

Annual Trustee Report and Financial Statements

For the year ended 31 December 2023



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Introduction



Joan

PEOPLE, CULTURE & PLACE
ADMINISTRATOR

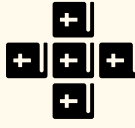


Cause Crosses

Our online CauseFinder™ tool groups our Christian charity partners under Cause Crosses to help our donors easily explore the areas where they feel called to give. Our donors can also nominate charities to be added to CauseFinder™.



ART & MEDIA



BIBLE



CHILDREN



CHURCH PLANTING



COMMUNITY & FRIENDSHIP



EDUCATION & TRAINING



ELDERLY



ENVIRONMENT & CREATION CARE



EVANGELISM & OUTREACH



FAMILY & RELATIONSHIPS



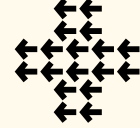
GLOBAL MISSION



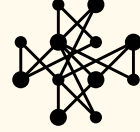
HEALTH & NUTRITION



INTERNATIONAL AID & DEVELOPMENT



JUSTICE & HUMAN RIGHTS



LOCAL CHURCH



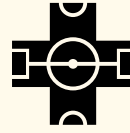
MEN



MENTAL HEALTH & WELLBEING



PRAYER & WORSHIP



SPORTS & RECREATION



STUDENTS



TECHNOLOGY & DIGITAL



UK POVERTY & DEBT



WOMEN



YOUTH

Who we are

Stewardship is all about **active generosity**.



We connect and serve Christian givers, workers, charities and churches in the UK and beyond to steward their resources well and create Kingdom impact.

Founded over a century ago by a small group of Christians who partnered to release generous gifts and financial support to Christian ministries, today we help over 30,000 Christians experience the joy of active generosity, giving more than £110m each year to over 6,000 charities, 4,000 churches and 2,300 Christian workers.

Our values

Generosity, expressed
with joy

Relationship, strengthened
with understanding

Integrity, demonstrated
with justice

Service, delivered
with excellence

Our charitable purposes

- 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 its 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

Products and services

For givers

Giving Account

Activate your giving and increase the impact of your gifts.

Donor Advised Fund

A dedicated account for those giving over £25,000.

Philanthropy Fund

A personal service for those establishing a charitable fund of £500,000 or more.

For partners

Partner Account

For Churches and Charities

Manage your donations and fundraising pages, reduce admin time, get Instant Gift Aid and connect with a community of generous givers.

Partner Account

For Individuals

As a Christian worker or Bible College student, make raising financial support simple and realise your vision.

Consultancy Helpline

We'll guide you through governance, finance, property issues, HR situations, insurance questions and more, all for a low annual fee.

Accounts Examination

A personalised service taking your specific needs into account, including independent examinations and account preparation.

Payroll Bureau

Delivered by an award-winning team of Christian professionals, we'll administer your payroll so that you can focus on your mission.

Church Planting

Whatever stage you're at, we're here to partner with you and help you become a healthy, sustainable and missional church.

Loans

For Churches and Charities

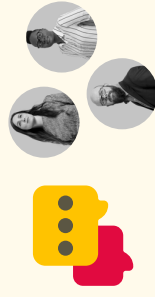
We help churches and charities achieve their vision by providing finance for building projects. We also support you through the process as a strategic partner.

Charity Formation

Let our team of experts take care of your application. We'll help register your church or charity with the Charity Commission so that you can focus on your vision.

Key events

At the end of 2022, we set out on a path to review our strategy, vision and mission to ensure that we are equipped to meet the changing needs of our donors and partners, while remaining true to our century-old charitable objects.



Nov 22 – Oct 23

Launched a collaborative strategic review with over 40 people, including staff, trustees and a learning partner, Curiosity Society.



Nov 23

New strategy, organisational design and budget to support its delivery approved by trustees.

Dec 23

Janie Oliver (former CFO) appointed as new CEO, to start 1 January 24.



Aug 23

Whitestone Insights commissioned to undertake work on a research project aimed at delivering insights into the Christian generosity landscape in the UK.

Sep 23

Stewart McCulloch, outgoing Stewardship CEO, accepts a role at Christians Against Poverty (CAP) and recruitment for his successor begins.



Jan – Apr 24

New Executive Team rolls out changes to organisational re-design as a key part of the strategy programme.

Mission

We help Christians
be the best stewards
of the resources
God gives them



Vision

A thriving Kingdom
economy where God's
people steward resources
generously to advance
the Gospel



We serve

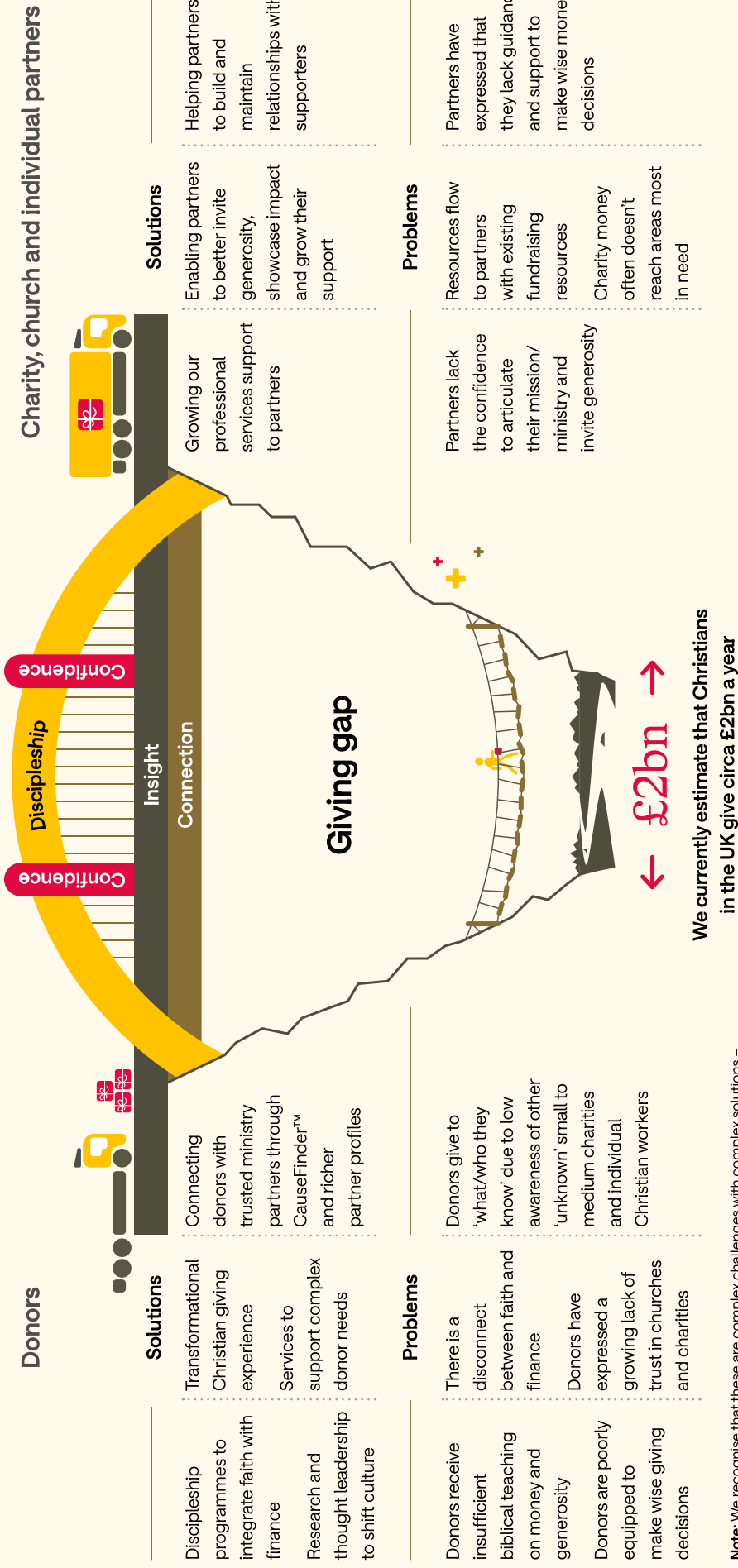
Christians called to
faithfully steward their
personal, professional or
ministry resources for
God's glory



Stewardship's Theory of Change

We estimate Christians in the UK could give £7bn per year.
Closing this gap is key in achieving a thriving Kingdom economy

£7bn



Note: We recognise that these are complex challenges with complex solutions – these have been simplified for conciseness

Letter from our Chair of Trustees



“See, I am doing a new thing!
Now it springs up; do you not
perceive it? I am making a way
in the wilderness and streams
in the wasteland.”

ISAIAH 43:19 (NIV)



C

ontinued growth and significant transition were the hallmarks of 2023. We give thanks to God for guiding us through this year and for His continued favour on Stewardship.

With the whole charity sector facing considerable headwinds, Christian giving into Stewardship grew by 2% to £111.3m. Most importantly, Grants Out grew by 12% to £109.6m, reflecting our growing core of active givers. As planned, we moved from a deficit to an operating surplus for the first time in six years.

Trustee changes

During 2023, we said farewell to Stephanie Biden, whose wisdom and expertise have been enormously valuable over the past seven years. I would also like to thank David Vardy, who stepped down as Chair Emeritus, for his faithful service for over 25 years initially as a trustee, then as Chair of Trustees on two occasions and as Chair Emeritus since 2018. Our Council of Trustees has been strengthened with Edward Mishambi joining as Chair of our Audit and Risk Committee, Angie Rusbridge providing charity CFO experience, and Lew Jackson, a former Stewardship American Donor Fund UK Ltd trustee, bringing decades of legal experience. Our Council is now at full complement, with a good level of diversity, and I am so grateful for the gifts of time and skill that our trustees bring to Stewardship.

A new strategy

Last year, we conducted a detailed review of our Council's effectiveness with reference to the charity governance code. This confirmed we were operating effectively but identified some improvements, which

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We believe that God is doing a new thing here at Stewardship.

we implemented during the course of 2023. The most significant of these have been the formulation of a new strategy and a refresh of our trustee handbook. In February 2024, we conducted a shorter review of our effectiveness, and the consensus is that we are even more effective than a year ago, with further suggestions to implement over the coming year.

