity over the period, demonstrating the role that Christians have to play in supporting society through a crisis. Through fundraisers and the setting up of regular support, both organisations and individuals were able to respond to this difficult time by giving their time and finances.

Throughout 2020 we have taken steps to transform our services and modernise our products, including our core giving account. The year started strong with fresh product updates allowing all new giving accounts to be created on our new mobile-optimised platform. Our Giving team also focussed their attention on switching our existing users to the new-look account, with over 9,000 givers successfully moving away from our old systems by the end of the year.

With a critical mass of users now enjoying giving with their new-look accounts, we have paved the way for our major overhaul of the Stewardship.org.uk platform as we refresh and relaunch in 2021.

Our impact

For decades, Stewardship has perhaps been best known for giving accounts. Increasingly, over the last five years we have also seen growth in our online donations and fundraising platform, give.net.

At the start of the year the gifts made via our giving accounts were still holding strong, with the value of giving increasing overall. But this growth, along with a surge of accounts opening on give.net, masked a very slow and gradual decline in the number of people using giving accounts, exacerbated by the withdrawal of our Payroll Giving service in September 2019.

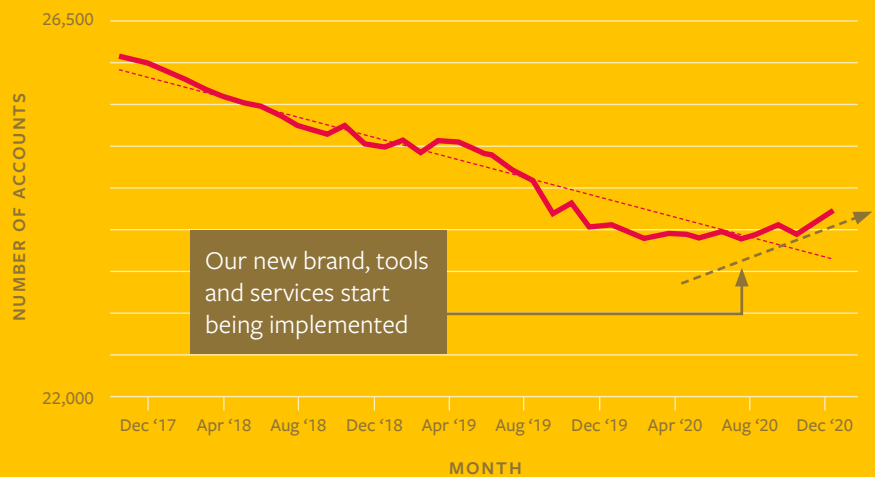
Over 2020 we have worked hard to reverse this trend. As early as February 2020 we were seeing early signs that our focus on giving account growth and interventions was bearing fruit, with account numbers beginning to flatten out. By December 2020, in spite of the pandemic, these numbers had stabilised and our giving accounts had begun to grow.

There's no doubt the pandemic has transformed the way we all live and work, and churches and charities have been at the forefront of organisations being tested under pressure. Churches and charities turned to Stewardship for online giving during the pandemic.

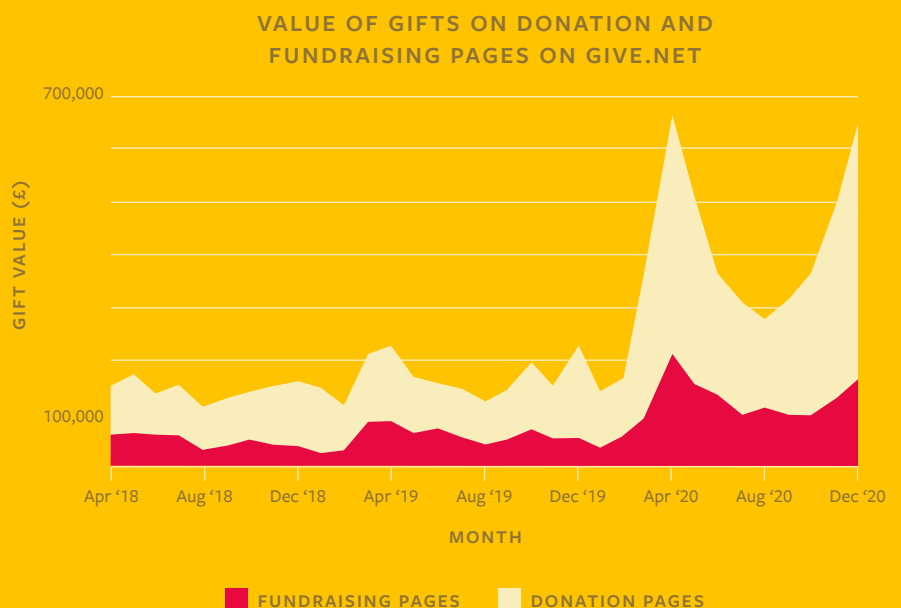
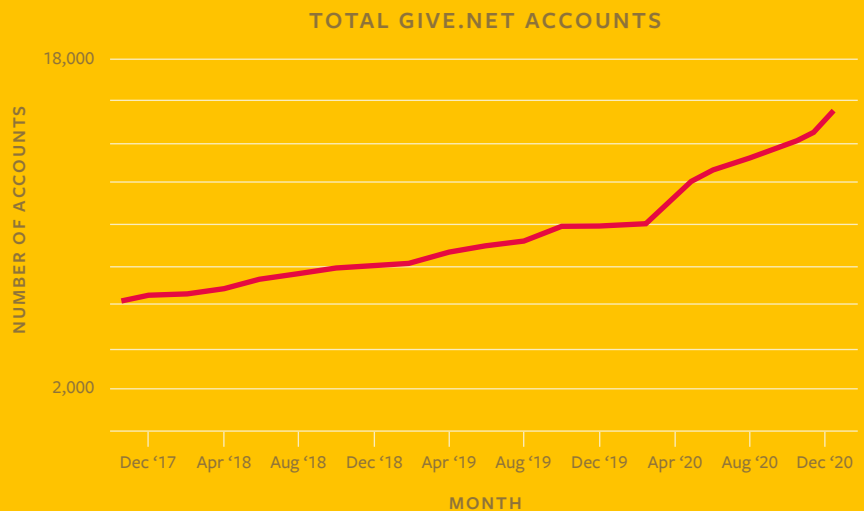
Meanwhile, the steady, organic growth of giving on give.net, our crowdfunding platform, continued to introduce new regular givers to our community. As the pandemic hit and more partner churches and charities switched to online services (and offerings) we saw surges in giving on give.net, with the total accounts accelerating from February 2020.

Give.net
doubled in a
year as churches
went online

Active giving accounts



Fundraising on give.net





SERVING CHURCHES THROUGH GIVE.NET



‘Stewardship is about releasing generosity and making Jesus known, so there’s a natural connection with the aims of Soul Church and Soul Foundation. It’s been a real pleasure to partner with them and use our financial expertise to help them realise their vision.’

Soul Church in Norwich, before the pandemic hit, was running a food programme delivering around 1,000 meals a week in and around Norwich. With the onset of the pandemic, Soul Church partnered with individuals and organisations both within and without the local community, including Stewardship. Many donated food, equipment and time, but there were equally pressing financial needs. Providing 30,000 meals a week would cost 70p per meal per person, and Soul Church quickly understood the need to raise money to ensure

they could meet demand rather than rely on ad hoc food donations. They turned to Stewardship, asking for help in setting up the Soul Foundation online fundraising page.

Katy Cooper, Head of Finance at Soul Church and Soul Foundation, says: ‘We really needed the money flowing in quickly and Stewardship enabled that – they went out of their way to do everything as quickly as possible – bending over backwards to do all they could to help.’

Now housed in a warehouse made available free of charge, by the end of June Soul Church were delivering 44,000 meals a week to around 1,650 families. Kevin Russell, Stewardship’s Technical and Advocacy Director, said: ‘The people at Soul Church are truly inspirational – demonstrating God’s love in action, being recognised in the community for that, and seeing many people saved as a result. Stewardship is about releasing generosity and making Jesus known, so there’s a natural connection with the aims of Soul Church and Soul Foundation. It’s been a real pleasure to partner with them and use our financial expertise to help them realise their vision.’

Our people

We used the growth opportunity to review team structures within Generosity Services and to build a structure that can scale in line with our growth targets.

Covid-19 and lockdown also forced the team to make rapid adjustments to their working arrangements, with the move to homeworking and the rapid digitalisation of many office-based processes. The change to these new work styles, coupled with the surge in demand for giving and our support team, left the team under great pressure and highlighted a

number of important areas for improvement as we look to scale in future. Our CEO commented that 'This crisis has stretched and refined our frontline team, but they rose to the challenges and came out of it better than they went in!'

As the year came to a close we were pleased to be able to increase capacity on our customer support team, as well as opening up new roles in the growth and community team to specialise in providing our givers with the best and most enriching experience when giving with Stewardship.

Next steps

In 2021 we are taking the next steps towards raising a new generation of radically generous digital disciples who are being active in their generosity. We are doing this by:

- 1 Delivering a brand and giving platform refresh.**
There is now a single place from which anyone can find, support, give and fundraise for the causes they care about. This new digital customer journey will be at the forefront of what is on offer to those looking to be generous with what they have.
- 2 Growing Causefinder™** where we will help generous Christians find causes that they can grow to love, and find a relationship with those causes that broadens and deepens over time. We want givers to find a satisfying portfolio of causes that enrich their lives.
- 3 Running a series of campaigns and communications to activate our new brand.**
We will do this with new and engaging cause-centred content as part of our drive to reach younger and more diverse audiences, supported by investment in new marketing activity and exploiting new technologies to deliver these personalised and focussed campaigns.

During 2021, Generosity Services will work towards:

Growing giving from £50m by over 10%.



Growing the number of givers using giving accounts and our fundraising pages by more than 10%.

Growing the number of givers making best use of our giving accounts by over 10%.



Increasing our reach on social media and increasing traffic to our website by over 10%.

CauseFinder™



Local Church



Evangelism



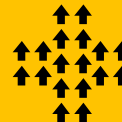
Prayer and
Worship



Mental and
Physical Health



Bible



Justice



Creation
Care



Children and
Youth



UK Poverty
and Debt



International
Aid



Church
Planting



Global
Mission



Arts and
Media



Sports and
Recreation



Tech and
Innovation



Rapid
Response



Philanthropy Services



More than ever, Christian philanthropy has a huge role to play in the economic, social and cultural recovery of our nation – and the world – from the dramatic effects of Covid-19, many of which are not yet fully realised. Amid the turbulence of this year, the response and impact we have seen from Christian philanthropists has been incredible.

As we continue to grow and adapt our provision of services for those blessed with greater levels of resource, we become increasingly affirmed in our approach to draw alongside donors and be the facilitators, connectors and enablers to help progress their philanthropic goals. We recognise that every donor is on their own unique journey and each will have different aims and objectives according to what has been placed in their hearts. We want to help bring structure, strategy and, ultimately, greater freedom to that process.

Our continuing aim is to deliver an exemplary service that is less costly, less onerous and more discreet than the alternative of establishing and running a family foundation.

With greater wealth often comes greater complexity, regulation and, at times, burden. We recognise that those with greater resources to give away are often the same individuals who lack the time to deal with the complexities that this might bring and so we continue to work to help bridge that gap by continually learning and developing our services.

We understand that Christian philanthropy is more than just a charitable donation or a desire to bring about change – it's an authentic and personal response to God's generosity to us.

Despite the uncertainty brought by the Covid-19 pandemic, our aim in the period to 2025 has not changed. We strive to prayerfully encourage and facilitate 20% growth in gifts in and 30% in donations out respectively, each year, and for a continual outpouring of generosity and impact in the world.

Our services

Donor Advised Fund

Our Donor Advised Fund is a giving account for those looking to make gifts of £25,000 or more annually. This is the single place for effective giving with all the benefits of a charitable trust, but without the usual complications. It is easy to set up with no need for trustees, or annual returns, and no legal costs.

Philanthropy Fund

Our Philanthropy Fund is a giving account for those looking to hold a long-term fund of at least £500,000. It is a personalised service where we walk with clients in their generosity journey. We find bespoke solutions to realise each individual giver's philanthropic goals and giving aspirations. We handle clients' giving tax effectively and can accommodate a range of complex non-cash gifts, including property and shares. We have a team of dedicated experts who can offer clear, considered and personal guidance, and help create a strategic plan to achieve philanthropic goals.

At the year end we served 790 accounts on behalf of 760 clients, a growth of 17% in the number of clients since the previous financial year.

Our services allow donations to be made in the fund's name or anonymously. Other core features include: legacy planning through expressions of wishes, handling regulatory and legal obligations, reporting requirements and tax reporting including liaising with tax advisors.

Our partnership with TrustBridge Global Foundation enables us to facilitate international giving in the most time and cost effective way possible. The TrustBridge model enables funds to reach recipients in other parts of the world in a matter of hours or days, rather than waiting weeks for international bank transfers which can be costly and sometimes unreliable, particularly when there is a need for intermediary banks.

In addition, giving account balances may benefit from the growth of funds through our investment options. We have two standard pooled fund investment options for all Philanthropy Services clients, and Philanthropy Fund clients may also nominate bespoke investments to our trustees, including social impact investments. This is hugely important for many of our donors, as it allows them much more flexibility for their charitable funds, in the same way that many may choose their own private investments based on different factors such as the rate of return, risk

appetite or sustainability of the investment. In fact some of our clients' philanthropy funds are managed by their own investment advisers, alongside their personal investments. We have also seen a big increase in the appetite of our donors for social impact investing.

MISSIONAL SAVING IN A WORLD OF LOW INTEREST RATES

My income and therefore my giving can be lumpy, so to avoid having to stop supporting our recipients in the 'lean' years we had left a balance in our Stewardship account. We have used peer-to-peer lending platforms in the past to invest our own savings rather than earn next to nothing in a bank account, and I had thought it would be great to do something similar with our giving balance. I had heard that Mission Housing help Christian mission workers reduce the high cost of housing by offering 'shared ownership' funded by supporters able to lend the rest of the capital. This allows them to live in the community they serve and to gradually increase their ownership share. This seemed like a perfect way to invest our balance and help solve a ministry need at the same time. I spoke to Stewardship's Philanthropy team who were able to arrange a fixed rate loan and transfer the funds with one simple document. At the end of the term this will help us to ensure we can maintain our regular recipients' support over the following years or we may recycle the funds into a new loan.

**Testimony from
a philanthropy
client**



Stewardship America

We developed Stewardship America, our dual qualified service for US/UK tax payers in 2019. We had an exciting start to the service, but as new fish in this pond, the pandemic brought about some unforeseen challenges in our ability to network in the relational way that is needed to reach those who would benefit from this service. The potential to maximise donations for those who pay tax in both countries is exciting. We know there is scope to increase our donor base and we look forward to building on this service in the coming years.



Our growth in serving our clients and the kingdom

When the first lockdown hit us all in March 2020, we saw an immediate response from many of our donors wanting to help. The situation was so unfamiliar and, for many, it was difficult to see how and where they should give to make a difference.

Seeing this need, we got together with a few of our donors to create a structure which sought to help maximise the impact of their donations and bring confidence and much needed speed in facilitating donations to frontline churches and charities to enable them to respond quickly and effectively – and the Rapid Response Fund was born.

The Rapid Response Fund, or RRF, was a campaign to raise and distribute as much money as possible, quickly and effectively, so that churches and charities working on the frontline would be resourced and equipped to respond to the needs of their communities in the face of the pandemic. We created a board of 'advisors', which included a bishop, a leader of a Christian charity, a private client lawyer and a number of Christian philanthropists, entrepreneurs and business owners. With the support of our Philanthropy Services team, the role of this board was to make swift and well-informed decisions and to distribute the funds in a prayerful, considered and structured way, to maximise the impact that churches and frontline charities had on the ground.

The response we saw from our donors was incredible! In just 100 days, Stewardship and the RRF Advisory Board were able to distribute £5.37m in donations to over 100 churches and charities.

The impact that the fund had, and continues to have, has been unimaginable. We commissioned Eido Research, an independent research consultant, to do a full evaluation of the impact of the RRF, and some of the outcomes have been truly amazing. Opposite is a case study of just one such recipient of funds from the RRF and the difference it made in their community, but for encouragement as to just how life-changing generosity can be, read the full impact report!

Building on the RRF model, last year we were able to create a new layer of service for our Philanthropy Fund donors – the Donor Advisory Board (DAB).

Speaking with a number of our donors, we recognised that for some there is another level of service needed beyond having a charitable vehicle. Some have reached a point where their capacity for generosity needs more time and effort than they alone can give. They might want to give at scale and perhaps at pace, but they want to do this as well as any major foundation.

The DAB service provides a bespoke solution to this. We aim to provide support which offers the full service of a donor's own charitable trust, but with greater privacy and all the expertise and guidance they could hope for in one place.

There are three main areas of support, which can be scaled up depending on need:

- 1. Set up and support for an Advisory Board.**
- 2. Grant making and research.**
- 3. Impact assessment.**

With access to a dedicated team with specialist skills that can respond flexibly to a donor's needs (for far less than the cost of hiring your own person), this approach creates a highly engaging process where a donor can form and evolve a board without it becoming bureaucratic, time consuming or dull!

The service includes the research, grant making and relational support services donors need to make considered choices and build meaningful relationships with the causes they love, but in a way that truly lightens the load for our donors.

We are currently engaging a small number for this bespoke service, but we expect this to grow as we focus on how we can help our donors navigate and structure their philanthropy in new and exciting ways.



24/7 PRAYER SHARE THEIR GRATITUDE



The Rapid Response Fund provided international, student-led prayer movement 24/7 Prayer with a grant of £75,000 to continue their mission throughout Covid-19. They share their gratitude at being able to receive much-needed financial support during the pandemic.

2020 saw an exponential growth in the demand for prayer tools and resources. We never could have envisaged at the beginning of this year that some of the materials we had created would be so vital for this unprecedented time. It feels now that God had been preparing us for this moment, and it has been incredible to see growth as people all over the world have turned to prayer during the coronavirus pandemic.

Usually, around 1,200 24/7 Prayer rooms are registered on our system each year. However, in the first six months of 2020, we've seen the registration of 2,200 prayer rooms!

Our app, Lectio 365, has grown from 30,000 downloads to 100,000 in just three months. Our Prayer Course has quickly grown from 1.5–3 million interactions this year.

We honestly could not have achieved all of this without Stewardship's involvement. We have never been busier and we needed more funds, and also to replace money lost due to Covid-19, but you have stepped in, heeded the call and invested in this beautiful kingdom moment, by giving to us. We are incredibly grateful.



A MESSAGE FROM A PHILANTHROPY CLIENT

We've been so grateful for the patience and partnership of the Philanthropy Services team as we have grappled with our journey of generosity over several years – they have always been there for us, willing to help in whatever ways they can, and to travel at our pace whilst encouraging us on.

We have also been impressed with the due diligence on donations and the integrity with which they have partnered with us in terms of our grant making in particular.

We have found ourselves on the cusp of the innovation curve in Stewardship's own journey, and have been very fortunate therefore to partner with them and to act as a willing 'test case' as we have collectively explored what active, radical generosity could and should look like in the Christian sphere. From Generous Journey retreats, to the theology of giving, to generosity research trips, to Covid-19 Rapid Response initiatives, to creative funding and investment structures and much more, Stewardship and the Philanthropy Services team have embraced us into their community and their journey, listening to our perspective, our context, to the challenges we face as philanthropists, and seeking collaborative solutions and ways to unlock funding for the building of God's kingdom here on earth.

Anonymous couple

Impact

This year has seen the embedding and expansion of our Philanthropy Fund service, alongside the continuation of our established Donor Advised Fund. As well as all the exciting things we have seen in this year of crisis, we thank God that despite the Covid-19 pandemic donors continued to give into Stewardship. Gifts in rose to £49.7m for the 15-month accounts period. If 2020 figures were annualised gifts in would be £39.8m, a growth of 40% from 2019 before exceptional gifts (2019: £28.4m excluding exceptional gifts of £63.4m, £91.8m in total).

While overall giving declined, in many ways this is not surprising – the coronavirus pandemic sent the world's economy into a spin which we are not out of yet. With many understandably taking a much more cautious approach to all aspects of their finances, we are also aware of a number of donors who had to take the difficult decision to postpone planned gifts of shares, or the selling of businesses, to make significant donations.

It is also worth noting that 2019 was the launch year for our Stewardship America service and in that first year

included a couple of exceptional gifts, which typically might only come along every two or three years. When comparing with Philanthropy Services funds given in 2018 (£26.5m), we have seen like-for-like growth of around 50% over two years when excluding these exceptional gifts, despite the pandemic. Furthermore, we have seen a higher number of gifts over £1m, particularly in 2019.

Another area of Philanthropy Services that has seen growth in 2020 has undoubtedly been the amount of value that we have been able to add for our clients, particularly in relation to our Philanthropy Fund service, where we've been able to create bespoke solutions (such as the Donor Advisory Board service mentioned above) to really help move many of our clients' philanthropic journeys to the next level.

There may be more uncertainty ahead, but as we go into economic recovery over the next few years, there is no reason why we should not expect to see a full recovery in the philanthropic giving that we help to support.

Our people

We have a dedicated team of 10 serving our Philanthropy Services clients (increasing from six in our 18/19 annual report), including a number of specialist roles such as our in-house Legal Advisor, Relationship Manager and Grants Manager.

The team brings a huge amount of expertise and professionalism to help donors give effectively and with maximum impact. We're able to find solutions for a number of complex giving situations and support our donors as they navigate their philanthropic journey.

In December, we were incredibly honoured to be announced Philanthropy Team of the Year in the prestigious STEP Private Client Awards. This was a real



encouragement for us and validation of the incredible hard work this team has put in over the last 18 months.

We will strive to continue to be the best, by improving, innovating and serving with excellence.

Next steps

In 2021 we are taking the next steps to becoming a catalyst for kingdom philanthropy. We are well on the way to doing this by:

- 1 Delivering a brand refresh and new website by bringing together Philanthropy Services and Stewardship services into the same digital space.** This will allow us to present our offering in a way that facilitates greater generosity and improves our donor journey. We will continue to develop our online service to include bespoke functionality to meet our clients' needs.
- 2 Focussing on reaching out to new clients and continuing to grow in an organic and relational way.** We will continue to increase our range of investment options, including social and ethical investments.
- 3 Increasing our capability to run Philanthropy Fund accounts as family foundations,** including our bespoke services, such as the Donor Advisory Board.
- 4 Engaging with the next generation of philanthropists,** enabling them to experience the freedom of generosity early on in their lifetime and releasing further resources into the kingdom.
- 5 Deepening our partnerships and event offerings,** including access to our partner retreats as well as our own connecting events to enable givers to discern and plan their generosity with good teaching, practical case studies and peer support.

During 2021, Philanthropy Services will work towards:

Growing core giving by between 12% and 15% (excluding any exceptional gifts) through increasing both the number of new clients and the engagement of existing clients.



Holding a number of our own events (online and in person) aimed at different groups, including next generation philanthropists, peer to peer and partner roundtable events.

Increasing our investment offerings and making them more accessible to Philanthropy Services clients.

Increasing the number of clients using our Donor Advisory Board service (or other board support services).



Partner Services



We work tirelessly to help churches, charities and individuals be the very best stewards, partnering with them to build their Christian ministries and pursue their calling. We aim to help them raise and steward the resources so they can effectively carry out their work and fulfil their mission. Our ambition is to be a vital and catalytic partner for the Church to help it thrive across the UK.

We currently partner with over 4,000 churches, 6,000 Christian charities and 2,500 mission workers as they plant, grow and revitalise in order to share the gospel of Jesus.

Our services

During the year, following a renewal of key teams and restructuring of our leadership, Partner Services was born to give greater focus on our partners. As a group, we exist so that our services to churches, charities and those in Christian mission and study allow them to be active stewards of their resources. We aim to bring our partners

access to relevant services to enable them to engage in Christian resource raising, strong stewardship of the resources they are blessed with and thereby a lighter burden outside of their own primary focus on mission and ministry.

Serving Christian ministry with:

Accounts Examination	Payroll Bureau
Loans	Property Services
Training	Charity Formation
Resources	Events
Fundraising	Deposit Accounts
Church Planting	Consultancy Helpline

Providing these services in partnership with churches and individuals allows us to help them in their mission. It is not just services but a full curriculum of support through a curriculum of monthly communications, regular free webinars, targeted training programs and an annual flagship conference.

It's not just what we do but the impact that this has, where we can help causes raise more funding, help causes steward those resources well and help causes grow their impact.

- 1** We provide a pathway of support for churches to plant, revitalise and grow.
- 2** We help Christian charities form and grow to be self sustaining.
- 3** We help mission workers and Bible college students in their support raising.



A MISSION WORKER'S THOUGHTS ON TRAINING

'The courses were incredibly insightful, creative, authoritative and I loved the biblical mandates for support raising.'

I have been working in the mission field for over 16 years and have always loved the services Stewardship provide: keeping track of my supporter income, filing tax returns, claiming Gift Aid. Raising my own support had gone without any major hiccups over the years but in 2019 I decided I needed a 'refresher course' for support raising and attended two of Stewardship's training courses.

The courses were incredibly insightful, creative, authoritative and I loved the biblical mandates for support raising.

I realised I needed to raise the bar, invest more time and energy into building deeper relationships with my support base. After the course, I invested more hours each month which paid off, I recruited four new supporters and raised my income! The course also reminded me that it's not just widening the support base that is important but investing and nurturing those relationships for way into the future. It's sometimes difficult to prioritise this part of your job, and the Stewardship course was a great reminder and refresher.

Jonathan Holmberg,
Hope Consultants International

Serving the church and missional organisations through a pandemic

Over the coming year, we are on a quest to be recognised as a unique national asset for the Church in the UK and to come alongside church leaders in a renewed way. A large part of this was catalysed during 2020 as church and charity leaders and those in Christian mission and study were forced to think again about every aspect of their work in light of the Covid-19 pandemic. They were looking for answers and we were here to serve them.

Once the UK entered its first lockdown in March 2020 we brought our entire service online, but also created significant content to support our clients in stewarding their resources through the pandemic.

We provided a Covid-19 response webpage that contained guidance based on the latest government guidelines and laws. This page covered everything from details of the furlough scheme, the Self Employed Income Support Scheme, what churches could and could not do, including during the various lockdowns and tier systems, what to include in the charity's annual report and accounts and much more. This resource has been used extensively, with more than 6,000 unique page views by the end of December 2020 since its creation.

Not only did we have content in print but we quickly took all of our training online. Our specific Covid-19 response webinars and our remodelled online trustee training events were oversubscribed as church leaders and Christian workers looked for support. This has continued from March 2020 onwards, with the entire Q2 2021 online trustee events being booked out before the quarter began.

Our Payroll Bureau serves over 720 churches and Christian charities, paying over 3,000 employees each month. Following government announcements about a new furlough scheme in April, we put together an additional claiming service for our payroll clients and we made our first claim on the day the portal opened on 20 April 2020. From the start to the end of December 2020, we submitted 876 claims for a total of 155 clients. This is over 21% of our total clients and a total of 2,601 individual employees. Through the process of making the claims and helping our partners to understand the system and its implications, we helped churches and charities to make the best decisions regarding the impact in being able to safely and legally meet their aims during the pandemic.

BRINGING WISDOM IN UNCERTAIN TIMES

The day after the first lockdown in March 2020 we knew that churches and charities felt like there was no support. Soundbites were thrown out by the government, but it wasn't clear what any of this looked like in practice.

Within a week we had got together specialists from our own team, an employment and charity lawyer from Edward Connor Solicitors and an experienced treasurer.

That first webinar reached the limit of 500 participants in one minute and many were still trying to get in. The enormity of the situation really hit. Treasurers, church leaders, charity CEOs were desperate for information. Questions like: how can we make sure our staff or our congregation are

ok? Is it morally acceptable to furlough staff? Some people just needed to discuss the situation with someone who understood what they were going through. We saw many leaders saying, 'We know there's huge need and we want to help – how best can we do this?' For some churches, they couldn't put on services but they set up hardship funds and foodbanks or offered online counselling. We had a lot of questions around what legal restrictions there may be on charitable organisations changing or adapting their activities.

Having this input and insight on what mattered to the churches we partner with allowed us to shape our content to help them navigate the fast-changing landscape, and to get a larger licence so that for the further webinars we could cater for the large group of people who needed our help.

**Jackie Fletcher,
Head of Treasurer Services**



Additionally we were able to offer repayment relief to our mortgage clients on their loan repayments, so that we could support them through a time of financial change as the Covid-19 pandemic impacted upon their cash flows.

In partnership with the Evangelical Alliance we conducted a church survey of needs. It shows that churches are continuing to innovate to meet the needs of those who attend as well as those in their community.

The October follow-up survey received responses from more than 1,000 individuals and in excess of 450 church leaders, giving them a fuller picture of how churches are navigating the continually changing landscape, evolving laws and guidance and the challenge of local and regional lockdowns. This level of insight and connection allows us

to develop our service to meet the needs of the Church as they carry out the hands-and-feet work of Jesus in serving their communities. It allows us to look forward as we continue our move to position ourselves at the heart of the Church in delivering tools and gifts to equip them for the future work of the gospel and to be seen as a partner with them in enabling that mission.

All of this support was on top of providing our existing services and carrying out our planned activities for 2020, including new software for our accounts examination and payroll bureau services to allow them to grow. Our services will see increasing demand and we are positioning ourselves with the team and technology to be able to serve those who need us.

Lending to churches and charities

2020 was a year like no other for the church and charity lending team with a record number of loans made. The church and charity lending team completed 23 loans throughout the 2020 accounting year, lending a total of £3.2 million to a variety of different churches and charities throughout the United Kingdom of all shapes and sizes and denominations. Our average loan size was £134k, assisting in two building purchases, three church building developments, five manse purchases, 11 building re-developments and two loan re-structures.

This was a record number of loan completions for the team and we were pleased to have impacted so many worthy causes throughout the country, helping to redevelop buildings, purchase new buildings and provide housing for ministers and pastors, making good use of the funds donors have entrusted us to lend to worthwhile causes. In spite of the pandemic, we continued to see high numbers of enquiries for our lending services to churches and charities.