A tribute to our previous CEO

Our previous CEO, Stewart McCulloch, responded to God's call to become the next CEO of Christians Against Poverty (CAP) and left us at the end of December 2023. Under Stewart's leadership, Stewardship received the biggest gift in our history, bought a bank, managed through the challenges of Covid and lockdowns, and then - just as we were returning to a new normal - war broke out in Ukraine, causing rising energy prices to spark a cost-of-living crisis. Throughout this period, Stewart made the case for investment, and led the transformation of

Total Grants Out

£109.6m

+12%



many aspects of our organisation, including the creation of an award-winning philanthropy team, a rebranding, renewal of our IT infrastructure, and an upgrade in both our people processes and our financial management. He's the first to say that this was a team effort – everyone played their part in achieving it – but it wouldn't have happened without his leadership. We are hugely grateful to him and wish him well in his new role at CAP.

Our new CEO

We are fortunate to have a strong talent base and so did not need to go to market to find Stewart's successor. After a thorough process that considered several internal applicants, we appointed Janie Oliver. Janie joined Stewardship as CFO in February 2021. After training as a chartered accountant, she worked in senior finance roles with Barclays Bank, before moving into the charitable sector eight years ago. Prior to joining Stewardship, Janie led The Just Money Movement, a charity seeking to influence on issues related to faith and finance, where she regularly spoke on connecting faith, money matters and living generously. Janie also spent four years working at the forefront of social investment, as Director of Finance and Operations for Access – The Foundation for Social Investment, pioneering their total-impact investment approach. She was also their acting CEO for six months.

Janie has led the development of Stewardship's new strategy, which was approved by the trustees in November 2023. The new strategy is designed to build on our strengths and equip us to inspire and facilitate more generosity for God's Kingdom. It includes an updated mission and vision and seeks to build our position as thought leaders in UK Christian

giving. We have also restructured to create a flatter, more agile organisation to empower teams to deliver customer-focused products and services. Janie will now lead the implementation of this strategy as our new CEO, supported by both a smaller, strategy-focused executive team and a larger, more empowered leadership team.

So, we believe that God is doing a new thing here at Stewardship.

We look to the future with excitement and optimism. I hope that you will find this annual report helpful, and that Stewardship will be worthy of your support over the coming year.



Chris Gillies

CHAIR OF STEWARDSHIP'S
COUNCIL OF TRUSTEES



Letter from our Chief Executive Officer

“So do not fear, for I am with
you; do not be dismayed,
for I am your God. I
will strengthen you and help
you; I will uphold you with
my righteous right hand.”

ISAIAH 41:10 (NIV)



I am honoured and privileged to be writing this letter, the first in my capacity as Chief Executive Officer of Stewardship. I have been in post since 1 January 2024, having previously been Chief Financial Officer for the preceding three years.

I am so grateful to the previous CEO, Stewart McCulloch, for his five years of faithful service and for the strong foundations he laid during his time with us. In this new season for Stewardship, we will continue to build on and develop these strong foundations, cognisant too that we work not in our own strength, but reliant always on God's goodness and grace towards us.

Growth in generosity

In the context of a difficult year for many, we were once again humbled by the generosity of those we serve. We saw an increase compared to the prior year in Gifts In of £1.1m (2%) from our Giving Account donors, and an amazing £5.8m (12%) from our Philanthropy Fund and Donor Advised Fund (DAF) donors (excluding Stewardship America, which was transferred out of Stewardship during the year).

Our innovative Donor Advisory Board (DAB) service continued to expand and develop. Across all DABs, Grants Out increased by an overall average of 114% to £6.0m, a testament to the critical difference made by having this kind of donor support in place.

Grant payout rate more than double the UK average

We were delighted not only that Grants Out grew overall by 12% to £110m, but that, for the first time in our history, we were able to facilitate grants

Grants Out
from Donor Advisory
Board clients

£6.0m

+114%



exceeding £100m. In addition, our DAF payout rate¹ increased from 53% to 60%, more than double the 2023 market average of 25%. Our excellent DAF payout rate is a powerful reflection of the active generosity that we are privileged to support.

Growth across the board in our partner support services

As well as partnering with many amazing churches and charities through grant making, we were excited to continue to grow our lending activity to these ministries, advancing 19 new loans worth £9.6m (excluding loans made via nominated investment options) to support critical infrastructure projects for churches and Christian ministries across the UK. Our payroll bureau served 849 clients, a 9% increase since 2022, and we were entrusted with performing the independent examinations of 458 of our Accounts Examination Service clients, which represented an 11% increase since 2022.

¹ Stewardship uses The Foundation Center method to calculate its payout rate; each year's total amount of grants made from Stewardship is divided by the total amount of charitable assets (restricted funds) held at the end of the prior year. This method is also used by NPT in their UK DAF Report.

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In the context of a difficult year for many, we were once again humbled by the generosity of those we serve.

Our new strategy

Over the course of 2023, we embarked on a year-long process to determine Stewardship's strategic direction, to ensure that we are well equipped to meet the changing needs of our donors and partners, listening carefully to customer insight and God's plans and purposes for the organisation. The process was highly collaborative, involving over 40 people across Stewardship, including our trustees, and the use of a learning partner, to help us determine the way forward. As part of this process, we developed a new Theory of Change, which identified three key problem areas - the Giving Gap, the Distribution Gap and the Insight Gap - which Stewardship's new strategy will seek to address going forward through the products and services that we offer.

To help us better understand and articulate the Giving Gap, we commissioned Whitestone Insight to conduct an extensive giving survey of the state of Christian giving in the UK. We shared the findings with our donors and partners in our inaugural [Generosity Report](#) in June 2024. We now look forward to building on this research on an annual basis, with a view to developing deeper insights that will inform our work.

We realised we needed to make some changes

to our internal structure in order for us to be optimally positioned to implement our new strategy. A key focus of Q1 2024 was therefore a major organisational redesign, including putting the right cultural frameworks in place for us to be able to achieve maximum impact with our different ministries.

With a strong, motivated team in place that is fully aligned behind our refreshed strategy, I am full of hope for the year ahead. We are excited to continue to grow and develop our offering for donors, churches, charities, and Christian workers; doing our part to see a thriving Kingdom economy where all of God's people can steward resources wisely and generously to advance the Gospel.



Janie Oliver
CEO



Letter from our Chief Financial and Operating Officer



“I am with you and will watch over you wherever you go, and I will bring you back to this land. I will not leave you until I have done what I have promised you.”

GENESIS 28:15 (NIV)



It is a privilege to write my first letter as the Chief Financial and Operating Officer at Stewardship. I am grateful for the

opportunity to share the story our numbers tell about the generosity of our clients, the impact of our church, charity and individual partners and how God continues to guide us.

Growth across the board

We are delighted to report an increase in total reserves for the year of £6.6m (2022: decrease of £1.5m). We are encouraged by the 4% increase in total income to £119.6m, and the fact that the 12% increase in total expenditure to £117.6m was predominantly due to the significant increase in Grants Out, which was over £100m for the first time. We celebrate our givers for demonstrating such strong support for the charity sector at this very challenging time.

We are thrilled to report an operating surplus within unrestricted funds for the year of £2.2m (2022: operating deficit of £0.9m). This growth is due to the 58% increase in unrestricted income outstripping the 15% growth in unrestricted expenditure. The increase in unrestricted expenditure was particularly within technology and staff costs as we recognised the need to invest in these areas to support growth and increased demand for our services.

Total income
£119.6m

+4%



We are continually grateful for God's provision over the year and remain inspired by the generosity of our donors and the impact of our partners in the Kingdom.

Key drivers for growth

Unrestricted income increased year on year across all significant income types, although we saw particularly significant growth of 85% within our investment income. Due to active treasury management and a higher interest rate environment, interest income on money market deposits totalled £2.9m, compared to £0.8m in 2022. This enabled us to share more interest income with clients holding significant cash balances, growing the funds available to be granted out in the future. In 2023, we allocated £1.7m interest income to client cash balances, compared to £0.2m in the prior reporting period.

2023 was a stellar year for our lending book, reflecting the continued demand from our clients. The loan book grew 17% to £28.5m at year end (excluding loans made via nominated investment options). This is another key driver of growth within unrestricted investment income, with a 71% increase in loan interest income. This growth is despite holding back on increasing the Stewardship Standard Lending Rate in line with Bank of England base rate increases and a 60-day lag in implementing interest rate rises to help our clients manage rising funding costs.

Investment growth directed towards Kingdom impact

Total assets once again exceeded £200m, having previously dipped due to the closure of the cash Deposit Account service, which accounted for £13.3m of account balances, in June 2022. At 31 December 2023, total assets were £208.2m, representing an increase of 5%. Through the implementation of our investment policy, which is based on the Kingdom Impact Bull's Eye Investment Approach, we continue to focus on directing Stewardship's capital and resources into investments which have a positive social or Kingdom impact. In 2023, an additional £9.7m was placed into investments which share this mission. Therefore, at the end of 2023, 26% of our total assets were held in investments aiming to achieve Kingdom impact by enabling churches and Christian charities to build their ministry and address social issues, an increase of 4% compared to the prior reporting period.

We were disappointed to recognise a revaluation loss of £661k on our office at 1 Lamb's Passage in 2023, due to the significant slowdown in the London commercial property market. It was unfortunate that the full valuation of our property, which our accounting policy requires every five years, coincided with this downturn. However, this unrealised loss should not detract from the otherwise positive financial performance.

Continuous improvement in technology

We continue to ensure that our technology platforms and systems are fit for purpose and allow us to provide excellent service to our clients. During 2023, we moved to a different card payments provider

as well as transitioning to a new BACS payments gateway provider towards the end of the year. In 2024, we continue the migration of our payroll bureau software, and implement the decision made in 2023, to change our lending software to increase efficiencies with the Lending Team and improve client experience.