KINGDOM LIFE APOSTOLIC CHURCH



One such church using our services was Kingdom Life Apostolic Church in the West Midlands. Founded in 2008 by pastor Paul Akinpelu, the church has been utilising rental facilities whilst seeking a permanent place of worship. With their congregation coming

from across Birmingham to worship on Sundays, the church found a building put up for sale by the Church of England in the neighbouring town of Oldbury. With the assistance of a loan from Stewardship, Kingdom Life were able to purchase the building, setting up a permanent ministry base for their church whilst at the same time saving an existing place of worship.

Pastor Paul Akinpelu commented, 'I contacted Stewardship about the property we wanted to buy. They were very friendly and acted in a professional and timely manner. They granted us the loan which turned our dream to reality. Acquiring the property has enabled us to have space for our expanded operations. It is indeed a blessing to worship God in a very renewal-of-teams-and-leadership conducive environment.'

The lending team were also able to assist and ‘walk alongside’ many existing clients through this year of Covid-19. With churches closed to congregation members and many charities forced to close their doors, the cash flow of many clients was greatly affected, forcing many to approach us for assistance with their loan repayments this year. As a result we were able to assist 23 clients with repayment relief with their loan repayments, with many moving to interest-only repayments for a period of time. We are delighted that the Church has come through this by the grace of God and the generosity of believers, and by the end of the year many churches and charities had moved back to full repayment with only eight of our clients continuing to receive repayment relief support. In some cases, churches and charities actually caught up with their loan repayments by making over-payments when they were able to.

In all of this, the lending team continued its exemplary track record, despite the many challenges facing our clients in this pandemic year. We give thanks to God for our clients’ integrity in managing their finances.

We also saw the generosity of the Church in action throughout much of last year, with £2.1 million being repaid early as one-off lump sums to part redeem or fully redeem loans. Despite churches and charities being closed we were able to observe first hand that people continued to give generously in this way. The church and charity lending team have continued to make a number of large loans to churches and charities in the first half of 2021 with a strong pipeline in place for the remainder of the year. Our aim is to grow our lending book further, to carefully steward the resources available to us, to help expand the kingdom of God in the United Kingdom through the local church and the many charities that support it.

FREE CHURCH OF SCOTLAND

‘It is clear to me that they have a passionate desire to see Christ’s cause flourish in our nation. I cannot praise them highly enough. Thank you, Stewardship!’

Another church using our services was the Free Church of Scotland (continuing) congregation in the Highland village of Aultbea on the north-west coast of Scotland. As they were looking for assistance in financing the construction of their new church building facility, Stewardship were able to assist with a loan for the development of a permanent place of worship for the congregation.

Reverend Murdo MacIver commented, ‘Having insufficient funds saved to complete our new church building project, we applied to Stewardship for a loan, preferring to engage the services of a Christian company, rather than a secular high

street lender. Supportive, professional, easy to communicate with and maintaining a ‘let’s make this happen’ ethos, a loan was successfully secured. It is clear to me that they have a passionate desire to see Christ’s cause flourish in our nation. I cannot praise them highly enough. Thank you, Stewardship!’



Our people

With the rebrand and relaunch in 2021, we want to ensure that our clients' experience of Stewardship has even greater depth and significance with a focus on relationship that will lead to greater lifetime value for our clients and Stewardship.

Our Partner Services teams specialise in a number of different areas to best help support our clients. The new **church and charity team** are set up to focus on developing partnerships with churches and charities at a local level, whilst strategic partnerships are being developed with church planting networks and

denominations nationally, as well as the solid regional work happening in Northern Ireland. **The individual partnership team** trains, inspires and equips those in ministry who are living on support.

We also continue to provide a range of excellent professional services, content and training that is highly valued. It is believed with very encouraging initial evidence that this new way of working is opening up greater opportunities for us to collaborate on behalf of our customers to help them succeed in their mission.

Next steps

We are taking the next steps to be recognised as a unique national asset for the church, charities and mission workers as they plant, grow and revitalise the kingdom. We plan to achieve this by:

1

Delivering a brand and giving platform refresh. Our new website and mobile-optimised online accounts will increase the relationship and connection between causes and givers and transform the way causes and churches can manage their financial support coming from Stewardship.

2

Having a sharper focus on establishing new partnerships with church denominations and movements, and engaging with church planting networks. We are also creating new ways of delivering training sessions to church and charity leaders and trustees, as well as for individual partners who are raising their own support.

3

Establishing a strong focus on the needs of the Church in this season. This starts with the Give Hope campaign for Lent 2021, revealing the great work of the Church. It will then build with a renewed 'CauseBuilder' curriculum including new resources to equip churches and charities with fundraising capabilities. This will be followed by hosting an autumn flagship conference for those involved in church leadership, to recognise the challenges and to celebrate the achievements of the past year, and to help equip churches for the future.

During 2021, Partner Services will work towards:

Signing partnership agreements with up to four church networks.

Delivering five or more fundraising training events for church and charity leaders and for up to 60 individuals on support raising.

Growing the number of churches and charities served by the accounts examination team by up to 7%.

Increasing the number of active churches receiving donations by at least 3%.



Increasing the number of churches/charities using more than one service by at least 1.5%.



Our finances in review

This reporting period (1 October 2019 – 31 December 2020) is 15 months, making it challenging to make a direct comparison with the previous 12-month period (1 October 2019 – 30 September 2019). In order to make the following commentary as useful as possible, we have commented on the actual results presented in the financial statements as well as estimated an annualised equivalent 12-month figure for the current financial year, in order 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 period.

In a period like no other, where for 10 of the 15 months the Covid-19 pandemic wreaked havoc across the world, our numbers demonstrate the power and abundance that is achievable by the faithful and active generosity of God's children. Our numbers also demonstrate our belief in our vision as we have invested in the organisation when many others have been forced to cut costs.



Income

Donations

Donations, including legacies, decreased by £27.3m, from £141.6m to £114.3m. This is because, despite the current period being 25% longer, there were some exceptionally large one-off gifts totalling £63.4m received in 2019.

To make a fairer comparison of our core ongoing giving we can compare the annualised 2020 donations of £91.5m to £78.3m of 2019 income, excluding these exceptional gifts. This shows a 17% increase in donations received.

Despite the challenges of the past year, the story of 2020's gifts in is an amazing one of growth in generosity. When the first lockdown hit us all in March 2020, the community of Christians we serve stepped up and we saw giving increase in the most remarkable way, in spite of the economic uncertainty. When the Church was forced to move online, so was its giving. The initial response was a tripling of the amounts being donated through our online platform, give.net. Instead of this initial flurry subsiding, the generosity of givers continued and the give.net donations tripled again, as people's monetary resources were given in abundance to meet the needs of those suffering across the country and the world.

Our donations have also increased as a result of focussed attention on our core giving account. The last few years has seen work to refresh the giving account and this has reversed a trend of a decreasing number of givers over the last five years. This increase in the number of givers across both the give.net and the giving account (17%) is in stark contrast to the 2-3% decline of the number of givers across the UK.

In 2021 we are expecting this increasing trend in givers to continue as we have refreshed and invested in our brand, platform and giving experience. We are targeting a younger

audience and we also aim to encourage static givers, who consistently give to only one cause, to start actively giving to a wider number of organisations as we inspire their generosity.

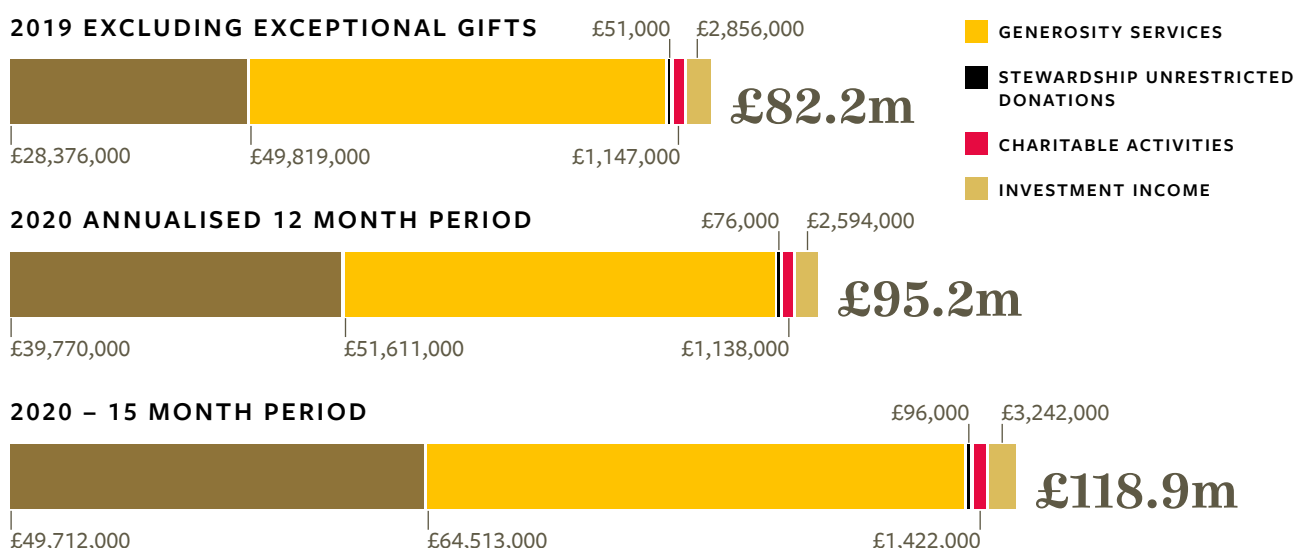
Investment

Our investment income for the period is £0.3m greater than 2019, but when annualised is £0.4m less than 2019, a 13% reduction. During the year our investment portfolio underwent significant changes in response to the Covid-19 pandemic, as we de-risked our investments and moved to more liquid holdings. In addition the falling yield of fixed income funds impacted our income. This is explained further in the investment performance review below.

Charitable activities

During 2020 a number of income streams came together to form Partner Services, including payroll giving administration, accounts preparation and examination, charity formation and church and charity lending. What was a range of products has been consolidated to provide a more strategic relationship with those we work with. We have invested in a number of systems to support the team and they have handled the impact of Covid-19 by delivering bespoke services such as online training to trustees and furlough payments to payroll clients. Although overall income is up by £0.3m, the annualised figure for 2020 is the same, £1.1m, as in 2019. We expect to see this income grow as the benefit from the investment and cohesion is realised and Partner Services become an integral part of how Christian churches, charities and workers thrive in the stewarding of their God-given resources.

Income



Expenditure

Grants

Grants out increased in the period by £30.2m compared to 2019. Even when annualised we see a 6.6% growth in grants out, £6m more than in 2019. Grants out do not always follow the same trend as gifts in, as often funds are held at clients' request in Stewardship accounts over time in order to provide for ongoing donations or they are held for when a specific need is identified. This is particularly the case with larger gifts in. However the overall increase in giving is a huge encouragement as we work towards our target of £250m grants out per annum by 2025. We also acknowledge the impact those gifts have had on the ultimate beneficiaries, be that Christian workers or those receiving help and hearing the gospel at the hands of the organisations receiving the gifts.

Charitable activities

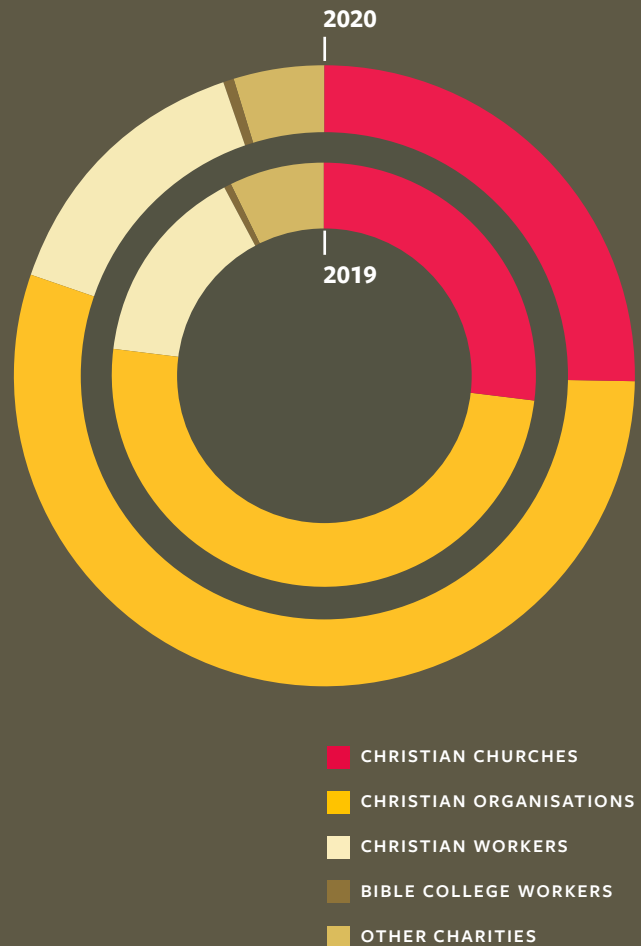
Our running costs (direct costs and support costs) totalled £8.8m in the period (2019: £5.2m). The annualised amount of £7m is a 35% increase compared to the 2019 costs. The biggest increase is in the direct costs associated with our grants, which were £4.7m in the period (2019: £2.1m).

Although this £1.7m annualised increase is sizeable, the expenditure was within budget and part of a three-year investment plan as we gear ourselves for growth. It included planned growth in our head count by 12%, and although contributing to an increase in the cost base, it is this creative and dynamic workforce that sustains and fuels all we do.

As well as investing in our people we have invested in our technologies. You will now see the impact of this investment with the rebrand implemented across our online platforms. These one-off project costs, including the technology costs, are within this direct expenditure and not capitalised.

Our net unrestricted expenditure for the period, before transfers between funds, was £1.5m. In order to sustain this investment we are moving away from relying on long-term interest and investment income to cover costs, particularly as this income stream has been impacted by the Covid-19 pandemic and on-going historically low interest rates. We have, instead, adjusted our prices, fee and cost structures. These changes will take some time to deliver full impact and our investment plan sees us return to break even by 2023. Our reserves policy outlines that we have the funds available to deliver this plan.

Grants out



Grants out increased in the period by £30.2m compared to 2019.

Investment management and performance

Investment policy and powers

Stewardship giving accounts often hold balances for a number of years. The funds are built through regular and one-off gifts, then granted out over a number of years. As a result Stewardship holds significant funds awaiting donor advice on granting onwards. For smaller accounts, Stewardship trustees invest these funds, thereby reducing our charges to clients.

For more significant balances in Philanthropy Fund or Donor Advised Fund accounts the trustees may, at the request of a giving account holder, invest these funds to provide an income stream into the giving accounts and to potentially assist in maintaining capital value, or alternatively to create kingdom impact through social investment.

Investments are overseen by our Finance and Investment Committee on behalf of the Trustees, with advice from our retained investment advisors. Day-to-day investment management, monitoring and accountability of external investment providers is overseen by the Leadership team.

Ethical and sustainable approaches are applied as possible and appropriate to limit our exposure to areas that are contrary to our Christian faith. In order to manage investment risk, generate income and provide liquidity, a number of investment approaches are applied to the funds held by Stewardship.

1. Investments in cash and money market deposits are governed by our liquidity policy, which determines the eligibility of counterparties, making use of recognised credit agency ratings and risk assessments.
2. Market-related investments are governed by our asset allocation policy, which aims to have less than half of our chosen investments in purely commercial market investments and ensures a well-managed portfolio within our risk appetite.
3. Lending provision to churches and Christian charities is considered as a key part of fulfilling our charitable objectives, while at the same time this kingdom-impact investing provides an investment return. These loans are governed by our lending policy, which is designed to manage risk.
4. Programme-related and social investments are reviewed by the Finance and Investment Committee. These investments seek to provide a positive kingdom impact while at the same time generating an investment return.

The trustees and leadership team are continuing to work at ways the Christian and programme-related share of Stewardship's investments can increase. We are seeing an increasing number of requests to grow this area of investment and we anticipate an encouraging few years ahead as we investigate and review options available.

Market-related investments

Market-related investments held by Stewardship fall into three categories:

1. Two pooled funds (the Stewardship Balanced Fund and the Stewardship Growth Fund) managed by third parties under discretionary mandates which are offered to Philanthropy Fund and Donor Advised Fund clients, who can indicate how they would like balances in their Stewardship giving accounts to be invested in these funds.
2. Nominated investment options (NIOs) which are invested in a more bespoke way as requested by Philanthropy Fund donors and agreed by Trustees as being in line with Stewardship's charitable and missional objectives. The minimum initial investment is £500,000.
3. Investments where the choice of investment is driven by Stewardship to both produce an income in support of mission fulfilment while maintaining or growing capital.

Pooled investment funds. Performance of the Pooled Balanced and Growth Funds is benchmarked against weighted indices for the asset classes in which the funds are invested and is reviewed quarterly by the Finance and Investment Committee. For the year as a whole, against a background of global distress, a huge economic shock and disruption in so many areas, financial markets had a significant setback in March 2020 but have ended the year with a strong return for most equity and fixed income markets, supported by both fiscal and monetary policy and looking ahead to the economic recovery to come. Total investment in the two funds was £43.2m at year end (£33.6m in the Balanced Fund and £9.6m in the Growth Fund).

1. The Balanced Fund: Sarasin & Partners manages this fund which aims to achieve a balance between income and long-term capital growth while meeting the objective of producing a return in excess of CPI +4% over the long term. Investments cover a range of asset classes including equities, fixed income and

alternatives. Performance (net of fees) during the 2020 calendar year was 7.7%, exceeding the benchmark of 4.4%. Having benefited from strong stock selection in the early part of the period, the market rotation into more cyclical stocks was detrimental to the fund's performance in the final three months of the period, though absolute performance was good and the fund performance remains healthily ahead of its benchmark for the calendar year as a whole. Since inception (June 2014) the fund has exceeded its benchmark (68.3% vs 64.6% net of fees) and remains comfortably ahead of its objective of CPI +4% (40.7% net of fees).

2. The Growth Fund: Rathbones manages the Growth Fund which aims for a longer-term approach with a focus on capital growth and invests only in equities. During the 2020 calendar year the total return on the Growth Fund was 1.4% (net of fees) below the benchmark of 3.6%. Those characteristics which produced a positive contribution from stock selection earlier in the year, upended in the fourth quarter due to the portfolio being underweight in more cyclical stocks (relative to the benchmark) which benefited from the improved expectations of economic recovery. Over the life of the Growth Fund (since September 2008) returns remain significantly above benchmark at 240% (net of fees) vs 201%.

Nominated investment options (NIOs). This option is available to our philanthropy clients who wish to nominate the investment of the funds granted in to Stewardship. During the year we have seen increased requests for NIOs and now hold NIOs in a variety of investment vehicles:

- Fixed income funds.
- Global equity funds.
- Social investments.
- Investment portfolios to be managed within private banking relationships.

The large balances held in equity investment portfolios are held for the longer term with the target of capital gains. With NIOs held in different funds with different strategies, we do not target a single return or benchmark figure. The results mirror those of the Balance and Growth Funds above, with some exceeding benchmark returns and some coming in under, but all returning a satisfactory result for the period considering the volatility in investments over the period due to the Covid-19 pandemic.

There are also some nominated social investments in mission housing, discussed below.

Stewardship investments. Fixed income funds are held by Stewardship with the aim of generating income while maintaining capital value. During the year a rebalancing of the funds held reduced exposure. There is now only a limited (£1m) holding of the longer maturity fund, with the remainder (£14m) invested in lower risk, short maturity funds.

Money market deposits, cash holdings and church and charity lending

Money market deposits and cash held showed a significant movement from £86.3m to £63.6m, which principally relates to planned moves of £24.6m from restricted cash to a nominated investment shortly after last financial year end. However cash held in investments other than NIOs has increased by £7.2m compared to 2019, which reflects the strategy for increased short-term liquidity during the Covid-19 pandemic.

Money market deposits and cash are held with a range of counterparties to spread risk as well as maximise interest return, while remaining in line with the liquidity policy. Of our balances, 79% is held at institutions with a long-term credit rating of A or higher. Stewardship's average interest rate return was 0.54%.

Church and charity lending decreased from £19.5m to £19.1m over the year despite Stewardship making a record number of loans during the period. The 23 loans varied from applications to purchase buildings, renovations of existing properties and the building of new churches. Despite strong lending performance, the combination of the size of the loans and £2.1 million being repaid early as one-off lump sums to part redeem or fully redeem loans has resulted in a lower year-end asset value. The church and charity lending team have continued to make a number of large loans to churches and charities in the first half of 2021 with a strong pipeline in place for the remainder of the year.

Lending interest rates are set after considering factors which include default risk, base interest rate, security provided and competitor rates. The average lending rate of our loan book at 31 December 2020 was 3.97%.

Social impact investing

This continues to be an area of investment that we are looking to develop. We have seen an increase in interest as well as small actual increases in social investments held. Donor advised social property investments increased from £95,000 in 2019 to £486,000 at the end of 2020. During the year we sold a holding of a social impact bond which has had a dual objective of generating an investment return in addition to contributing to Stewardship's charitable objectives.

Stewardship also completed an investment in Lamb's Passage Holding Limited, the holding company of Kingdom Bank Limited, having received regulatory approval from the FCA to proceed with the purchase in March 2020. The investment held is £1.7m of donor advised funds and £2.9m of Stewardship invested funds. Kingdom Bank is an explicitly Christian bank seeking to partner with Christians who would like to see their cash invested for kingdom purposes and offering churches and Christian charities lending and financial services which serve them in their gospel ministry. It works across denominations, financing over £47m of projects that support growing churches to achieve their missions. The Lamb's Passage Holding Limited investor group is committed to strengthening Kingdom Bank's capabilities, while retaining and enhancing its distinctive Christian character.

Reserves

Stewardship's leadership team and trustees monitor unrestricted funds and plans for the future to ensure we have appropriate financial resources to continue our operations. It is vitally important to us that the funds donated in by giving account holders, held in restricted funds, are protected to ensure Stewardship maintains capital value and has the liquidity to meet their future requests to make grants to their chosen charities.

At the end of the reporting period we held £174.7m (2019: £171.7m); of this £165m (2019: £163.3m) was in restricted funds and £9.7m (2019: £8.3m) was in unrestricted funds.

During the previous year the trustees revised Stewardship's policy on unrestricted reserves to include a broader breakdown of our assets and to use a more formal approach akin to Solvency Capital Requirements used by insurance companies as a basis for the level of reserves to be held. The policy requires that Stewardship has financial resources sufficient for running costs for six months and a risk-weighted provisions against assets held based on both historic market experience and Stewardship knowledge. This determines the level of reserves required as follows:

To ensure we can cover our next six months of running costs	£3.3m
To cover the risk of loss on investments and church and charity lending	£2.7m
Minimum reserves policy	£6.0m

At 31 December 2020, Stewardship had reserves of £9.66m (£9.7m of unrestricted funds less certain fixed assets amounting to £40k, which under Charity Commission guidance are not part of reserves as they are required for our ongoing operations), which is significantly

above the level of £6m determined by our policy. Despite a continued period of investment Stewardship's unrestricted reserves have increased for which the trustees expressed their sincere appreciation and gratitude for the provision of a remarkable legacy fund of £3.2m. Stewardship has managed and fulfilled the legacy donor's expression of wishes over the last 25 years and the fund has therefore now been wound up and on the donor's request reverts to Stewardship unrestricted reserves. The timing of this has enabled the trustees to proceed with the long-term strategic plan, which includes a period of investment over the next few years as we invest in the long-term development of Stewardship. The additional reserves held above our policy will continue to be invested in this strategic plan but also increase our resilience in the current uncertain economic climate.

To note: our trustees approved the purchase of our offices at Lamb's Passage, as an investment, currently valued at £3.7m. Located in Central London, should the need arise, the offices could be sold and hence their value has not been excluded from reserves but instead a provision included in the reserves required, should there be a reduction in market value.

As indicated in note 1b to the Financial Statements, the Stewardship Trustees and Leadership Team have reviewed Stewardship's financial position, plans, reserves and risk management and believe Stewardship have adequate resources to continue operations for the foreseeable future and therefore support the preparation of these financial statements on a going concern basis. As well as unrestricted reserves of £9.7m, Stewardship has significant liquidity with £10.7m held as instant cash and another £52.8m in various notice and fixed term cash deposits. These provide the liquidity to meet the ongoing operational expenditure needs of the charity and also to ensure funding for grant payments from giving accounts.

Our risks

Stewardship is largely dependent upon receiving donations from givers. The principal identified risks and uncertainties are therefore concentrated around the conditions which facilitate this giving and our own operational abilities to efficiently manage and facilitate our grant making. We maintain and update a risk register which is regularly monitored by the Leadership Team and reported to the Trustees via the Audit and Risk Committee

on a regular basis. The Council, in conjunction with the Leadership Team, consider that they have established appropriate systems to anticipate risks as they arise and have instigated procedures and actions to mitigate the probability, likelihood and impact that such risks may pose to the organisation. The principal risks and uncertainties have been identified on the following page as:

Risk title	Risk description	Management
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.	<p>We continue to invest in strengthening our systems and infrastructure with security and resilience measures ‘baked in’. With the employment of a new CTO we have a new programme of security enhancements and ongoing reviews, testing our IT estate with independent third-party security experts.</p> <p>We acknowledge that staff awareness is a key control and regular training is undertaken in this area to ensure that they are aware of their duty to protect our systems and data.</p>
Investment and liquidity risk	Volatile economic conditions have the potential to adversely impact the value of our investments, and the foreseeable low interest rate environment will impact the interest income and could pose a threat to the risk of insufficient financial resources to meet committed obligations.	Regular monitoring and review of a well diversified portfolio of investments and all income streams are carried out by the Finance and Investment Committee, including review of Stewardship’s reserves requirements and cash flow forecasts.
Credit risk	Risk of a financial loss arising from borrowers failing to meet their financial repayment obligations.	<p>Stewardship loan applications are credit assessed and reviewed by a dedicated team; loans subjected to higher thresholds are presented to the Finance and Investment Committee for approval.</p> <p>All loans are subject to regular monitoring of loan performance.</p>
Service continuity risk	As an organisation providing a selection of different services, the failure of IT systems and loss of key staff would be significant.	<p>We continue to review our business continuity arrangements and plans, including recent assessment and updates, for any potential impact of Covid-19. We also use, when appropriate, internal incident response groups in highlighting and addressing key business-critical activities and issues.</p> <p>We provide robust recruitment, succession and support programmes, which include peer role training, and make available and promote staff well-being and resilience programmes. We continue to uphold and grow a workplace culture of Christian fellowship, love and care.</p>
Reputation risk	<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>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 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 policies to assist with extensive risk-based due diligence procedures which seek to mitigate the risk of grants being misapplied.</p> <p>Use of ethical screening seeks to mitigate any concerns over the investments we make in place to help manage our reputational risk.</p>

Our structure

Overview

Stewardship began its life in 1906 as the United Kingdom Evangelisation Trust (UKET) to support the church planting activities of the Brethren church, our primary function being to hold in trust property and financial resources generously given for church planting and evangelism. 115 years later, we have evolved into a family of charities and companies that seeks to inspire and serve evangelical Christian generosity.

The Stewardship family (as detailed in note 15 to the financial statements), has grown and now comprises of Stewardship Services (UKET) Ltd, the principal charity, the dual-qualifying entities, Stewardship America Donor Fund UK Ltd and Stewardship America US Inc as well as an associate investment in Lamb's Passage Holding Ltd, the parent company of Kingdom Bank. Further details are provided in note 15 to the financial statements.

The parent company, Stewardship Services (UKET) Ltd, a company limited by guarantee (company number 90305) and a registered charity with the Charity Commission (charity number 234714), is governed by a Memorandum and Articles of Association, as last amended in September 2017. All of the directors of the company are also trustees and members of the charity. The trustees meet regularly as Council and are referred to as members of the Council. Together with the Leadership Team they provide:

- **Strategic vision**
- **Governance oversight**
- **Operational process and direction**

The subsidiaries have their own governing documents and boards of trustees.

Our charitable objectives

- **To advance the evangelical Christian faith, including by preaching the gospel and holding religious services and meetings.**
- **To promote the publication and distribution of the Bible and other Christian literature.**
- **To advance the education of children and adults in accordance with the doctrines and principles of evangelical Christianity.**
- **To relieve need, hardship and distress, especially amongst evangelists, teachers and others who have given service to the trust or helped promote the objects.**
- **Otherwise to promote the charitable work of evangelical Christian churches, societies and charities.**
- **To advance such purposes as may be charitable according to the law of England and Wales and are not, in the opinion of the Council, inconsistent with the attainment of the above objects, including by means of making donations to further such charitable purposes.**

Public benefit statement

The Stewardship family of companies seeks to serve generous Christians and the work of Christian churches, workers and charities in the UK and abroad by providing services designed to effectively administer the receipt and distribution of charitable funds.

Moreover, partnering with our clients in providing training and administrative services such as payroll, accounting and other resources enables churches, workers and charities to better fulfil their key activities of advancing the Christian faith and bringing relief to those in need.

The trustees have had regard to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future developments as we seek to continue making a difference.

Our people

The Trustees and the Leadership Team are the key management personnel of the charity.