A step towards improved sustainability

As part of our ongoing commitment to creation care, we were also delighted to receive Planet Mark certification following our first verified report of carbon emissions in 2023. We are now focused on working towards our 5% reduction target year on year.

While we have undergone a period of significant reflection and change within Stewardship, some things are unchanged: we are continually grateful for God's provision over the year and remain inspired by the generosity of our donors and the impact of our partners in the Kingdom.



Felicity Griffiths

CHIEF FINANCIAL AND OPERATING OFFICER



Impact & Summary



Tim

APP PRODUCT MANAGER



Impact summary

Percentages given represent growth compared to the prior reporting period.

Total Gifts In
£111.3m **+2%**



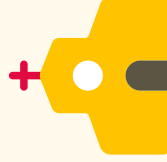
Philanthropy
Services Gifts In

£54.4m **+1%**

Generosity
Services Gifts In

£57.0m **+2%**

Lending
19 new loans to partners
in 2023 **worth £9.6m**
£28.5m loan book at 31
December 2023,
made up of **112 loans**
(excluding loans by
clients via nominated
investment options)



**Accounts
Examination
Service**

458 **+11%**
clients

£0.6m **+14%**
revenue

Charity Formation

62
new charities

3,000+
technical briefing
paper downloads

Total Grants Out
£109.6m **+12%**



60% **+7%**

DAF payout
rate

£6.0m **+114%**

Grants Out from
Donor Advisory
Board clients

Payroll Bureau

849 **+9%**
payroll bureau clients

£58.9m
in salaries paid on
behalf of clients to
3,576 employees

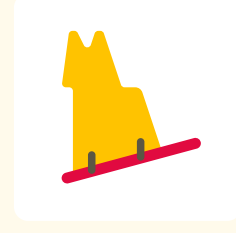
£15.7m
facilitated in taxes
to HMRC relating
to income tax and
National Insurance
deduction



Individual Partners

£15.5m **+2%**
Grants Out

£1.6k
average increase in
monthly support for
the most engaged
Christian workers
following Support
Raising Training



Stewardship in the spotlight

Operational highlights and impact stories from our donors and partners

To herald our new strategy, which will integrate the different ways we serve our donors and partners more holistically, this year we are showcasing a distillation of the operational highlights for 2023 from across Stewardship.

We want to spotlight evidence of how we effectively steward the resources with which we are entrusted for the benefit of God's Kingdom.

We hope that you will enjoy discovering what we achieved in partnership with our givers, churches, charities and individual partners in 2023.



Each of you should use whatever gift you have received to serve others, as faithful stewards of God's grace in its various forms.

1 PETER 4:10 (NIV)



FROM LEFT TO RIGHT: ANDREA PATTICO, TRUSTEE, AND RUTH JACKSON, HEAD OF PR AND COMMUNICATIONS, AT THE WONDERFUL SUMMIT, FOR WHICH STEWARDSHIP WAS THE HEADLINE SPONSOR IN 2023.

Stewardship as the giving platform at Spring Harvest 2023



Partnership



E

ssential Christian partnered with us to run the giving platform for their Spring Harvest festival during Easter 2023.

On the theme of 'Flipped – The Upside-down Kingdom', Spring Harvest 2023 welcomed around 10,000 guests to two sites at Butlin's in Minehead and Skegness with the aim of making space for everyone to encounter God, be inspired with confident faith and see transformation by the power of Jesus in lives and communities.

Our partnership built on the previous year's success when Stewardship facilitated the fundraising at Spring Harvest for the first time. In 2022, Spring Harvest attendees' generosity included donations for the 'Everyone In Fund', which Essential Christian used to contribute towards 2023 tickets for over 600 Christians who otherwise would not be able to afford to go.

In 2023, we advised the team on their fundraising strategy for the festival and enabled attendees to give using our platform. The total amount of funds received grew by 40% to £229.4k, of which £186.7k was given using our platform.

“

When you give with Stewardship, you help us to bring people the good news of Jesus throughout the year. From big top to laptop and from the skyline to online, Spring Harvest is equipping the church to worship, learn and serve together. It's transformation and impact on a scale that is remarkable.

Phil Loose

CEO OF ESSENTIAL CHRISTIAN,
THE CHARITY THAT RUNS
SPRING HARVEST

Growth in giving

Given the ongoing cost-of-living crisis, we were very encouraged to see our donors respond not by tightening their own belts but by being more generous, with total gifts in increasing to £111.3m. The 2% growth that this represents is incredible in a market that is struggling to hold steady, let alone achieve growth!

Looking at our Giving Account donors, their combined generosity saw an increase of £1.1m on the previous year, which represents 2% growth. Moreover, the number of donors regularly using their account to give to more than one partner increased by 4%.

The story from our philanthropists is also inspiring. Total Gifts in from all our Donor Advised Fund and Philanthropy Fund donors was £54.4m. It is worth noting that this included £600k in relation to Stewardship American Donor Fund UK Ltd, which was transferred on 30 June 2023 to the International Generosity Foundation, a US public charity which is part of the TrustBridge Global Network. In 2022, Gifts In from Stewardship America was £5.8m of the total of £53.8m. By removing Stewardship America from total Gifts In from our philanthropy donors, we have

seen a like-for-like increase from £48.0m to £53.8m year on year, which represents a significant increase of 12%. Strong support for our sector was further evidenced by total Grants Out to our church, charity and individual partners increasing by an impressive 12% from £97.8m in 2022 to £109.6m in 2023.

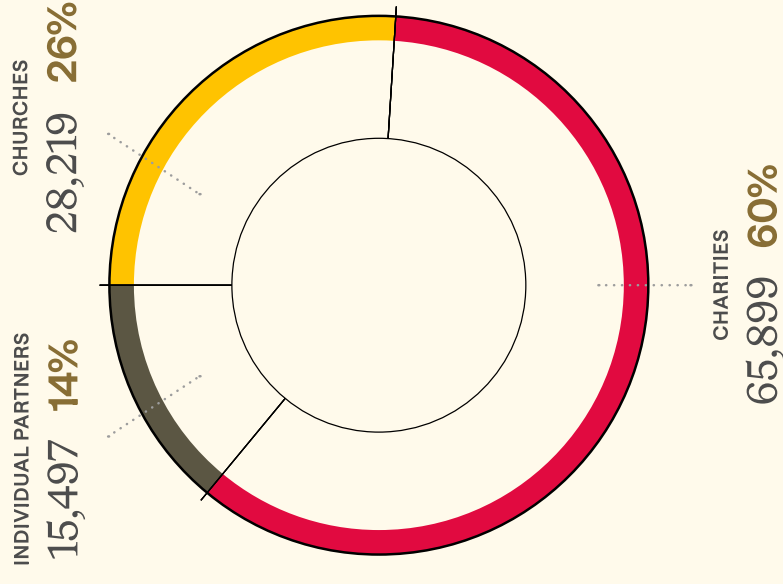
Our pioneering Donor Advisory Board (DAB) service, which allows Philanthropy Fund donors to include trusted friends, family and advisers in their grant-making decisions, continues to go from strength to strength. Across all DABs, Grants Out increased by an overall average of 114% to £6.0m, a powerful testimony to the support provided by being able to share grant making strategy with others.

Further highlighting the commitment our donors have for the causes they support is the increase in our DAF payout rate², the rate at which we are paying grants out to our partners, which climbed from 53% to 60%, more than double the 2023 UK market average of 25%.

¹ [The Charities Aid Foundation Giving Report 2023](#)

² Stewardship uses The Foundation Center method to calculate its payout rate; each year's total amount of grants made from Stewardship is divided by the total amount of charitable assets (restricted funds) held at the end of the prior year. This method is also used by NPT in their UK DAF Report.

Number of grants out by type of partner



Of the total Grants Out, £27.8m came from Donor Advised Fund accounts, and £20.8m from Philanthropy Fund accounts.

Donors share how they used their Giving Accounts last Christmas



Giving Account



Clare

I gave to a food bank as a Christmas present for my grandma

Last Christmas I supported a Trussell Trust food bank local to my grandma. She asked me to give to charity instead of buying her a Christmas present. I think food banks do incredible work over the Christmas period to show people love and care. They offer somewhere safe to celebrate with others over a tasty meal. I love food banks and I also love my Stewardship account. It gives me instant access to so many charities, and I am able to give to my grandma's local food bank in just a few clicks.

Matt

I gave an extra one-off gift to my local debt centre

Christmas can be really hard when you've already got money worries. Trying to figure out how to buy gifts when juggling credit cards and loan repayments is something that nobody needs. I regularly support my local debt centre with a monthly gift because they do such amazing work. But this year I gave them a Christmas boost with an extra one-off gift. The beauty of using a Stewardship Giving Account is that I can build up a balance during the year and then give a bumper gift at Christmas without it hitting my wallet at a time of year when I need my money for presents.

Ruth

I gave to three different charities last Christmas

Last Christmas I donated to three charities that are doing excellent things. I love that my Stewardship account lets me give flexibly to lots of different causes all from one place. It means I don't have to go through lots of separate donation processes and share my details over and over. The charities I supported at Christmas were:

Five Talents. I have seen the difference savings and loans groups make throughout the year, lifting up women and helping them lift their families out of poverty through the local church. The power of micro-finance is anything but micro!

World Vision. Taking part in the Chosen programme at World Vision, I have been truly blessed by Emmanuel and Flavia, who chose me to be their sponsor last year. The work World Vision is doing is transforming their community, so I intend to bless their work with a donation this Christmas.

The Message. They are truly amazing, and God put them on my heart this Christmas. They do so much to bless communities across the country and see people giving their lives to Jesus every week through putting their faith into action. I cannot think of a more worthy cause to send all the remaining funds in my Stewardship account to this Christmas.

Donor Advised Fund: Rachel's story



Donor Advised Fund



I was a young adult, a new Christian, and just starting a job that I felt called to. Two things deeply impacted me at that time:

one was Richard Foster's phrase, 'We should live simply so that others simply live'; the other was reading of those who were called to live by faith, trusting God to provide for their needs as they took the Gospel to unreached people.