The Leadership Team works in partnership with the trustee Council to deliver our goals and mission. The following served as members of the Leadership Team for the period ended 31 December 2020, and up to the date of approval of the accounts, except where stated otherwise:



Stewart McCulloch

Chief Executive Officer

(Also Acting Chief Financial Officer 1 September 2020 – 31 January 2021)



Juliet Maggs

Chief Financial Officer

Until 31 August 2020



Janie Oliver

Chief Financial Officer

From 1 February 2021



Nicola Johnson

Chief Philanthropy Officer



Daniel Jones

Chief Generosity Officer



Frances Miles

Chief Partnerships Officer



Brett Mickelburgh

Chief Technology Officer

From 15 June 2020



Gary Palmer

Chief Operating Officer

Until 30 September 2020

Members of Stewardship Services (UKET) Limited Council

The following served as directors and members of the Council (trustees) for the period ended 31 December 2020, and up to the date of approval of the accounts, except where stated otherwise:

Name	Full council	Finance & Investment	Audit & Risk	Appointments & Remuneration	Legacy Fund Grants	IT & Digital Strategy (2)	People, Culture & Place (3)
Simon Blake (1)	✓ Chair	✓		✓ Chair			
Heather Grizzle	Vice Chair Until 9/3/20			Until 9/3/20	Chair Until 9/3/20		
Gareth Burns	✓ Vice Chair From 9/3/20	Until 3/12/20	✓ Chair From 3/12/20	✓	✓		
Antony Barnes	✓	✓ Chair		✓			
Stephanie Biden	✓		✓				
Mike Bugembe	✓ From 17/9/20					✓	✓
Jennifer Charteris	✓ From 17/9/20						✓
Sandra Cobbin	✓			✓	✓ Chair From 9/3/20		✓
Curtis Hopkins	✓ From 5/12/19					✓	
Jeremy Marshal	✓	✓					
Andrea Pattico	✓ From 17/9/20						✓ Chair
Sunil Rajan	✓ From 9/3/20					✓	
Ritzema Steyler	✓				✓	✓ Chair	
James Ward	✓ From 9/3/20	✓					
Grace Broadhurst	From 17/9/20 Until 24/11/20						
Helen Senior	Until 3/12/20		Chair Until 3/12/20				
Michael Wright	Until 9/3/20	Until 9/3/20					

- (1) Members of Council agreed to extend Simon Blake's term as a trustee and Chair until March 2022. Simon has already served three terms of three years as a trustee and the decision reflects the need for continuity at a time of transition of trustees and strategy implementation. Recruitment has now commenced to have a new Chair (designate) in place by the end of 2021.
- (2) The IT and Digital Committee was formed as of 9 September 2020 and all appointments were made on this date.
- (3) The People, Culture and Place Committee was formed as of 26 October 2020 and all appointments were made on this date.

Other People:

David Vardy – Chair Emeritus

Joachim Adenusi – Non Trustee member of the Audit and Risk Committee

Murray McEwan – Non Trustee member of the Finance and Investment Committee until 25 February 2020

Jonathan Gwilt – Non Trustee member of the Finance and Investment Committee from 2 June 2020

Bernadette Cunningham – Non Trustee member of the Finance and Investment Committee

Janie Oliver – Company Secretary (appointed 4 March 2021)

Our committees

Appointment of new Trustees

The existing trustees, together with the Chief Executive Officer, seek to identify potential new trustees with the character, energy, shared vision, skills and experience to provide a positive contribution to Stewardship and who we consider will be able to help in our development. Potential trustees are given significant exposure to Stewardship before a decision is made on their appointment. The power to appoint new trustees rests with the existing trustees on a two-thirds majority.

- Receiving and challenging budgets and financial reporting.
- Treasury and liquidity policy.
- Monitoring of reserves.
- Review and approval of large value lending.

2 Audit and Risk Committee

This has the responsibility for the supervision of audit and the oversight of risk management including:

- Supervising the maintenance of appropriate internal controls.
- Advising the Council on minimising the risk profile of future strategies.
- Reviewing the reports of and the appointment, performance, independence and objectivity of the external auditors.
- The review and proposing to Council of the Annual Report and Accounts.

Induction of new Trustees

A full induction programme is provided for new trustees covering areas that include:

- Our vision, mission and values.
- Explanations of all of Stewardship's products and services.
- Details of our strategic plan and our objectives for our coming year.
- The roles and responsibilities of trustees under charity law and governance.

Operations and decision making

The trustees meet regularly either as Council or in committees where, in full consultation with the Leadership Team, the main strategic and directional decisions are taken. Day-to-day operations are delegated to the Leadership Team which has, within certain limits, delegated authority. Suitable benchmarks and milestones are agreed so as to provide a basis on which to measure achievements, with the Leadership Team generally reporting progress to the trustees through the various committees.

There are six trustee committees which are:

1 Finance and Investment Committee

This is responsible for overseeing the general financial management and investment activity of Stewardship including:

- Investment strategy and advice, including the appointment of investment managers.

3 Appointments and Remuneration Committee

This is responsible for:

- Proposals for the appointment of trustees.
- The appointment and remuneration of the Chief Executive Officer and members of the Leadership Team, and agreeing the basis for the general pay award to staff. Pay increases for all employees, including the Chief Executive Officer and Leadership Team, are subject to individual performance assessed in line with appraisal criteria agreed as part of the charity's performance management system. In determining the pay of the Chief Executive Officer and Leadership Team, where possible, relevant benchmarks are considered and bandings have been created to ensure consistency across the team. This will continue to be developed across the organisation through the work of the People, Culture and Place Committee.
- Acting as a first point of reference for the Chair of Council and Leadership Team on urgent issues between council meetings.

4

Legacy Fund Grants Committee

This committee is responsible for the award of grants from legacy funds which are managed by Stewardship. During 2020 the committee oversaw the completion of a 25-year expression of wishes (the Euroclydon Fund), which brought a programme of planned grant making to a conclusion. The completion of the grant making from the Euroclydon Fund released the funds to our unrestricted reserves, which allowed us to pursue the growth investments that we've made to transform Stewardship.

5

IT and Digital Strategy Committee

This committee was formed as of 9 September 2020. It exists to advise on issues and operations related to IT and/or digital strategy:

- To ensure IT and digital strategy vision, goals, strategies and tactics are consistent with the strategic objectives of the organisation.
- To ensure adequate internal staffing and outsourced resources are in place to deliver our products and services in a secure, agile and cost-effective manner.

- To propose IT and digital policies for adoption by the Council.

- To oversee IT and digital risks (per the Stewardship Risk Register) on behalf of the Audit and Risk Committee.

6

People, Culture and Place Committee

This committee was formed as of 26 October 2020 and is responsible for forming the culture and workplace of Stewardship in the following ways:

- To ensure our values drive our culture, strategy and brand – who we are, what we do and how we are seen.
- To propose people, culture and place policies for adoption by the Council.
- To oversee people, culture and place risks (per the Stewardship Risk Register) on behalf of the Audit and Risk Committee.
- To monitor the spiritual, cultural and physical well-being of the organisation through regular surveys and feedback advising on areas for improvement.

Our policies

Grant making policy summary

Stewardship works in partnership with its donors and other parties to identify Christian churches, workers and charities for the purpose of providing grant support. It always operates within the prevailing regulatory, legal and taxation framework of the UK or the US as applicable. Assessment of the activities being performed by proposed recipients is undertaken by Stewardship to ensure that the recipients' work is properly understood and that this is consistent with our own objectives.

Only when we are satisfied of this alignment and after we have undertaken our due diligence will we consider making a grant. The depth of due diligence undertaken

is risk based and we consider a number of risk factors including the size of the proposed grant, geographical location, governance arrangements and operational structure.

Account holders making gifts to Stewardship may express a preference that funds are donated to specific recipient causes. Following successful due diligence and a financial needs assessment, a beneficiary is recognised as eligible by us and we will then consider the preference request of the donor. This end-to-end process helps those that give to us to identify closely with the recipient and allows the recipient to be aware of committed financial support.

Modern day slavery act

Our operating income for the period (those funds freely available for Stewardship to use in pursuance of our charitable objectives) is £6.1m (2019: £4.4m), well below the threshold of £36m set by the Modern Slavery Act 2015. We are therefore not legally required to have a policy on modern slavery; however the Modern Slavery Act 2015 is a positive piece of legislation aiming to safeguard workers from exploitation and we support the aims of this legislation. Stewardship has a zero-tolerance approach to modern slavery and human trafficking. As far as is possible Stewardship ensures that the organisations we provide grants to do not use the funds in ways that are contrary to this Act. With the vast majority of our activities centred on this charitable-gift processing and Partner Services to charities and churches, our supply chain is low value by comparison and, as such, we have assessed it as low risk. Council and the staff team at Stewardship are committed to continually improving our practices to help identify and combat modern slavery and human trafficking.

Fundraising statement

During the accounting period Stewardship registered with the Fundraising Regulator and adopted the standards within the Code of Fundraising Practice.

As a Donor Advised Fund charity, Stewardship's charitable model is different from other charities; we receive restricted donations from individuals and organisations. We have established and maintain over 14,000 charitable grant making recipient relationships. These relationships have enabled the individuals and organisations to donate to Stewardship, with a preference for their support to an eligible recipient, knowing that we have undertaken the required due diligence on our recipients together with claiming any tax relief on eligible giving.

Donors can give via Stewardship's online fundraising platform, helping to raise funds since 2012. Give.net has been fundamental in helping churches and charities during the pandemic: with many churches not being able to meet together this has negatively impacted their cash flow from the traditional 'plate offerings'. Our church recipient relationship has meant that congregations have been able to use give.net as an option to support their church.

During the accounting period Stewardship has not received any fundraising complaints and has not had any compliance issues with upholding the Code of Fundraising Practice.

Stewardship has not employed any third-party professional to engage in any fundraising activities on its behalf, nor do we employ staff who have responsibilities to carry out in-house fundraising activities.

Stewardship is in a niche position to be able to partner with many individuals with charitable funds. When individuals receive funds from Stewardship they are receiving charitable grants to fulfil our charitable objects. Stewardship seeks to encourage all of its recipients in supporting with the fundraising activities relating to funds then used to support Christian-related outreach. Stewardship does this by offering and providing training and guidance to its recipients by:

- Events and training to support good standards in raising funds.
- Helpful resources in fundraising for individual partners.
- Provision of helpful support forms and platforms to encourage donors to give in a way in which they are comfortable with.

All donations received are subject to our appropriate policies, Stewardship manages all donations raised by individual partners and these become our funds. By using our bespoke give.net platform, embedded integrity checks and alert systems give our dedicated team the required oversight for managing these relationships with our individual partners.

Stewardship takes its responsibility to protect vulnerable donors very seriously and will uphold the values of the Code of Fundraising Practice by treating its donors fairly and with respect. Stewardship does this by:

- Supporting regular donors through dedicated teams who undertake regular vulnerable donor training to help spot the potential signs of a vulnerable donor.
- Having internal controls for one-off/occasional donors to help detect unusual donation trends and amounts, and once identified these undergo further checks.
- Having processes in place for when a gift has been made by a donor in a vulnerable circumstances.
- Ensuring staff who are actively involved in fundraising undertake vulnerable donor training.

The costs of fundraising for Stewardship in the past 15 months has been £79k.

Sustainability and carbon reporting

Stewardship is reporting energy and carbon emissions in compliance with The Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

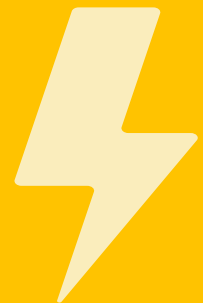
This is Stewardship's first year for streamlined energy and carbon reporting (SECR). The 2019 results are also available (provided below) and will therefore be the base year for future comparisons.

A 30% decrease in electricity consumption is reported when using an annualised 12-month figure for the current financial year (70,557 kWh), compared to the previous 12 months (101,340 kWh). This, however, can mostly be attributed to the Covid-19 pandemic with most employees working from home for the majority of 2020.

Stewardship has submitted an energy audit report with ESOS (Energy Savings Opportunity Scheme) in December 2019, which identified 41,651 kWh of potential energy-saving projects. Implementation for these projects were delayed due to limitations caused by Covid-19 but will be reviewed afresh in 2021, to ensure future reduction in energy consumption.

STREAMLINED ENERGY AND CARBON REPORTING 2020

Consumption kWh	88,196	101,340
Energy intensity Consumption per square metre	170	195
Carbon Emissions TCO2e	21	26
Carbon Intensity TCO2e per square metre	0.040	0.050
	15 months to December 2020	12 months to September 2019



Energy source: Electricity (kWh)

Methodology and estimates

The energy consumption and carbon emissions figures have been extracted from invoice data for the financial year. No estimates have been used as we have access to 100% actual data from the invoices.

The company does not own any vehicles and all travel is undertaken using public transport. Energy consumption has been converted to carbon (TCO2e) using 2020 DEFRA published conversion factors.

Charity Governance Code

Stewardship recognises the importance of the Charity Governance Code's principles and values in its role of supporting the Council's journey of continuous improvement as it upholds the trust's 110-year legacy.

Our Council members are united under the statement of beliefs to which we subscribe and, as Christians, are committed to the biblical principles of good 'stewardship' and governance. The Council are taking the time to review all aspects of the recently updated code to ensure we can demonstrate the governance expected of us and outlined in detail in the Charity Commission endorsed code.

Section 172 statement

Background

As a charity and company limited by guarantee, Stewardship is required to report on how trustees have discharged their duty to promote the best interests of Stewardship, while having regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006. In doing so, regard (amongst other matters) must be given to:

- The likely long-term consequences of any decision.
- The interests of employees.
- Fostering relationships with key stakeholders.
- The impact of operations on our communities and environment.
- Maintenance of our reputation for the highest standards of conduct.
- The need to act fairly as between members of the company.

Our stakeholders

The Council recognises that Stewardship's relationship with its stakeholders is critical to its success. The table sets out our key stakeholder groups, the key considerations of each group and how we engage with them. By understanding our stakeholders, Council discussions consider the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

Stakeholder group	Key considerations	How we engage
Churches, charities and Christian workers (partners)	<ul style="list-style-type: none"> • To help partners raise and steward resources in order to effectively carry out their work and fulfil their mission. • To provide services and help to catalyse a thriving Church across the UK. 	<ul style="list-style-type: none"> • A full curriculum of support (monthly communications via targeted e-newsletters, regular free webinars, targeted training programs and an annual conference). • We provide a pathway for churches to plant, revitalise and grow, for Christian charities to form and grow to be self-sustaining and for mission workers in their support raising.
Givers and philanthropists	<ul style="list-style-type: none"> • To help Christians make every gift count, releasing even more funds to Christian causes. • To be a lifetime partner for generous Christians, passionate about giving and supporting the causes that they love. 	<ul style="list-style-type: none"> • Publication of <i>Share Magazine</i>, <i>Generous</i> email magazine and informative social media posts giving guidance and perspective. • Retreats, events and one-to-one engagement with philanthropy clients. • Online, telephone and written communication with all clients with no limit on the time we will take meeting their needs. • Consultations and significant notice on any changes in our prices or terms, including specific detailed communication to those directly affected. • Customer engagement in our product development, user and customer acceptance testing and feedback for our refreshed platforms and products.
Employees	<ul style="list-style-type: none"> • Succession planning. • Growth, training and development. • Diversity, inclusion and equality. • Fair and appropriate remuneration, benefits and condition. 	<ul style="list-style-type: none"> • People, Place and Culture Trustee Sub-Committee established during the period to focus on continuous improvement to our people, place and culture development. • Quarterly employee engagement surveys. Dedicated Intranet and chat channels, weekly all-staff team meetings and bi-weekly all-staff prayer meetings.
Regulators (Charity Commission, HMRC and Fundraising Regulator)	<ul style="list-style-type: none"> • Maintaining strict governance procedures to ensure compliance with all applicable regulatory regimes. • Using our knowledge and experience to influence policy and regulation where appropriate. 	<ul style="list-style-type: none"> • Timely submissions of all necessary filings and returns. • Self-reporting and engagement where appropriate. • Prompt and comprehensive response to requests for information if requested. • Engagement as part of regulator working groups and committees. • Lobbying for change at a policy level.
Investment community	<ul style="list-style-type: none"> • Comprehensive review of the financial performance of Stewardship's investments. • Balancing the financial performance, risk factors and liquidity of the investments held. 	<ul style="list-style-type: none"> • Regular meetings and correspondence with our investment managers. • Oversight from the Finance and Investment Committee.

Key decisions in 2019–2020

Below are the key decisions taken by the Stewardship Council of Trustees in 2019–2020 and how the interests of our stakeholders and the wider factors set out in section 172 of the Companies Act 2006 were taken into account.

Response to the Covid-19 pandemic

On 6 March 2020 our trustees contemplated the pandemic. Over the next two weeks we updated and revised our contingency plans and moved to home working on 18 March. As the country entered lockdown on 23 March 2020, the Stewardship Council convened as required and so began an unprecedented period of working together as we sought to respond not only to the increased needs of the global community, but to what it might mean for Stewardship as an organisation.

Key considerations:

• Stewardship Strategic Planning and Risk Framework

In the days and months that followed the March 2020 lockdown, the Trustees and Leadership Team met regularly to agree a series of contingency plans (plan A, B and C) with a series of triggers for the activation of plans B and C. In the creation of these contingency plans and an enhanced risk assessment, due consideration was given to all of Stewardship's relevant stakeholders, in particular the community of givers and partners that Stewardship has been set up to serve. In the months that followed, the B and C contingency plans have not needed to be triggered, but these are still assessed on a quarterly basis as the world navigates out of the Covid-19 pandemic.

• Rapid Response Fund (RRF)

In the first 100 days of the crisis we launched the Rapid Response Fund and helped raise £5.37m to give grants to 100 churches and charities, bringing practical help and gospel hope to over a million people. The fund wouldn't have been possible without effective stakeholder engagement – we created a RRF Advisory Board including key charity and church leaders and partnered with a number of our large philanthropy donors to make the fund a reality.

• Supporting Partners

Our Covid-19 response included meeting the direct needs of our partners, including publishing dedicated Covid-19 information for partners, over 1,500 church leaders attending focussed webinars, 25% of our church loans taking repayment relief and supporting furlough claims for our payroll clients.

Completion of the acquisition of 35.5% of Kingdom Bank

In March 2020, we completed the investment in Kingdom Bank with a number of other Christian investors, some of whom requested us to make this investment from their Stewardship philanthropy accounts.

Key considerations:

- We were pleased to have played a major part in safeguarding Kingdom Bank as the only UK bank focussed wholly on serving Christian churches and church workers, and enabling Christians to invest their savings with a missional focus on the work of the Church. Throughout the investment process, we worked proactively with the regulatory authorities, including the PRA and FCA, as well as with the fellow group of Christian investors, many of whom are also Stewardship philanthropy clients. Stewardship now controls a 35.5% investment in Lamb's Passage Holding Limited (LPHL), the new holding company of Kingdom Bank. Stewardship has three of the nine director positions of LPHL, recognising our interest. We continue to work proactively with the Kingdom Bank executive team, exploring synergies between the two organisations.

Hiring of a new Chief Technology Officer (CTO) and significant investment in technology

In June 2020 we welcomed our new Chief Technology Officer, Brett Mickelburgh. Brett is overseeing a period of significant investment as we move to fully embrace a digital platform strategy.

Key considerations:

- Creation of an IT and Digital Strategy Board Sub-Committee to oversee significant IT investment and change.
- Management of the impact on Stewardship employees.
- External stakeholder engagement during the change process to inform direction and decisions.

Significant trustee recruitment

During the period, we refreshed the board through the recruitment of six new trustees. We also said farewell to three trustees who retired during the period.

Key considerations:

- The Council now more fully represents the diversity of the Church that Stewardship seeks to represent and serve through our operations.
- Trustee recruitment took place following rigorous recruitment and interviewing processes, involving numerous stakeholders throughout the process.



Statement of Council Responsibilities

The members of Council are responsible for preparing the Annual Report, incorporating the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the members of Council 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 members of Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the members of Council 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charitable company's website 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 maintenance and integrity of the charitable company's website is the responsibility of the members of Council. The Council members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Re-election of the Members of Council

Under the Articles of the charity, trustees serve for a term of three years at which point they may be appointed for a further term.

Appointment of Auditors

A resolution to reappoint BDO LLP as auditors will be proposed at Council meeting in June 2021.

Provision of Information to Auditors

As required by the Companies Act, the trustees who held office at the date of approval of the Annual Report as set out above each confirm that, so far as they are aware, there is no relevant audit information (information required by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and as the directors of the company they have taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approval

This report, including the Strategic Report, was approved by the Council on 17 June 2021 and signed on its behalf.

Signed on behalf of the Council by:



Simon Blake
FCA CF, Chair

Independent auditors report to Members of Stewardship Services (UKET) LIMITED



Independent auditor's report to Members of Stewardship Services (UKET) LIMITED

Opinion

We have audited the financial statements of Stewardship Services (UKET) Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the 15 month period ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated 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 Group's and of the Parent Charitable Company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources for the period 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 Group and the Parent Charitable Company in accordance with the ethical requirements 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 related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: The Chair's Statement and Strategic Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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 accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Council Responsibilities, 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 determines 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 Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, UK

Date **20 July 2021**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Annual Financial Statements



Consolidated Statement of Financial Activities

(Incorporating the Income and Expenditure Account)

	Notes	15 months to 31 December 2020			12 months to 30 September 2019		
		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:							
Donations and legacies	2	2,633	111,688	114,321	1,674	139,973	141,647
Charitable activities	3	1,422	-	1,422	1,147	-	1,147
Investments	4	2,035	1,585	3,620	1,585	1,359	2,944
Total income		6,090	113,273	119,363	4,406	141,332	145,738
Expenditure on:							
Raising funds	5	(79)	-	(79)	(48)	-	(48)
Investment management fees	5	(28)	(487)	(515)	(43)	(227)	(270)
Charitable activities							
Grants and grant making activities	8	(5,193)	(115,810)	(121,003)	(3,178)	(87,669)	(90,847)
Other charitable activities	5	(2,276)	-	(2,276)	(1,722)	(7)	(1,729)
Share of associate's loss		(68)	-	(68)	-	-	-
Total expenditure	5-10	(7,644)	(116,297)	(123,941)	(4,991)	(87,903)	(92,894)
Net gains/(losses) on investments	14	10	7,513	7,523	465	(4,213)	(3,748)
Net (expenditure)/income		(1,544)	4,489	2,945	(120)	49,216	49,096
Transfers between funds	22	2,838	(2,838)	-	(92)	92	-
Net movement in funds		1,294	1,651	2,945	(212)	49,308	49,096
Reconciliation of funds							
Total funds brought forward	21	8,342	163,345	171,687	8,554	114,037	122,591
Total funds carried forward	21	9,636	164,996	174,632	8,342	163,345	171,687

All transactions arise from continuing operations. All gains and losses are included above. The notes on pages 63 to 86 form part of these financial statements.

Consolidated and Parent Company Balance Sheets

Company number: 90305

	Notes	Group		Charity	
		31 Dec 20 £'000	30 Sept 19 £'000	31 Dec 20 £'000	30 Sept 19 £'000
Fixed assets:					
Tangible assets	12	3,710	3,774	3,710	3,774
Investments:					
Church and charity loans	13	17,587	18,013	17,587	18,013
Other investments	14	106,393	70,321	106,461	70,321
Total Fixed Assets		127,690	92,108	127,758	92,108
Current assets:					
Debtors	16	1,756	1,326	1,709	1,275
Church and charity loans	17	1,485	1,460	1,485	1,460
Other investments		-	7,640	-	-
Money market deposits		52,778	76,751	52,778	67,748
Cash at bank and in hand		10,733	9,528	9,966	9,161
Total current assets		66,752	96,705	65,938	79,644
Liabilities:					
Creditors: amounts falling due within one year					
Church and charity deposits		13,662	12,609	13,662	12,609
Other creditors	18	6,148	4,517	6,136	4,517
Total liabilities		19,810	17,126	19,798	17,126
Net current assets		46,942	79,579	46,140	62,518
Total net assets	20	174,632	171,687	173,898	154,626
The funds of the charity:					
Restricted funds	21	164,996	163,345	164,249	146,400
Unrestricted funds	21	8,450	6,506	8,463	6,390
Revaluation reserve	21	1,186	1,836	1,186	1,836
Total funds		174,632	171,687	173,898	154,626

As permitted by s408 of the Companies Act 2006, the charity has not presented its own Statement of Financial Activities and related notes. The charity's surplus for the period was £19,272k (2019: surplus of £32,035k). Approved and authorised for issue by the Council and signed on their behalf on 17 June 2021.



Simon Blake, Chair of Stewardship

The notes on pages 63 to 86 form part of these financial statements.

Consolidated Cash flow Statement

For the period 1 October 2019 to 31 December 2020 (2019: 1 October 2018 to 30 September 2019).

	2020		2019	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net cash (used in)/provided by operating activities		(5,805)		7
Cash flows from investing activities				
Dividends and interest from investments	3,628		2,944	
Loan advances	(4,291)		(4,037)	
Loan capital repayments	4,692		2,472	
(Increase in) money market deposits (more than 3 months)	(1,551)		(2,016)	
Purchase of fixed assets	(15)		(63)	
Proceeds on sale of investments	32,821		56,235	
Purchase of investments	(53,798)		(15,845)	
Net cash (utilised)/generated by investing activities		(18,514)		39,690
Change in cash and cash equivalents during the reporting period		(24,319)		39,697
Cash and cash equivalents at the beginning of the reporting period		63,754		24,057
Cash and cash equivalents at the end of the reporting period		39,435		63,754
Reconciliation of net income to cash flows from operating activities				
Net income for the reporting period		2,945		49,096
Adjustments for:				
Gifts of shares		-		(50,861)
Share of associate's loss		68		-
Depreciation charges		79		48
(Gains)/losses on investments		(7,523)		3,748
Dividends and interest from investments		(3,628)		(2,944)
Decrease in stocks		-		1
(Increase)/decrease in debtors		(430)		1,321
Increase/(decrease) in creditors		2,684		(402)
Net cash provided by operating activities		(5,805)		7

Analysis of cash and cash equivalents				
Cash at bank		10,733		9,528
Money market deposits		28,702		54,226
Total cash and cash equivalents		39,435		63,754
Money market deposits (greater than three months)		24,076		22,525
Total cash and money market deposits		63,511		86,279
Analysis of changes in cash and cash equivalents and money market deposits	At start of the period	Cash flows	Foreign exchange movements	At end of the period
Cash	9,528	1,527	(322)	10,733
Money market deposits	76,751	(23,370)	(603)	52,778
Total	86,279	(21,843)	(925)	63,511

The notes on pages 63 to 86 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

a. Basis of accounting

The financial statements have been prepared under the historic cost convention except for investments which are included at bid market price and long lease assets held at valuation. They are also prepared in accordance with the UK Companies Act 2006, FRS102, the Financial Reporting Standard applicable in the United Kingdom, and the Charities Statement of Recommended Practice (Charities SORP 2019 – Second Edition). The charity meets the definition of public benefit entity under FRS102.

The financial statements include the results of all the charity's operations which are described in the Trustees' Report. All operations referred to in the Statement of Financial Activities are continuing.

b. Going concern

The Stewardship Trustees and Leadership Team have reviewed the group and charity's financial position, plans, reserves and risk management and believe Stewardship have adequate resources to continue operations for the foreseeable future and therefore support the preparation of these financial statements on a going concern basis.

At 31 December 2020 the Stewardship group has unrestricted reserves of £9.6m to fund its ongoing operations, which is £3.7m above its reserves policy (see page 39 for details of our reserves policy). Stewardship also has significant liquidity with £10.7m held as instant cash and another £52.8m in various notice and fixed term cash deposits. These provide the liquidity to meet the ongoing operational expenditure needs of the charity but also to ensure funding for grant payments from giving accounts.

Each year Stewardship updates its future strategic plans and associated financial model for a number of years into the future, in order to ensure we have the operational and financial capacity to continue in operation and to fulfil our charitable objectives. Following the declaration of the Covid pandemic in March 2020 and the subsequent lockdown in the UK, Stewardship took various steps to ensure our ongoing ability to operate without disruption:

- i. Additional Leadership Team and Trustees' meetings were put in place to agree a number of actions as set out below.
- ii. Our staff were successfully moved to home working just ahead of the national lockdown in March 2020.
- iii. Regular financial forecasts were prepared as well as a budget and financial model looking forward three years to 2023. This demonstrated Stewardship's ability to continue with its strategic plans as our unrestricted reserves remain in excess of our reserves policy both now and over this period. We all give thanks to God for His provision and the privilege of extra resilience during these uncertain economic times.
- iv. We have also looked at various scenarios, comparing forecasted assumptions to possible worst-case situations, testing our financial resilience into the future; for example, if giving were to fall up to 15%, thus impacting our fee income, or if costs were to increase by up to 4%. Our model showed that in all cases we were able to maintain significant unrestricted reserves. However, the Trustees and Leadership team also have prepared a contingency

Accounting Policies (continued)

plan of actions that could be taken should the need arise, including a reduction to our cost base.

- v. We carried out a review of our investment holdings and made a number of decisions to further reduce any volatility risk by selling all equities held against unrestricted funds (£4.6m) and by reducing in total value the fixed income funds held by £6.7m.

Based on the analysis undertaken, the Trustees and Leadership Team have not identified any material uncertainties and have therefore continued to prepare the accounts on the basis that the group is a going concern.

c. Basis of consolidation

The consolidated financial statements incorporate the results of Stewardship Service (UKET) Ltd ('the charity') and other Stewardship legal entities (note 15). The consolidated entity is referred to as 'the group' and the consolidated financial statements present the results of the group as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

No separate Statement of Financial Activities (SoFA) or Cash Flow Statement has been prepared for the charity as permitted by section 408 of the Companies Act 2006 and FRS102 respectively.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and subsequently adjusted to reflect the group's share of the profit or loss and equity of the associate.

d. Key estimates and judgements

The trustees make judgements and accounting estimates, as required, that are considered reasonable and prudent.

Estimates

- i. Assets and liabilities are reviewed to ensure that all are reasonably included and valued given the known factors that impact the charity. Our loan book (note 13) is assessed and the trustees consider that no bad debt provision is required given the excellent track record of our clients and the current status of the loan accounts.

Judgements

- ii. Stewardship holds in its unrestricted funds a 35.5% investment in Lamb's Passage Holding Limited, the holding company for Kingdom Bank (notes 14 and 15). Through this Stewardship has the right to appoint three of the nine directors to the Lamb's Passage Holding Limited board and hence this investment has been shown in the accounts as an investment in an associate. A further 19.9% of shares are held in restricted funds and within specific Stewardship giving accounts. In line with all giving account funds within Stewardship, these investments are accounted for within restricted funds. Stewardship has entered into agreements that delegate the voting and board nomination rights under these shares to these giving account holders, subject to certain charitable constraints. Therefore it is the Trustees judgement that, despite owning more than 50% of the shares, Stewardship is not in a position to control Lamb's Passage Holding Limited and the overall investment can be regarded as an associate in our accounts.

Accounting Policies (continued)

- iii. Stewardship is a 'Donor Advised Fund', an increasingly popular type of charity across the world. 'Donors' give to Stewardship as they might to any other charity. However, they have the reasonable expectation that they will then 'advise' Stewardship who these funds should be granted to within Stewardship's charitable objects. Giving account and partner account balances are therefore held as restricted funds (note 21). The restriction is that they are held in accordance with our terms and conditions for givers and partners.