I longed to be part of the answer to their prayers, seeing God match giving to need in a way that blessed my faith as well as theirs, and partnering with them in the work they were doing. I discovered the joy of giving.

Of course, I learned over the years the value of steady giving too. But my passion remains the support of small Gospel ventures, where giving makes a significant difference.

Benefits of my Donor Advised Fund account

I have had the privilege of earning and giving, but I am not financially savvy! So, Stewardship has been a godsend. I love having all my giving under one roof. The website is so simple to navigate. I value the ease and simplicity of my Donor Advised Fund (DAF) account, being able to set up and adjust donations and gifts, with only one Gift Aid declaration. Stewardship staff have been very helpful in enabling charities new to them to register. And with an irregular income, the option to have my account balance invested has been invaluable. I can allocate my lump sum giving to the Stewardship investment options, to be drawn down for future giving, with remarkable ease.

Added to all that, the team at Stewardship are unfailingly helpful and patient with queries. I can't recommend this giving tool highly enough.

Achieved in partnership

Serving our church, charity and individual partners remains central to our mission particularly in this economically difficult period where many are hit by both reduced donations and rapidly rising costs.



“

I cannot express adequately how blessed we are by this generous grant. It is our intention to continue with our Warm Welcome space for the foreseeable future as we are proving to be very popular with the residents and for some who are struggling with current food bills, we are a real blessing.

Duncan Gould

STAFF TEAM, RESTORE COMMUNITY CHURCH

Milestones from 2023 that we were privileged to support include:

- continuing to partner with Warm Welcome, which we helped The Good Faith Partnership to launch the previous winter as a practical response to the worst cost-of-living crisis in 70 years. It has now grown in collaboration with over 50 partners and 7,000 Warm Welcome Spaces to provide warmth and companionship to over half a million people
- providing the giving platform for Essential Christian's Spring Harvest festival last Easter and advising the partner team on their fundraising strategy; they saw an increase of 40% in the total amount of funds received from £162.6k in 2022 to £229.4k in 2023. Of those totals, the amount given with Stewardship grew from £62.6k to £186.7k
- helping the women's collective, Magnify, to deliver their first ever mass-market giving campaign in November, helping them raise over £30k

Our service for individual Christian workers, who can include church leaders and staff, church planters, missionaries and ministry trainees, continues to grow in popularity with 46, the highest number so far, attending our support raising training in 2023. As a result, monthly support grew by up to £1.6k a month for those who engaged the most, and by over £300 a month on average.

The increased profile for these partners resulted in £15.5m in total Grants Out being made to support them, which represents an increase of 2%.

Another highlight was seeing the revised edition of Myles Wilson's Funding the Family Business come to fruition. This time co-written with Claire Niclasen (pictured bottom right with Myles) and renamed Personal Support Matters, it reflects recent trends and the latest best practice in support raising. It was published in January 2024 and is available on 10ofThose.



Dave and Kat's story



Individual Partner

Dave first dreamed of pastoring a church where he lived, on the Isle of Wight, when he was 15 years old. Fifteen years later he moved from London with his wife, Kat, to Newport to begin the process of planting a church.

Kat and Dave met in London in 2019 and after they married Kat started to think about Dave's dream. She says, "As I spent time on the island, meeting people and hearing about the need for more Gospel churches, I caught the vision."

Bringing 'Life to the Island' is the driving force behind Dave and Kat's move to the Isle of Wight. Dave says, "We believe the only way to find true life, meaning and purpose is in a relationship with God. As Jesus set foot on earth, he came as one who had life and was able to give life."

The Isle of Wight needs the life that God gives. The island experiences a higher-than-average violent

crime rate, has seen recent rises in unemployment and, in 2021, 43.9% of islanders described themselves as having no religion.

We met Dave on the Stewardship Support Raising Training in October 2023, which he attended to get equipped for the move and start of his ministry.

Dave says that the training showed him that God really is a generous God who wants to provide for his people and that people are more than willing to support you for God's glory.

The joy for Dave and Kat was also that, in their words, "the training worked, we hit our target." So now, fully resourced for their mission, Dave and Kat press on, building the church community that Dave dreamt of all those years ago. They have taken time to connect with other church leaders on the island who share a similar Gospel vision and are looking forward to getting stuck into local networks.

“

We imagine a church where the scriptures are taught faithfully and passionately, engaging with culture in a life-changing way. We imagine a church where the community thrives, and the Gospel impacts lives in radical ways.

Dave

INDIVIDUAL PARTNER



Strong growth in our support services for partners

Stewardship continues to provide critical support to its church and charity partners with a range of services that includes Loans, Payroll Bureau and an Accounts Examination Service, as well as extensive training and resources on many aspects of forming and running a charitable organisation.

Loans to partners

When churches and charities need finance to support projects that are critical for achieving their vision, they often don't meet the criteria stipulated by commercial loan providers. We step into the gap by providing affordable loans on generous payment terms. This supports both our mission and our [Kingdom Impact Bull's Eye Investment Approach](#).

2023 saw a significant increase of 17% in the value of our loan book, which grew from £24.2m to £28.5m (excluding loans made via nominated investment options). In total, we advanced 19 loans totalling £9.6m, with our loan size varying from the smallest at £50k to our largest at £2m.

In a market of rising interest rates, we worked hard to be as fair as possible in setting the Stewardship Standard Lending Rate (SSLR); while we couldn't avoid increases altogether given the rising cost of our own sources of funds, we strove to keep them as low as possible. In summary, since interest rates began to climb in December 2021, the SSLR rose by

3.75% to 7.5%, a significant 1.25% less than the Bank of England base rate increases in the same period. We also ensured a lag of at least 60 days after every increase to the base rate before applying an increase ourselves, to provide our customers with time to adjust to the higher level of payment.

Payroll Bureau

At December 2023, our Payroll Bureau was serving 849 Christian churches and charities, a 9% increase since 2022. A total of £58.9m in salaries was paid on behalf of clients to 3,576 employees, and we ensured those organisations met their tax obligations by facilitating £15.7m in taxes to HMRC. Revenue increased 16% in 2023 to £0.5m.

Accounts Examination

We were entrusted with auditing the accounts for 458 clients of our Accounts Examination Service. This represents a client growth of 11% year on year that also generated a 14% increase in revenue to £0.6m.

Charity formation and training

We helped 62 new charities to become registered with the Charity Commission and answered 566 enquiries on our Consultancy Helpline. Over 3,000 of our technical briefing papers were downloaded and 355 people attended our webinars.

“

We are very grateful for you and your team doing such a thorough and careful examination and appreciate the support that Stewardship give us in every area of our church/charity - Consultancy Helpline, Payroll, Charity Formation and our accounts!

Caroline R

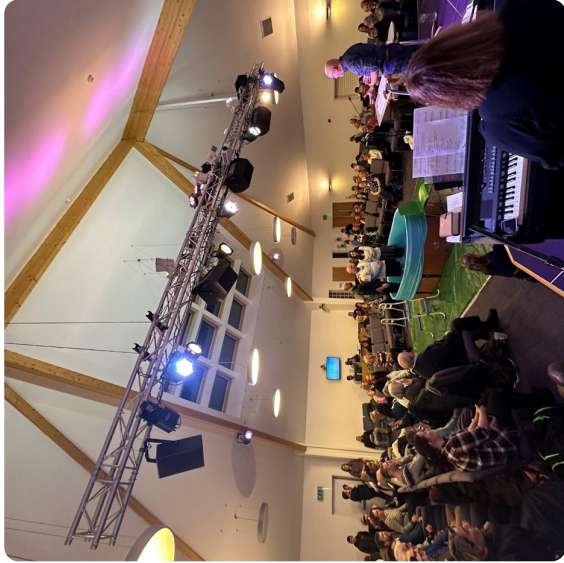
CHURCH ADMINISTRATOR,
NEW ZION CHRISTIAN FELLOWSHIP



Overall, our suite of professional services, excluding lending, saw a revenue increase of 13% to £1.3m, an achievement that reflects increased client demand for these services.

Church of the Nazarene, British Isles North District

-  Professional Services
-  Church



The Church of the Nazarene is an international evangelical denomination rooted in the Wesleyan-Holiness tradition, working passionately in over 165 world areas; it represents a vibrant community of over 2.7 million members in almost 31,000 churches.

In the United Kingdom, it is split into two districts: North and South, with the North District incorporating local church fellowships in Scotland, Northern Ireland, and the North of England.

Each church is responsible for the life of the local congregation and its activities as an independent charity. Through the district, the aim is to support, develop and encourage, and a central payroll service has been part of that for many years. However, that process was no longer fit for purpose and could not respond to the changing needs of local churches. The church's ambition was to secure a high quality, online and flexible payroll and pension solution. That's when they approached us.

Michael Ferguson, Treasurer for the British Isles North District Church of the Nazarene, explains the process to date:

"The Stewardship team has supported and guided us from the start to the finish of this process. Open and early engagement enabled us to gather information,

liaise with individual church treasurers and plan for an effective cut over process. During the transfer, the team were on the end of the phone or email to answer any questions and provide practical help as we also navigated interactions with HMRC and the new NEST pension scheme. The additional services which Stewardship can provide a client throughout the process have been invaluable and very reassuring.

We are now approaching our first anniversary with Stewardship. That support and guidance we experienced during the transition has continued. We are able to provide up-to-date, secure and online information on payroll to all of our individual churches and to assure treasurers and pastors that changes to pay will be processed on time and accurately. The automation of individual payments, PAYE and pensions removes a huge administrative burden each month; we can now have a holiday any time of the year without having to take our laptops with us.

Our pastors, church staff and local boards already give 100% to their calling and, in partnership with Stewardship, we are able to continue to help and support them in that."

Christ Apostolic Church Great Britain Headquarters: A church risen from the ashes



Lending



Church



Christ Apostolic Church Great Britain Headquarters was established in 1979 by immigrant members of Christ Apostolic Church, mainly from Nigeria, who saw the need to bring their experience of God to their new country.

On the night of 22 November 2015, the interior of the main sanctuary of their church building was destroyed by fire. Since then, the church had been unable to use the sanctuary, instead meeting in the next-door church hall.

The building remained unused until 2021 when the church had fundraised enough to start the process of restoring the building to its former glory. Apart from the four walls, everything was built from scratch to a new design.

The funds the church had lined up to finance the project depended on them having to raise the difference. The insurance provider would not pay out without the surety that they had all the funds needed

to complete the project. The church's very low income during Covid was another serious concern and the high street banks and other financial institutions who asked for the church's details never came back to them.

This is where we came in, providing a critical loan to cover the gap in funding. We were willing to take a longer-term view of the church's finances and were able to offer an affordable interest rate.

With the Stewardship loan in place alongside generous donations from church members, the insurance company was able to release the funds, enabling the restoration process to get underway.

On 18 December 2022, the work was sufficiently complete to allow the church to hold its first service in the new building. The church community are now enjoying their refurbished building, which has a more modern design and increased capacity.



“

Now that we have our building back, we are seeing members return who previously used our online streaming services. It is so exciting to see the smile on their faces when they see the church building in a new way.

The community is also approaching the church to ask if they can use the church building for weddings, funerals, and other group activities.

My hope is for people to see this place as somewhere they can fellowship with God's people, where young people will see it as home, where they are free to express their experience of God, and that the community will see this church as part of their history.

Pastor Emmanuel Tukasi

CHRIST APOSTOLIC CHURCH, TOTTENHAM

Product improvements and innovations

We continue to refine and innovate our product offering.

Key achievements in 2023 include:

- Introducing Apple Pay and Google Pay as additional payment options for making a gift
- Adding suggested donation amounts for one-off and monthly gifts, which can be customised by partners, along with short impact statements to help donors understand what each gift size could achieve
- Improved clarity on the fee for each gift and adding the option for account holders to request the exact amount they want a partner to receive once Gift Aid and our fee have been deducted
- Displaying the name and logo of the Stewardship Partner who is to receive the gift throughout the process to provide added confidence for the donor
- A refreshed design and simplified giving process that clarifies the Gift Aid option for both account balances and individual gifts

We were also excited to take a significant step forward in developing our giving app. We have now built and tested a prototype with over 100 donors and conducted in-depth interviews with 20 people to date.



2x increase

in the number of people who successfully made a gift as a result of changes in 2023

“

I am always so thankful to God for the wonderful team at Stewardship - you take a process that has the potential to be so stressful and hold our hand all the way through it. Thank you!

Andy Geers

CEO, DISCIPLESHIP TECH

Effectively stewarding assets

Our vision is a thriving Kingdom economy where all of God’s people steward resources wisely and generously to advance the Gospel.

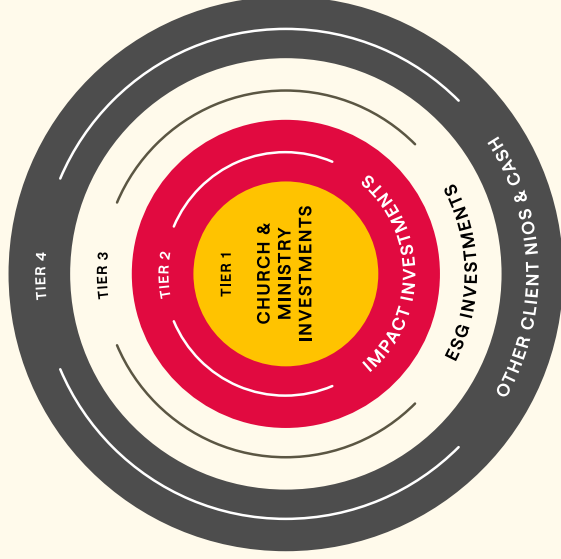
This includes embracing an investment policy that incorporates Christian values and being a witness to the Gospel in the way we steward our resources.

We are therefore focused on directing Stewardship’s resources into investments which have a positive social and environmental impact and align with our Christian values. We call this the Kingdom Impact Bull’s Eye Investment Approach.

In 2023, we saw an increase across Tiers 1 to 3, with a standout growth in Church and Ministry investments (Tier 1) of 16% from £33.0m to £38.1m. The impact of this growth, which is enabled by our generous donors, included support for new buildings, infrastructure projects for Gospel ministry and affordable housing for Christian workers.

In addition, the Stewardship Investment Portfolios that we offer to our philanthropy donors incorporate an ESG integrated investment approach as well as apply ethical investment restrictions. Total investment in the three portfolios was £60.9m at year end (2022: £55.5m).

Kingdom Impact Bull’s Eye Investment Approach



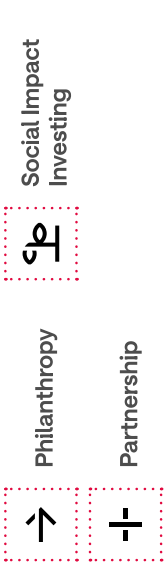
Tier 1 investments are aimed at churches, Christian charities and social enterprises that are devoted to sharing the Gospel and building Christian ministry.

Tier 2 investments encompass broader impact investments that create transformational change for under-served communities and are aligned with the UN Sustainable Development Goals.

Tier 3 investments are in portfolios that are invested in line with ESG (Environmental, Social and Governance) principles.

Tier 4 investments include client nominated investment options (NIOS) and cash that does not fit within Tiers 1–3.

Innovative philanthropy supports Mission Housing



For the last fifty years, Mission Housing has been focused on addressing the need for affordable housing for Christian, church and charity workers who cannot afford to rent or buy a home that is located within the community in which they are called to serve.

High property prices frequently prevent key Christian workers from living within the communities to which they belong. Mission Housing helps overcome this hurdle by providing shared ownerships where the Christian worker buys at least a 25% share of the property and the balance of up to 75% is owned by Mission Housing, funded by charitable gifts and loans. Mission Housing's work is made possible by the generosity of individuals, churches, organisations and trusts who make gifts, provide loans, rent their properties at below-market rates, and sometimes even donate properties and leave legacies.

As a long-standing Stewardship partner, Mission Housing has frequently benefited from the willingness of some philanthropy donors to help meet this critical need for housing by requesting that

some or all their giving account balance be allocated as a Mission Housing loan.

Rich and Kathryn were called to serve the people of mid-Suffolk but were struggling to find adequate housing for their family; they felt called to continue living in the village of Debenham, reaching the community they knew and loved, but their house was no longer suitable for their family and ministry. Meanwhile, house prices were rocketing in this already expensive area.

Debenham is a hub village which serves many other nearby villages and hamlets. Three miles away lies the smaller village of Mickfield, where Rich is the pastor of Mickfield Evangelical Church. Rural churches are under-resourced and often struggle to reach an increasingly changing rural population. Yet 17%¹ of the UK lives in rural areas and the Gospel needs in those areas are profound.

The significant challenge for Rich and Kathryn and others like them is how to effectively share the Gospel in this rural context and to train the next generation of local Christian leaders and Gospel workers for God's rural harvest field.

Thanks to Mission Housing, Rich and Kathryn have been able to remain in the heart of their local community and are looking forward to the next season of sowing seeds for the Gospel.

1 Official Statistics Rural Population and Migration

“

We were under immense pressure to remain in Debenham but struggling to find a house suitable for our family and our ministry. Mission Housing enabled us, through the generous loans given, to bridge a big financial gap. Now we can remain in the community that we know and love, in a long-term house, as we seek to reach lost people for Jesus. We are so very thankful for all the help that Mission Housing, Stewardship and generous donors have given.

Rich

CHRISTIAN WORKER



Moving forwards sustainably: Planet Mark accreditation



The Lord God took the man and put him in the Garden of Eden to work it and take care of it.

GENESIS 2:15 (NIV)



We are proud to have achieved the Planet Mark Business Certification, reflecting our ongoing commitment to reducing our environmental impact.

Based on the understanding that we are all mandated to be good stewards of the world God lovingly created for us, we have always been committed to supporting the environment and have created a dedicated CauseFinder™ cross for Creation Care to demarcate all our partner charities working in this area.

Planet Mark is an internationally recognised sustainability certification that acknowledges continuous progress, encourages action and builds an empowered community of like-minded individuals. We are now working towards our target reduction year on year of 5%.



“

As part of our commitment to Creation Care, we want to ensure that Stewardship is a force for good in all areas, positively transforming any society and the planet by reducing any negative impact on the environment. It is why we are also sponsoring the Green Champion category in the 2024 Church Times Green Church Awards.

We look forward to continuing to develop a more strategic approach to environmental responsibility, working with Planet Mark to reduce our carbon emissions and to encouraging others in our community to follow suit.

Felicity Griffiths

CHIEF FINANCIAL AND OPERATING
OFFICER, STEWARDSHIP

Team Stewardship shapes up for a new strategy



The Stewardship team prepared for some significant changes in 2023.

We worked with our learning partner, Curiosity Society, to consider how we want to develop our structure and culture to support the implementation of our new strategy.

This resulted in the announcement of a new organisational design, based around three key teams, which will enable us to serve our donors and partners more holistically: one focused around our donors and partners, and our products and services; one for the internal operations that underpin those products and services; and one that integrates our marketing, people and data insight experts to work together on our brand, marketing and culture.