The terms and conditions confirm that grants are made at the discretion of Stewardship's trustees. They also create reasonable expectations that a donor's gift request will be approved if it meets Stewardship's due diligence requirements and that Stewardship will not make a grant on its own initiative from a donor's giving account unless the account has become dormant.

Whilst under Stewardship's terms and conditions Stewardship trustees have complete discretion over the funds and the grants made from them, the trustees are of the view that the donors' reasonable expectations are that we should hold these funds as restricted funds.

e. Financial instruments

Stewardship has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These consist of financial assets and liabilities, initially measured at their transaction value (including transaction costs) and subsequently at their settlement value. Further details on the measurement and recognition of these instruments are detailed in the following accounting policies.

f. Income

Donations (also referred to as 'gifts in') 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 ('gift in') is made with a valid Gift Aid declaration, the Gift Aid is recognised in the period in which the original donation was made. Legacies are accounted for as income once the entitlement to the legacy becomes probable and quantifiable. As per note 1d iii) income received from donations and legacies are held as restricted funds.

Income received in foreign currencies is reported in the financial statements at the GBP equivalent value based on the exchange rate in place on the date of income recognition.

Non-cash gifts are recognised at the fair value of the financial asset at the time of donation.

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

Accounting Policies (continued)

g. Expenditure

- i. Grants to charitable causes principally represent the payments made following the expression of wishes made by our givers, from their Stewardship accounts. These are recognised in the accounts on receipt of the givers' expression of wishes, provided that Stewardship has completed the appropriate due diligence and financial assessment checks on the charitable cause nominated. Where Stewardship has followed a donor's request and allocated funds to a recipient's account, Stewardship 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. Software development costs including accrued expenditure are written off as incurred.
- iii. Other expenditure in the furtherance of charitable objects is accounted for on an accruals basis. Where expenditure does not fall clearly into an expense 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 on the Balanced and Growth Investment Funds are charged directly to the investment and reflected in closing asset valuations or, for sales, the asset sold.
- vi. Employee termination costs are accounted for on an accruals basis and in line with FRS102.

h. Operating leases

Rentals payable under operating leases are charged to the SoFA evenly over the period of the lease.

i. Tangible fixed assets

- i. Tangible fixed assets (except long leasehold assets) costing more than £1,500 are capitalised and are stated at historic cost less accumulated depreciation. Depreciation is provided on these tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life.

Depreciation is charged as follows:

Fixtures, fittings and equipment (including IT equipment) – 3 years.

Improvements to long leasehold assets – 15 years.

- ii. Long leasehold assets are stated at valuation. These are subject to a full valuation every five years with an interim review carried out in the third year of this cycle. No depreciation is charged on long leasehold assets as this is considered immaterial to the financial statements.

Accounting Policies (continued)

j. Fixed asset investments

Investments in financial instruments are included at bid market value at the balance sheet date.

Realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments are included in the SoFA.

Social investments are reported at their recoverable value and any gains or losses on the sale of investment are included in the SoFA. For more detail refer to notes 1.d(ii) and 14.

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in its operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and subsequently adjusted to reflect the group's share of the profit or loss and equity of the associate.

The consolidated statement of financial activities includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group.

k. Debtors

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

l. Church and charity loans

Church and charity loans are considered to be program related investments. Loan balances are valued at the amount of principal due to be recovered and adjusted for impairment. Amounts expected to be received in the next 12 months are shown as a current asset, with amounts due after more than one year shown as long-term assets.

m. Current asset investments

Current asset investments are investments which are held by the group pending their sale. They are measured at fair value.

n. Money market deposits

Money market deposits are held as part of the group's 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 interest income and liquidity.

o. 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 and to provide for the liquidity needs in respect of funds held as agent.

p. Deposits held for churches and registered Christian charities

This represents the amount of deposits held for churches and registered Christian charities.

Accounting Policies (continued)

q. Creditors

Creditors are amounts owed by the group. 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.

r. Funds held as agent

Funds received by the group as agent are not recognised as income nor is its distribution recognised as the agent's expenditure. Balances at the period end, which are held within cash balances, are reported under 'other creditors' as detailed in notes 18 and 19.

However, all fees for acting as agent are recognised as the group's income, any costs in the administration of the agency arrangement are recognised as expenditure and balances held are recognised as liabilities in the accounts – see note 19 for details.

s. Reserves

- i. Unrestricted funds are available to cover the cost of running the group. Our policy for reserve levels is explained on page 39 of our Trustees' Report.
- ii. Restricted funds are comprised of gifts received into the group'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 the group's accounts.

2. Income from donations and legacies

	15 months to 31 December 2020			12 months to 30 September 2019		
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Gifts	2,633	92,161	94,794	1,674	124,369	126,043
Gift Aid tax	-	18,079	18,079	-	14,907	14,907
Legacies	-	1,448	1,448	-	697	697
	2,633	111,688	114,321	1,674	139,973	141,647

All income is generated from activities within the UK.

3. Income from charitable activities

	15 months to 31 Dec 20 £'000	12 months to 30 Sept 19 £'000
Treasurer services:		
Payroll administration	519	381
Accounting and consulting	515	412
Conference, training and publications	87	134
Church and charity lending	23	16
Charity formation services	18	13
Payroll giving administration	-	30
Giving accounts		
Fees on management of Donor Advised Funds and Philanthropy Funds	204	143
Other income	56	18
	1,422	1,147

4. Investment income

	15 months to December 2020			12 months to September 2019		
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from externally managed funds	426	1,585	2,011	326	1,359	1,685
Loan interest	908	-	908	740	-	740
Interest on money market deposits	701	-	701	519	-	519
	2,035	1,585	3,620	1,585	1,359	2,944

5. Analysis of expenditure

15 months to 31 December 2020	Grant Funding £'000	Direct Costs £'000	Support Costs £'000	Total £'000
Raising funds	-	79	-	79
Investment management fees	-	515	-	515
Grant and grant making activities	114,866	4,739	1,398	121,003
Other charitable activities	-	1,137	1,139	2,276
Share of associate's loss	-	68	-	68
	114,866	6,538	2,537	123,941

Costs are directly allocated to the service area to which they relate or apportioned by headcount.

	15 months to 31 Dec 20 £'000	12 months to 30 Sept 19 £'000
Net income for the period/year is stated after charging:		
Depreciation on tangible fixed assets	79	48
Auditor's remuneration: audit	63	50
Auditor's remuneration: other costs	5	-

Analysis of expenditure – prior year

12 months to 30 September 2019	Grant Funding £'000	Direct Costs £'000	Support Costs £'000	Total £'000
Raising funds	-	48	-	48
Investment management fees	-	270	-	270
Grant and grant making activities	87,675	2,076	1,096	90,847
Charitable activities	-	926	803	1,729
	87,675	3,320	1,899	92,894

6. Analysis of support costs

15 months to 31 December 2020	Staff £'000	IT £'000	Premises £'000	Other £'000	Total £'000
Grants	853	232	161	152	1,398
Charitable activities	694	189	131	125	1,139
	1,547	421	292	277	2,537

Analysis of support costs – prior year

12 months to 30 September 2019	Staff £'000	IT £'000	Premises £'000	Other £'000	Total £'000
Grants	691	141	94	170	1,096
Charitable activities	506	103	69	125	803
	1,197	244	163	295	1,899

7. Analysis of governance costs

	15 months to 31 Dec 20 £'000	12 months to 30 Sept 19 £'000
Staff costs	89	61
Audit fees	63	79
	152	140

8. Grants and grant making activities

The group works in partnership with its donors and other parties to identify Christian churches, workers and charities for the purpose of providing grant support. Summary details of grants made during the year are shown below.

	15 months to 31 Dec 2020		12 months to 30 Sept 2019	
	£'000	Number	£'000	Number
Grants of over £1,000				
- to Christian organisations	37,160	5,286	33,993	3,577
- to Christian churches	13,217	3,202	9,045	2,431
- to support Christian workers	2,133	1,347	1,943	1,040
- to other charities	5,341	881	2,369	562
- to support Bible college students	182	86	81	41
	58,033	10,802	47,431	7,651
Grants of under £1,000				
- to Christian organisations	20,891	463,057	14,148	327,580
- to Christian churches	17,880	171,687	13,234	119,893
- to support Christian workers	14,877	369,376	10,885	288,910
- to other charities	2,851	366,077	1,721	44,826
- to support Bible college students	334	6,644	256	6,080
	56,833	1,376,841	40,244	787,289
Total grants	114,866	1,387,643	87,675	794,940
Grant making activities				
Direct costs	4,739		2,076	
Support costs	1,398		1,096	
Total grants and grant making activities	121,003		90,847	

9. Staff costs

	15 months to 31 Dec 20 £'000	12 months to 30 Sept 19 £'000
Wages and salaries	3,549	2,163
Social security costs	362	224
Pension contributions	467	295
Other employer benefits	42	30
	4,420	2,712

No termination payments were made during the year (2019: £8,260) and no amounts were outstanding at the balance sheet date.

Average headcount	82	64
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Employees' emoluments exceeding £60,000 (excluding pension contributions)	2020		2019
	15 months to 31 Dec 20	12-month equivalent	12 months to 30 Sept 20
£160,000 - £199,999	1	-	-
£130,000 - £139,999	-	-	-
£120,000 - £129,999	-	1	1
£100,000 - £109,999	1	-	-
£ 90,000 - £ 99,999	2	-	1
£ 80,000 - £ 89,999	1	1	1
£ 70,000 - £ 79,999	3	2	1
£ 60,000 - £ 69,999	3	3	1
		£'000	£'000
Contributions to defined contribution pension schemes for these employees		82	55
Remuneration of key management personnel		743	507
Contributions to defined contribution schemes for seven key management personnel (2019: 6)		79	55

A 12-month equivalent value has been included to provide a direct comparison with the 2019 disclosure. This has been calculated from employees' total emoluments pro-rated down from 15 months to the 12-month equivalent value.

Trustees' fees and expenses

No fees are paid to trustees for their services.

Expenses incurred in carrying out trustees' duties totaled £1,637 (2019: £6,670). The majority of expenses for the 2019 accounting period related to the annual trustees' away day meeting and were paid directly to suppliers. Of the figures reported, eight trustees were reimbursed directly for travel/subsistence expenses £1,637 (2019: four trustees £708).

10. Pension contributions

Stewardship contributes to a defined contribution pension scheme. Contributions for the period amounted to £467,192 (2019: £295,888).

Pension contributions are accounted for as they fall due. Contributions at the balance sheet date which were pending payment to our pension provider totaled £Nil (2019: £550).

11. Related party transactions

The trustees of Stewardship may use the services provided in the normal course of the activities of the organisation and there are no preferential terms. The trustees may also be trustees of other organisations which Stewardship supports in the normal course of its grant making activities and professional services. They receive no personal benefit. The trustees have instituted a register of other interests, and disclosure is made at trustees' meetings of any conflicts of interest.

	15 months to 31 Dec 20 £'000	12 months to 30 Sept 19 £'000
Donations received from trustees and their related parties	492	524

These donations are reported excluding Gift Aid.

Payments for delivery of the Raising Funds for Christian Churches and Charities Conference and subsequent fundraising workshops totaling £3,600 (2019: £11,365) were made to the Rev. David Senior, the husband of one of the trustees. There were no amounts outstanding at year end for David Senior (2019: nil).

At 31 December 2020 the charity had amounts due from Stewardship American Donor Fund US Inc. of £28,287 (30 September 2019: £23,000) and from Stewardship American Donor Fund UK Ltd of £9,999 (30 September 2019: £5,000).

Cash deposits of £1,001,899 were held with Kingdom Bank Ltd (holding company Lamb's Passage Holding Ltd) as at 31 December 2020 (30 September 2019: £Nil).

Since the end of the financial period, the trustees of Stewardship Services (UKET) Limited agreed to make available an unsecured loan, covering two years of expenditure to Stewardship American Donor Fund UK Ltd at an interest rate of 4%. No repayments will be due on the loan before 31 July 2022.

Transactions between group entities:

	Stewardship American Donor Fund US Inc.		Stewardship American Donor Fund UK Limited		Stewardship Services (UKET) Limited	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Opening balances	28	-	-	-	(28)	-
Grant from Stewardship	-	28	18	-	(18)	(28)
Grants from SADF UK Ltd	20	-	(20)	-	-	-
Costs settled by Stewardship	(56)	-	(4)	-	60	-
Costs settled by SADF UK Ltd	(2)	-	2	-	-	-
Costs recharged	(24)	-	-	-	24	-
Amounts due (from)/to group entities	(34)	28	(4)	-	38	(28)

12. Tangible fixed assets

Group and charity	Long leasehold premises £'000	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Computer equipment £'000	Total £'000
At cost or valuation					
As at 1 October 2019	3,461	355	52	243	4,111
Additions	-	-	-	15	15
Disposal	-	-	-	(5)	(5)
As at 31 December 2020	3,461	355	52	253	4,121
Depreciation					
As at 1 October 2019	-	119	52	166	337
Charge for the period	-	30	-	49	79
Released on disposal	-	-	-	(5)	(5)
As at 31 December 2020	-	149	52	210	411
Net book values					
As at 31 December 2020	3,461	206	-	43	3,710
As at 30 September 2019	3,461	236	-	77	3,774

The historic cost carrying value for the long leasehold premises was £2,518k and improvements £355k.

Long leasehold premises and improvements, fixtures, fittings, equipment and software are used to support direct charitable purposes and for the management and administration of the trust.

Revaluation of 1 Lamb's Passage

Stewardship's long leasehold premises were revalued as at 30 September 2018 by MRICS registered consultants from Daniel Watney based on a visual inspection of the property and valued at an estimated market value in accordance with UK Generally Accepted Accounting Principles (GAAP). The Trustees have not identified any indicators of impairment as at 31 December 2020.

13. Church and charity loans

	2020 £'000	2019 £'000
As at 1 October	19,473	17,908
Advanced	4,291	4,037
Capital repayments	(4,692)	(2,472)
As at 31 December/30 September	19,072	19,473
Amounts falling due after more than one year	17,587	18,013
Amounts falling due within one year	1,485	1,460
	19,072	19,473

Loans to churches and charities are secured on properties.

14. Other investments

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Market value of investments as at 1 October	77,961	71,238	70,321	71,238
Additions	53,798	15,845	53,798	15,845
Gifts of shares	-	50,861	-	-
Proceeds of sales	(32,821)	(56,235)	(25,040)	(19,706)
Net investment gains/(losses)	7,523	(3,748)	7,382	9,943
Share of associate's loss	(68)	-	-	-
Market value of investments as at 31 December	106,393		106,461	
and as at 30 September		77,791		70,321
Fixed asset investments	106,393	70,321	106,461	70,321
Current asset investments	-	7,640	-	-
	106,393	77,791	106,461	70,321
Historic cost	90,383	66,274	90,383	58,437

Sarasin & Partners LLP and Rathbone Investment Managers Ltd manage the Balanced and Growth Funds on a discretionary basis. As such, additions and disposals are recorded on the basis of cash injected into or withdrawn from each fund.

Investments in associate:

Lamb's Passage Holding Limited	2,896	388	2,964	388
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The investment in Lamb's Passage Holding Limited is a social investment. The investment is included in the following table as (i) £1,662,000 in restricted funds shown as 'investment in Lamb's Passage Holding Ltd' (2019: £140,000) and (ii) £2,896,000 (2019: £248,000) in unrestricted funds shown as 'investment in associate'.