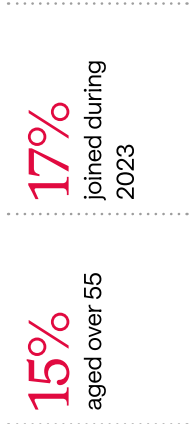
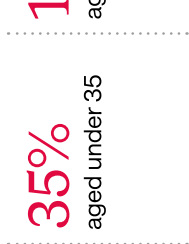
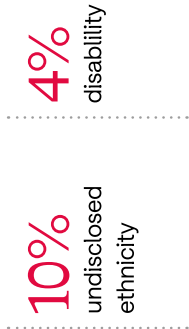


To increase empowerment, encourage greater collaboration and to organise in more agile ways, we are establishing a new leadership structure for Stewardship. At the heart of this new structure is a larger and more diverse group of leaders who represent all parts of our operation and the various groups of 'customers' that we serve. This Leadership Team is empowered to deliver our operations,

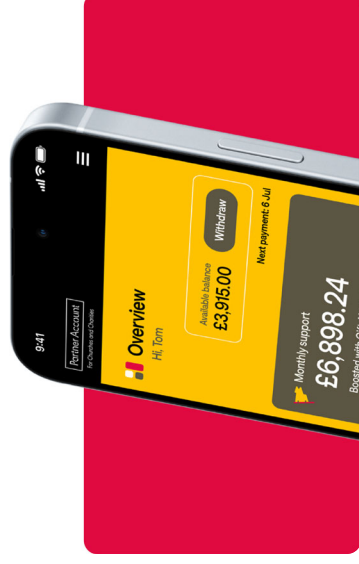
mission and strategic projects in close consultation with one another, and mindful of the teams and colleagues that they have been appointed to serve.

The Leadership Team includes and is supported by a new and leaner Executive Team of four. This team, recruited internally and led by Janie as CEO, is responsible for serving every part of our organisation, maintaining focus on key strategic decisions and the successful pursuit of our mission. Both the Executive Team and Leadership Team are committed to and actively working to adopt a healthy leadership style that is characterised by humility, integrity and service of others.

STAFF OF 92 PEOPLE AT 31 DECEMBER 2023



A look ahead: new things for 2024



For our partners

The launch of our improved partner profile pages will enable our church, charity and individual partners to create a richer and deeper view of their ministries, better equipping them to invite more generosity and grow their support team.

Key features of the new design for partner profiles include:

- improved page design that allows for the upload of images and videos
- ability to add relevant CauseFinder™ categories, making it simpler for donors to find causes close to their hearts
- option to add links to social media platforms
- easy share options

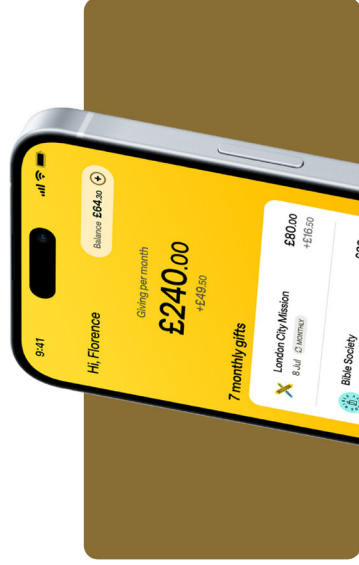
The Partner Account for Churches and Charities will also be developed to meet the need of the growing number of organisations who use the support raising model for their staff but where the funds go to the organisation rather than the individual. This will enable individuals raising support to sign in to view giving for their support and invite new supporters using a link to their own customisable profile page.

Partners will continue to be sent QR codes to share with their audiences; on average, we are seeing a £5.6k uplift in giving when they are used effectively.

A series of webinars designed to showcase the amazing work of our church and charity partners across the wide range of cause themes represented by our Cause Crosses will aim to raise awareness of our powerful CauseFinder™ database.

Improvements in our suite of support services for partners will include:

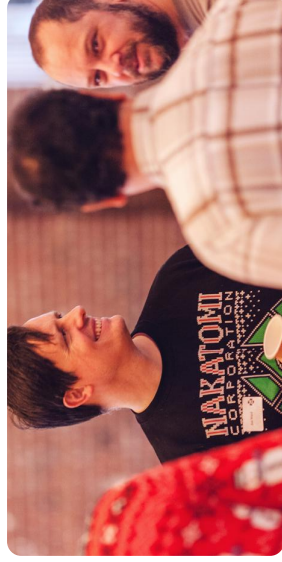
- implementing a new lending software platform that will help us to serve our growing number of clients for this service more efficiently
- expanding and relaunching our training offering, helping to support charity treasurers and trustees in fulfilling their responsibilities well, so that their churches and charities can flourish in the areas of governance, finance and administration
- launching new and expanded services to support church and charity leaders and volunteers even more comprehensively in their governance, finance, compliance and stewardship needs



For our donors

The first iOS version of our giving app will go live ready for users later this year, with plans for an Android version already underway. We look forward to enabling our donors to manage their giving in a more accessible way.

Our Donor Advised Fund and Philanthropy Fund donors can expect a new selection of investment options with a particular focus on social impact investments, which look to make a positive societal difference alongside a financial return.



For our people

We will be introducing a new People, Culture and Place strategy to create an optimal environment for our new organisational design and strategy to thrive. This will include renewed emphasis on professional development to ensure our people are equipped to grow and succeed in their careers.

We will also redesign our office space this year to reflect our hybrid way of working with a key goal of optimising the space we have to allow for teams to collaborate more easily when they are in the office.



Developing our thought leadership

We delivered our first [Generosity Report](#), exploring Christian giving in the UK in June 2024. This was produced in partnership with Whitestone Insight and examines levels of generosity within the Church across the UK and the different factors that influence it. The report also includes recommendations for our church, charity and individual partners and a list of helpful resources for next steps.

Financial Review & Governance



Gerald

DAF ACCOUNT MANAGER

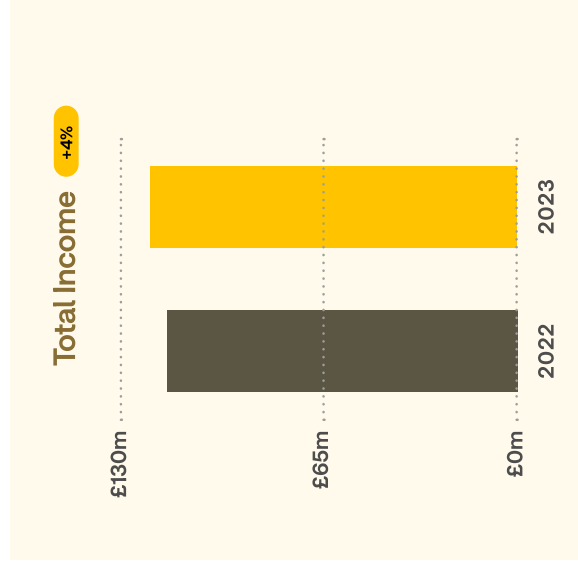


Financial review

Income

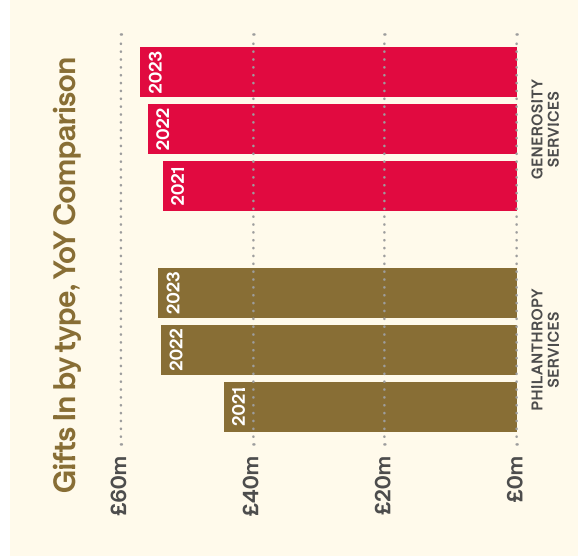
Total income was £119.6m, a 4% increase compared to the prior reporting period, with donations (also referred to as Gifts In) making up the majority of our total income.

Unrestricted income for the reporting period was £9.4m (excluding profit from associate), an increase of 58% compared to £6.0m in the prior reporting period.



Donations (also referred to as Gifts In)

Donations reported in this financial year, including legacies, were £111.3m, an increase of 2% compared to donations in the prior reporting period. While we did not meet our target of a 5% increase in Gifts In, given the difficult economic conditions impacting churches and charities, we were still delighted to recognise a modest increase compared to the prior year. Within Philanthropy and Generosity Services, donations have increased by 1% and 2% respectively. This increase in donations demonstrates the incredible generosity of our givers, at a time when household bills and living costs increased significantly.

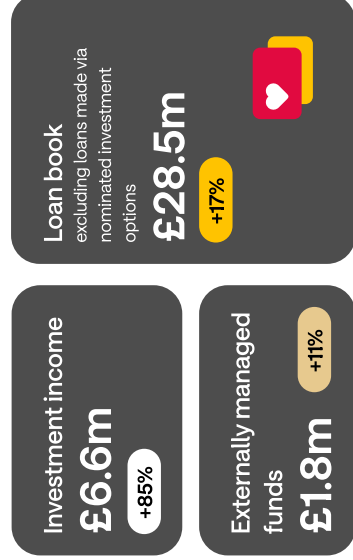


Investments and lending

Investment income for the period was £6.6m, an increase of 85% compared to £3.6m in the prior reporting period. Interest received on money market deposits increased by £2.1m (251%) compared to the prior reporting period, due to higher interest rates and active liquidity management.

The **loan book** reached £28.5m at the end of 2023 (excluding nominated investment options), a 17% increase compared to the prior reporting period, which reflects the continued demand from our clients. In combination with the full year impact of higher interest rates, this resulted in a 71% increase in loan interest compared to the prior reporting period.

Income from **externally managed funds** totalled £1.8m, an increase of 11% compared to the prior reporting period. This was due to higher dividends received from the Balanced and Growth portfolios and BSC Social Impact Trust.



Charitable activities

Total income from **Charitable activities** was £1.5m (2022: £1.3m), an increase of 15% compared to the prior reporting period.

Income from **Professional Services** activities totalled £1.3m (2022: £1.1m), a 13% increase compared to the prior reporting period. This is largely due to an increase in the number of clients served by our Payroll Bureau, Accounts Examination and Consulting Services.

Fee income from **church and charity lending** totalled £0.2m in 2023, an increase of 84% compared to the prior reporting period, driven by increased activity on the loan book.