Investments held (by Group)

Group	Unrestricted 2020 £'000	Restricted 2020 £'000	Total 2020 £'000	Unrestricted 2019 £'000	Restricted 2019 £'000	Total 2019 £'000
Pooled Balanced Fund	-	33,649	33,649	-	38,437	38,437
Pooled Growth Fund	-	9,552	9,552	-	10,538	10,538
Nominated fixed income investments	-	2,554	2,554	-	1,055	1,055
Nominated equity investments	-	1,338	1,338	-	7,757	7,757
Nominated portfolio investments	-	38,936	38,936	-	-	-
Social investment property	-	486	486	-	95	95
Other	-	96	96	-	98	98
Investment in Lamb's Passage Holding Ltd	-	1,662	1,662	-	140	140
Donor advised investments	-	88,273	88,273	-	58,120	58,120
Fixed income bonds	243	14,981	15,224	-	17,682	17,682
Social investments	-	-	-	140	-	140
Pooled Growth Fund	-	-	-	1,771	-	1,771
Investment in Lamb's Passage Holdings Ltd held as an associate	2,896	-	2,896	248	-	248
Other investments	3,139	14,981	18,120	2,159	17,682	19,841
Total investments	3,139	103,254	106,393	2,159	75,802	77,961
Of which:						
Social investments comprise	2,896	2,148	5,006	388	235	623

Investments held (by Charity)

Charity	Unrestricted 2020 £'000	Restricted 2020 £'000	Total 2020 £'000	Unrestricted 2019 £'000	Restricted 2019 £'000	Total 2019 £'000
Pooled Balanced Fund	-	33,649	33,649	-	38,437	38,437
Pooled Growth Fund	-	9,552	9,552	-	10,538	10,538
Nominated fixed income investments	-	2,554	2,554	-	1,055	1,055
Nominated equity investments	-	1,338	1,338	-	117	117
Nominated portfolio investments	-	38,936	38,936	-	-	-
Social investment property	-	486	486	-	95	95
Other	-	96	96	-	98	98
Investment in Lamb's Passage Holding Ltd	-	1,662	1,662	-	140	140
Donor advised investments	-	88,273	88,273	-	50,480	50,480
Fixed income bonds	243	14,981	15,224	-	17,682	17,682
Social investments	-	-	-	140	-	140
Pooled Growth Fund	-	-	-	1,771	-	1,771
Investment in Lamb's Passage Holdings Ltd as an associate	2,964	-	2,964	248	-	248
Other investments	3,207	14,981	18,188	2,159	17,682	19,841
Total investments	3,207	103,254	106,461	2,159	68,162	70,321
Of which:						
Social investments comprise	2,964	2,148	5,006	388	235	623

15. Other Stewardship legal entities

Stewardship American Donor Fund US Inc.

Stewardship American Donor Fund US Inc. was incorporated in Delaware, USA on 26 July 2018. Its headquarters are located at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), DE 19801, USA.

Three of the trustees of Stewardship Services (UKET) Limited are the three members of the charity. Stewardship Services (UKET) Ltd has the power to appoint and remove the members of Stewardship American Donor Fund US Inc. at any time.

The results included in the financial statements are those from 1 October 2019 to 31 December 2020 (2019: 26 July 2018 to 30 September 2019).

Stewardship American Donor Fund UK Ltd

Stewardship Donor fund UK Limited (company number: 11532453, charity registration number: 1180678) was incorporated in the UK on 22 August 2018. Its registered office is 1 Lamb's Passage, London EC1Y 8AB.

Stewardship American Donor Fund US Inc. owns the entire share capital of Stewardship Donor fund UK Limited.

The results included in the financial statements are those from 1 October 2019 to 31 December 2020 (2019: 26 July 2018 to 30 September 2019).

Lamb's Passage Holding Ltd

Lamb's Passage Holding Limited (LPH; company number: 12117633) was incorporated in the UK on 23 July 2019 to act as a holding company for the purchase of Kingdom Bank Limited. Its registered office is c/o Kingdom Bank Ltd, Ruddington Fields Business Park, Mere Way, Ruddington, Nottingham, England NG11 6JS.

Stewardship Services (UKET) Limited (the charity) has a beneficial interest in 35.5% of the share capital of Lamb's Passage Holding Ltd. A further 19.9% is held as donor advised investments within restricted funds and the rights attaching to those shares are delegated to the giving account holder concerned via a power of attorney. Four of the nine directors of LPH are Trustees or Key Management Personnel of the charity.

The charity accounts for LPH as an associate under the equity method because it has a participating interest and exercises influence over the operating and financial policy decisions of LPH. The group's share of the losses of LPH was £68k.

The results recognised in the group accounts are those from 1 October 2019 to 31 December 2020 (2019: 26 July 2018 to 30 September 2019).

The results and net assets of the following legal entities are:

	Stewardship American Donor Fund US Inc.		Stewardship American Donor Fund UK Limited	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Income	20	84	3,822	50,970
Expenditure	(59)	(41)	(20,181)	(27,199)
Gains/(losses) on investments	-	-	141	(6,755)
Taxation				
Net income/(expenditure)	(39)	43	(16,218)	17,016
Net assets	4	43	798	17,016

16. Debtors: due within one year

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	54	80	54	80
Gift Aid tax receivable	346	599	287	599
Other debtors	-	44	-	39
Prepayments	237	176	211	130
Accrued income	1,119	427	1,119	427
Amounts owed by group undertakings	-	-	38	-
	1,756	1,326	1,709	1,275

17. Church and charity loans

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due within one year	1,485	1,460	1,485	1,460
	1,485	1,460	1,485	1,460

18. Creditors: amounts falling due within one year

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Grant payments due	3,410	2,515	3,410	2,515
Funds held as agent – see note 19	1,602	1,534	1,602	1,534
Accruals	887	176	875	148
Taxation and social security	165	119	165	119
Trade creditors	84	173	84	173
Amounts owed to group undertakings	-	-	-	28
	6,148	4,517	6,136	4,517

19. Funds held as agent

Group and charity	As at 1 October 2019 £'000	Receipts £'000	Payments £'000	As at 31 December 2020 £'000
Payroll bureau services	1,322	72,916	(72,806)	1,432
Learning community events	202	173	(205)	170
Other	10	4	(14)	-
	1,534	73,093	(73,025)	1,602

Group and charity Prior period	As at 1 October 2018 £'000	Receipts £'000	Payments £'000	As at 30 September 2019 £'000
Payroll bureau services	1,203	54,309	(54,189)	1,322
Payroll giving administration	854	1,366	(2,240)	-
Learning community events	59	143	-	202
Other	3	7	-	10
	2,139	55,824	(56,429)	1,534

20. Analysis of net assets by fund

Group	31 December 2020				30 September 2019			
	Unrestricted Funds	Restricted Funds	Client/ agency funds	Total Funds	Unrestricted Funds	Restricted Funds	Client/ agency funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets	3,710	-	-	3,710	3,774	-	-	3,774
Church and charity loans	-	19,072	-	19,072	-	19,473	-	19,473
Other investments	3,139	103,254	-	106,393	2,159	75,802	-	77,961
Money market deposits and cash balances	2,642	42,195	18,674	63,511	2,340	67,310	16,629	86,279
Other current assets	677	1,079	-	1,756	553	773	-	1,326
Church and charity deposits	-	-	(13,662)	(13,662)	-	-	(12,609)	(12,609)
Funds held as agent	-	-	(1,602)	(1,602)	-	-	(1,534)	(1,534)
Other creditors	(532)	(604)	(3,410)	(4,546)	(484)	(13)	(2,486)	(2,983)
Total net assets	9,636	164,996	-	174,632	8,342	163,345	-	171,687

Charity	31 December 2020				30 September 2019			
	Unrestricted Funds	Restricted Funds	Client/ agency funds	Total Funds	Unrestricted Funds	Restricted Funds	Client/ agency funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets	3,710	-	-	3,710	3,774	-	-	3,774
Church and charity loans	-	19,072	-	19,072	-	19,473	-	19,473
Other investments	3,207	103,254	-	106,461	2,159	68,162	-	70,321
Money market deposits and cash balances	2,563	41,507	18,674	62,744	2,313	57,938	16,658	76,909
Other current assets	689	1,020	-	1,709	435	840	-	1,275
Church and charity deposits	-	-	(13,662)	(13,662)	-	-	(12,609)	(12,609)
Funds held as agent	-	-	(1,602)	(1,602)	-	-	(1,534)	(1,534)
Other creditors	(520)	(604)	(3,410)	(4,534)	(455)	(13)	(2,515)	(2,983)
Total net assets	9,649	164,249	-	173,898	8,226	146,400	-	154,626

21. Analysis of charitable funds

Group	Unrestricted Funds				Restricted Funds			Total
	General	Revaluation	Legacy	Total	Giving	Revaluation	Total	
	£'000	reserve £'000	Fund £'000	Funds £'000	accounts £'000	reserve £'000	Funds £'000	
Balance 1 October 2019	6,506	1,836	-	8,342	152,354	10,991	163,345	171,687
Income	6,080	-	10	6,090	113,273	-	113,273	119,363
Expenditure	(7,642)	-	(2)	(7,644)	(116,297)	-	(116,297)	(123,941)
Transfers	(290)	-	3,128	2,838	(2,838)	-	(2,838)	-
Investment (losses)/gains	581	(650)	79	10	2,668	4,845	7,513	7,523
Balance 31 December 2020	5,235	1,186	3,215	9,636	149,160	15,836	164,996	174,632

Charity	General	Revaluation	Legacy	Total	Giving	Revaluation	Total	Total
	£'000	reserve £'000	Fund £'000	Funds £'000	accounts £'000	reserve £'000	Funds £'000	Funds £'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 October 2019	6,390	1,836	-	8,226	135,409	10,991	146,400	154,626
Income	6,074	-	10	6,084	129,466	-	129,466	135,550
Expenditure	(7,507)	-	(2)	(7,509)	(116,151)	-	(116,151)	(123,660)
Transfers	(290)	-	3,128	2,838	(2,838)	-	(2,838)	-
Investment (losses)/gains	581	(650)	79	10	2,527	4,845	7,372	7,382
Balance 31 December 2020	5,248	1,186	3,215	9,649	148,413	15,836	164,249	173,898

Gifts received into the giving accounts

Donors will at some future date express preferences as to how these funds may be granted out to specific recipient causes. Upon approval by Stewardship of the preferences the grant payments will be made. Until such a time the funds are held as restricted within the group's accounts.

Legacy (Euroclydon) Fund

During the year, funds were transferred from restricted to unrestricted funds in accordance with the expression of wishes of a generous donor. These are to be held as a separate unrestricted reserve under the unfettered discretion of the trustees.

Revaluation Reserve

The revaluation reserve includes investment gains or losses over the period and the share of the associate's loss.

Analysis of charitable funds – prior year

Group	Unrestricted Funds				Restricted Funds			
	General £'000	Revaluation Reserve Fixed assets £'000	Investments £'000	Total £'000	Giving Accounts £'000	Revaluation Reserve £'000	EMCP £'000	Total £'000
Balance 1 October 2018	7,173	943	438	8,554	105,024	9,012	1	114,037
Income	4,406	-	-	4,406	141,328	-	4	141,332
Expenditure	(4,991)	-	-	(4,991)	(87,896)	-	(7)	(87,903)
Transfers	(92)	-	-	(92)	90	-	2	92
Investment (losses)/gains	10	-	455	465	(6,192)	1,979	-	(4,213)
Balance 30 September 2019	6,506	943	893	8,342	152,354	10,991	-	163,345

Charity	Unrestricted Funds				Restricted Funds			
	General £'000	Revaluation reserve Fixed assets £'000	Investments £'000	Total £'000	Giving Accounts £'000	Revaluation Reserve £'000	EMCP £'000	Total £'000
Balance 1 October 2018	7,173	943	438	8,554	105,024	9,012	1	114,037
Income	4,309	-	-	4,309	117,625	-	4	117,629
Expenditure	(5,010)	-	-	(5,010)	(87,829)	-	(7)	(87,836)
Transfers	(92)	-	-	(92)	90	-	2	92
Investment (losses)/gains	10	-	455	465	500	1,978	-	2,478
Balance 30 September 2019	6,390	943	893	8,226	135,410	10,991	-	146,400

22. Transfers between funds

	Unrestricted Funds		Restricted Funds	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Investment income attributed to Donor Advised Fund accounts	(330)	(240)	330	240
Transfer of the Legacy Fund	3,128	-	(3,128)	-
Income transfer between funds	-	148	-	(148)
Mission Catalyst Fund support	40	-	(40)	-
	2,838	(92)	(2,838)	92

Legacy Fund

During the year, funds were transferred from restricted to unrestricted funds in accordance with the expression of wishes of a generous donor.

23. Operating lease commitments

The group leases an office under an operating lease agreement. The total future minimum lease payments under non-cancellable operating leases as are follows:

	2020 £'000	2019 £'000
Within one year	52	52
Between one and five years	60	127
	112	179

24. Financial commitments and contingent liabilities

As at 31 December 2020 there were the following financial commitments to churches and Christian charities:

Commitment	Funded from	31 December 2020			30 September 2019		
		Total	Due within one year	Due after one year	Total	Due within one year	Due after one year
		£'000	£'000	£'000	£'000	£'000	£'000
Grants	Giving account balances	11,338	6,077	5,261	6,700	950	5,750
Loan offers	Restricted cash balances	7,400	7,400	-	900	900	-
Fitting out costs of Bunhill Row	Unrestricted cash balances	-	-	-	12	12	-

25. Indemnity insurances

The group has taken out indemnity insurance cover for Trustees. Premiums due for the policies during the period totaled £62,976 (2019: £8,215).

26. Taxation

The Trustees consider that Stewardship meets the charity tests set out in Paragraph 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.

Legal and Administrative Details

REGISTERED OFFICE

1 Lamb's Passage, London EC1Y 8AB

OPERATING NAME

The charity operates under the name of Stewardship

AUDITORS

BDO LLP

2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

INVESTMENT MANAGERS

Sarasin & Partners LLP, Juxton House, 100 St Paul's Churchyard, London EC4M 8BU

Rathbone Investment Management Limited, 8 Finsbury Circus, London EC2M 7AZ

Ashburn Wealth Management Limited, Ashburn House, 84 Grange Road, Darlington DL1 5NP

J P Morgan Bank Luxembourg S.A., 1 Lochside View, Edinburgh EH12 9DH

Barclays Bank Plc, 1 Churchill Place, London E14 5HP

SOLICITORS

Bates Wells LLP, 10 Queen Street Place, London EC4R 1BE

Withers LLP, 20 Old Bailey, London EC4M 7AN

Coffin Mew LLP, 1000 Lakeside North Harbour, Western Road, Portsmouth PO6 3EN

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES

PRINCIPAL BANKERS

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

Registered charity number 234714

Stewardship is a charitable company limited by guarantee, incorporated in the UK and registered in England and Wales. Its company number is 90305



Stewardship
Active generosity

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Registered charity no. 234714, registered in England & Wales, and a company limited by guarantee, no. 90305, registered in England & Wales. Established 1906.
Registered office: 1 Lamb's Passage, London EC1Y 8AB. Stewardship is the operating name of Stewardship Services (UKET) Limited.