Charitable activities
income

£1.5m

+15%

Professional
Services income

£1.3m

+13%

Share of associate's gain

A £116k gain from associate was recognised in line with our shareholding in Lamb's Passage Holding Ltd (LPHL), the holding company of Kingdom Bank Ltd (2022: £16k loss from associate).

Expenditure

Total expenditure was £117.6m in 2023, an increase of 12% compared to £104.8m in the prior reporting period. This increase was largely driven by higher Grants Out.

Grants

Grants Out exceeded £100m for the first time, totalling £109.6m in 2023, an increase of 12% compared to £97.8m in the prior reporting period. This represents an additional £11.9m granted out to churches, individual partners, and charities both in the UK and abroad, to spread the Gospel, further good causes and help those in greatest need. The significant increase in Grants Out is particularly encouraging given the financial need within the charity sector due to current economic conditions.

Charitable activities

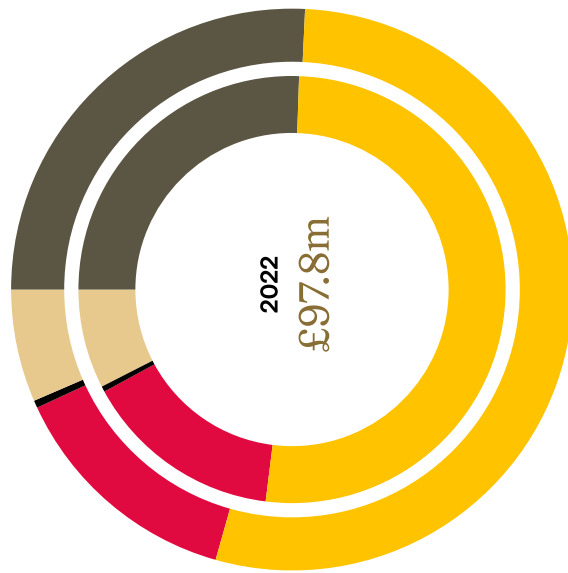
Our total running costs (direct costs and support costs) amounted to £7.9m in the period, which is a 13% increase from the prior year (2022: £7.0m). The increase in expenditure was predominantly in technology and staff costs to support strategic growth.

Grants Out

2023

£109.6m

+12%



AVERAGE GIFT
% INCREASE

CHRISTIAN CHURCHES

+13.1%

CHRISTIAN ORGANISATIONS

+16.9%

CHRISTIAN WORKERS

+18%

BIBLE COLLEGE STUDENTS

+16.1%

OTHER CHARITIES

-3.3%



“His master replied, ‘Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master’s happiness!’

MATTHEW 25:23 (NIV)



Overall performance

We recognised an operating surplus within unrestricted funds for the period of £2.2m (2022: operating deficit of £0.9m), due to an increase in unrestricted income of 58% (excluding profit from associate) compared to the prior year, but a much lower increase in unrestricted expenditure of 15% (excluding loss from associate in the prior period). It has been the first year since 2017 that we have recognised an operating surplus.

Transfers between funds largely consist of investment income attributed to Donor Advised Fund accounts, totalling £1.7m (2022: £0.2m), representing interest income allocated to donors’ cash balances exceeding £25k on a tiered basis, in line with our Client Interest Rate Policy.

We experienced a £7.3m reduction in total cash and cash equivalents over the period from £67.5m to £60.1m, primarily due to strategic investment decisions and a £10m increase in Grants Out compared to the prior year. Investment decisions that contributed to a decrease in cash over the period included a £4.7m increase in the Church and Charity Lending book (including loans made via nominated investment options) over the course of the year, as well as taking the decision to invest £10m into a segregated Fixed Income portfolio, managed by Rathbones on Stewardship’s behalf, during Q4 2023.

A full revaluation of our office at 1 Lamb’s Passage in Central London is required every five years as per our accounting policy. Due to a significant downturn in the London commercial property market, the revaluation resulted in a £661k loss, reducing the carrying value of the long-leasehold property from £3.6m to £2.9m.

Despite the significant revaluation loss, we were thankful to still recognise an increase in unrestricted reserves for the year of £38k (2022: £890k).

Investment management and performance

Investment policy and objectives

In 2023, investment market activity was driven by rising interest rates, the Magnificent Seven technology stock rally, and continued geopolitical uncertainty. Notwithstanding the fast-changing market landscape of 2023, we made £9.7m of additional investments in Tier 1 and Tier 2 of the Bull's Eye during the year, which increased the allocation by 4% to 26% of total assets.

These investments aim to achieve Kingdom impact by enabling churches and Christian charities to build their ministry and address social issues, alongside financial returns. This included investments in innovative new impact investment vehicles that provide access to a diversified range of private investments aligned with the UN Sustainable Development Goals, as well as loans to a Christian charity which helps Christian workers access affordable homes in London.



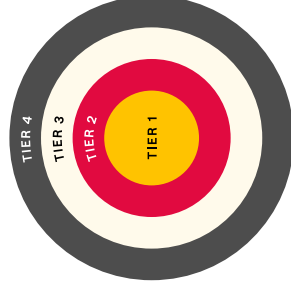
“But seek first his kingdom and his righteousness, and all these things will be given to you as well.”

MATTHEW 6:33 (NIV)



Kingdom Impact Bull's Eye Investment Approach

Total assets increased by 5% compared to the prior year to £208.2m from £198.5m. At the end of 2023, 19% of assets were invested in Tier 1 investments, 7% in Tier 2 and 44% in Tier 3, with the remainder in Tier 4.



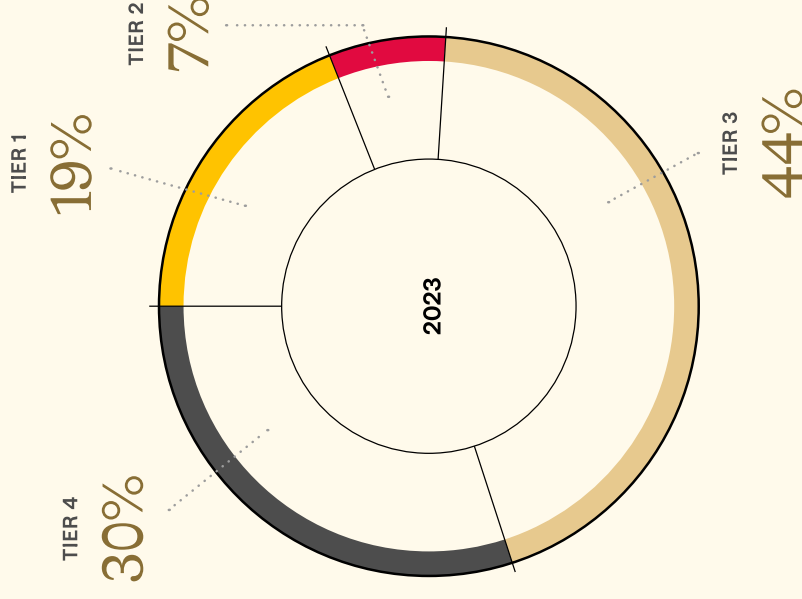
Tier 1 investments are aimed at churches, Christian charities and social enterprises that are devoted to sharing the Gospel and building Christian ministry.

Tier 2 investments encompass broader impact investments that create transformational change for under-served communities and are aligned with the UN Sustainable Development Goals.

Tier 3 investments are in portfolios that are invested in line with ESG (Environmental, Social and Governance) principles.

Tier 4 investments include client nominated investment options (NIOs) and cash that does not fit within Tiers 1–3.

Tier breakdown of assets

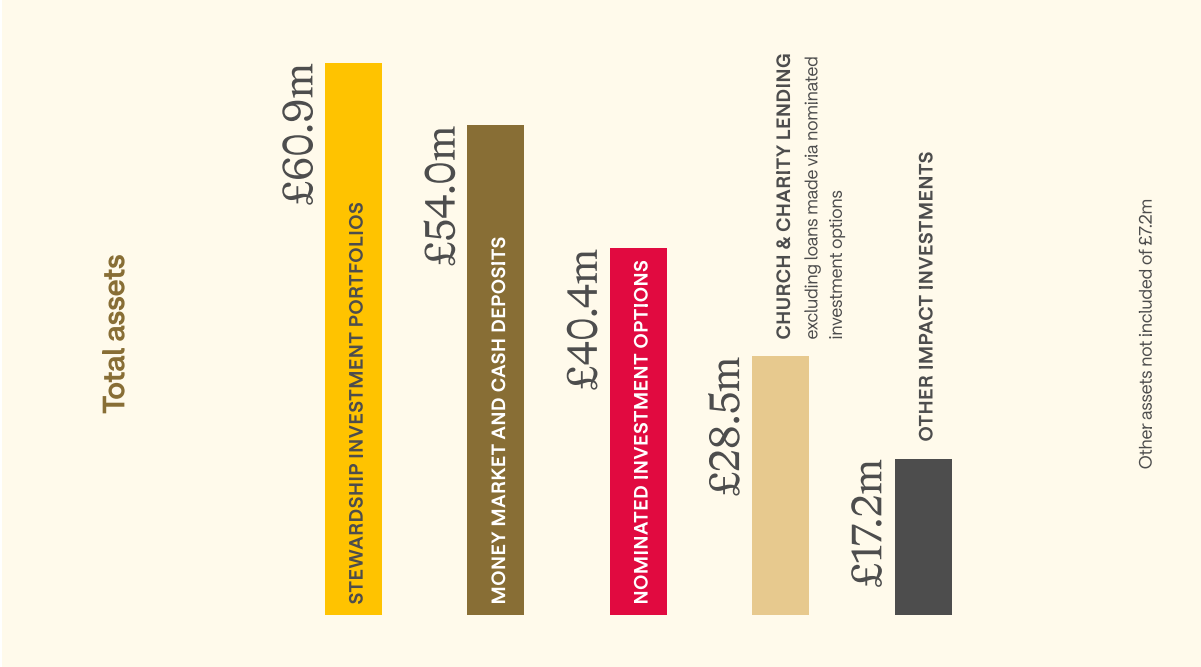


The trustees of Stewardship have delegated investment decisions to the Finance and Investment Committee, which reviews the investments and their performance on a quarterly basis.

- Unrestricted funds are managed in accordance with the reserves policy to ensure reserves requirements are met. These reserves are held to provide financial security that may be required at short notice, and therefore will be retained in easily realisable assets and not usually considered for long-term investment.
- Liquidity management of cash reserves is governed by our liquidity policy, which ensures appropriate diversification across a range of approved counterparties, determined by their credit ratings and risk assessments. The management of liquidity requirements ensures grants can be fulfilled on a timely basis and works alongside the investment policy to determine the funds available for investment.

Asset allocation

Total investment assets (excluding cash and money market deposits) increased to £141.0m at the end of the year (2022: £124.7m). Net gains on investments for the financial year totalled £5.4m (2022: £11.2m net loss).



The Stewardship Investment Portfolios

TOTAL ASSETS 30%

The Stewardship Investment Portfolios are managed by three external investment managers, who incorporate an ESG integrated investment approach as well as ethical investment restrictions. These are offered to Philanthropy Fund and Donor Advised Fund donors who wish to allocate account balances for investment. Total investment in the three portfolios was £60.9m at year end (2022: £55.5m).

The Sustainable Investment Portfolio is an advisory mandate set up with Cazenove Capital during 2022, which aims to achieve a positive impact for people and the planet. The mandate aims to achieve Consumer Price Index +4.0% per annum (net of fees) over rolling ten-year periods by investing in equities, fixed income and alternative assets. 2023 performance (net of fees) was 7.0%, underperforming the target return of 8.0%.

The Balanced Portfolio is a discretionary mandate managed by Sarasin & Partners, which aims to achieve a balance between income and long-term capital growth while meeting the objective of producing a return of Consumer Price Index +2.5% over the long term. Investments cover a range of asset classes including equities, fixed income and alternatives. 2023 performance (net of fees) was 7.4%, outperforming the target return of 6.5%.

The Equity Portfolio is a discretionary mandate managed by Rathbones, which aims for capital growth over the long term and invests only in equities. During 2023, the total return on the portfolio was 7.0% (net of fees), underperforming the benchmark of 13.2%. This was partly due to an underweight exposure to the Magnificent Seven and the oil and gas sector in the portfolio.

Money market and cash deposits

TOTAL ASSETS 27%

Money market and cash deposits (27%) decreased by £5.5m to £54.0m (2022: £59.5m), principally due to the £10m invested into the Fixed Income Portfolio. Of the total balance, 70% is held at institutions with a long-term credit rating of A- or higher. During the financial year, Stewardship's average interest rate return was 3.95% (2022: 1.27%).

Nominated investment options

TOTAL ASSETS 20%

Nominated investment options are investments requested by Philanthropy Fund or Donor Advised Fund donors. These may be comprised of listed securities, social impact investments, investment

funds or by way of a discretionary mandate with an investment manager. All investment decisions are ultimately made at the entire discretion of Stewardship's trustees, and any investment made from the donor balance is made by Stewardship as principal.

The financial gains and losses, including any interest or dividends (less any management fees and transaction costs) from the investments are allocated to the donor account from which grants are made.

Nominated investment options decreased by £5.1m to £40.4m (2022: £45.5m) over the year, driven by liquidation of investments to support grant-making.

Church and Charity Lending Book

TOTAL ASSETS 14%

Church and Charity Lending Book increased by £4.2m to £28.5m (2022: £24.2m), excluding loans made via nominated investment options, over the year. This was driven by a net increase in the number of loans by 5 to 112 (2022: 107). The average lending rate of the loan book at 31 December 2023 was 7.81% (2022: 5.6%).

Loans to churches and Christian charities are considered a key part of fulfilling our charitable objects and form the core of Tier 1 investments described in the Bull's Eye Approach. The loans are

made in accordance with the lending policy, which manages risk through consideration of the security provided, interest rates relative to the base rate and peers, as well as other risks of default.

Other investments

TOTAL ASSETS 9%

Other investments (9%) increased by £9.9m to £17.2m (2022: £7.3m) over the year due to the execution of a £10m segregated Fixed Income Portfolio managed by Rathbones. Over 50% of the value of this portfolio is invested in Tier 2 holdings. Other investments also include Lamb's Passage Holding Ltd, the holding company of Kingdom Bank Ltd, which was purchased in 2020.

Reserves

Stewardship's Executive 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 received from Giving Account holders, held in restricted funds, are protected as much as possible, so that Stewardship maintains their capital value and has the liquidity to meet future requests to make grants to their chosen charities.

Net assets at the end of the reporting period were £198.0m (2022: £191.3m); of this £188.7m (2022: £182.1m) was in restricted funds and £9.3m (2022: £9.3m) was in unrestricted funds.

Stewardship's reserves policy applies a risk-based approach, including volatility measures, as a basis for determining the level of reserves to be held on investments. The policy requires Stewardship to hold financial resources sufficient for running costs for six months, as well as any foreseeable operational deficits, and a risk-weighted provision against assets held based on both historic market experience and Stewardship's knowledge. This determines the minimum level of reserves required at December 2023 as follows:



Additional reserves held above our policy will continue to be invested in implementing the strategic plan and building resilience in the current uncertain economic climate.

As indicated in note 1b to the Financial Statements, the Stewardship trustees and Executive Team have reviewed Stewardship's financial position, plans, reserves and risk management and consider Stewardship to have adequate resources to continue operations for the foreseeable future, and are satisfied there are no material uncertainties surrounding the preparation of these financial statements on a going concern basis. As well as unrestricted reserves of £9.3m, Stewardship has significant liquidity, with £23.6m held in instant access accounts and short-term money market funds. These provide the liquidity to meet the ongoing operational expenditure needs of the charity and ensure funding for grant payments from Giving Accounts.

Risks

Stewardship is largely dependent on receiving donations from givers.

So, the principal identified risks and uncertainties are concentrated around the conditions that facilitate this giving and our own operational abilities to efficiently manage and facilitate our grant making. Our approach to our risks is defined through a Risk Appetite Statement and we maintain and update a risk register, which is monitored by the Executive Team and reported to the trustees via the

Audit and Risk Committee on a regular basis. The Council of Trustees, in conjunction with the Leadership and Executive Teams, consider that they have established appropriate systems to anticipate risks as they arise and have instigated procedures and actions to mitigate the probability and impact that such risks may pose to the organisation. The principal risks and uncertainties have been identified as:

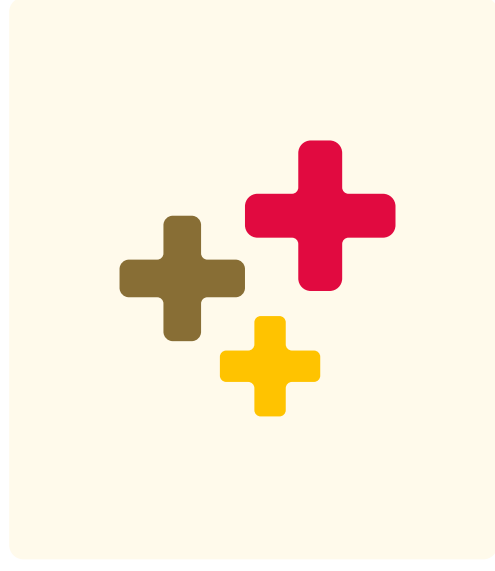
Risk title	Risk description	Summary of key mitigations
IT and cyber security risk	In common with other organisations, cyber attacks remain a constant threat to the integrity and availability of our systems and data.	Our key operating system Microsoft Azure, a cloud computing service, provides extra infrastructure resilience and protection for our data and systems. We continue to implement our programme of security enhancements and ongoing reviews, testing our IT estate with independent third-party security experts. We acknowledge that staff awareness is a key control and regular training and testing is undertaken in this area to ensure that they are aware of their duty to protect our systems and data.
Economic risk	External events that lead to external risk that cannot be controlled by Stewardship or cannot be forecasted with a high level of reliability.	Acknowledging that ongoing volatile external economic, political, and global factors caused high inflation as seen with the increase of the base rate, the trustees and Executive Team have been regularly reviewing strategy plans, budgets, and resourcing needs. We acknowledge that we continue to be in unprecedented times, with the need to manage income, outgoings, and staff wellbeing carefully. This enables us to support our Partners and ultimately their beneficiaries in their important outreach during these times of cost-of-living challenges.
Reputational risk	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.	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. We also build and protect our standing by ensuring our values are embedded in our staff behaviour 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. We have compliance policies and programmes to assist with extensive risk-based due diligence procedures, which seek to mitigate the risk of contentious gifts being accepted and our grants being misapplied. Use of ethical screening seeks to mitigate any concerns over the investments we make and therefore helps manage our reputational risk.

Risk title	Risk description	Summary of key mitigations
Investment and liquidity risk	The continued volatile economic conditions have the potential to adversely impact the value of our investments. The high inflation environment will impact purchasing power and could lead to a risk of insufficient financial resources to meet committed obligations: any grants made could have less impact for our Partners.	<p>In 2023, our investment strategy saw significant development to help maximise income return and effectively meet our Kingdom Mission impact. We have also considered how best to limit the impact of interest rate volatility, by investment diversification and adopting a 'margin approach' with respect to income streams driven by interest rate movements.</p> <p>We continue to embed our position and processes in how we engage with donors regarding the investment options of their donated funds.</p> <p>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. Due to the current and forecast growth in our paid for services, we have become less reliant on interest income to cover our running costs, and to enable our Donor Advised Fund and Philanthropy Clients to benefit from interest being paid on the cash balances held in their donated funds.</p>
Credit risk	Risk of a financial loss arising from borrowers failing to meet their financial repayment obligations.	<p>Stewardship lending applications are credit assessed and reviewed by a dedicated team, followed by individuals within the Finance Team acting as an independent credit control function. An authorisation matrix is in place which governs the level of approval required dependent on the size of the loan. Larger loans are presented to the Lending Sub-Committee, potentially followed by the Finance and Investment Committee and Council for approval, depending on the size of the loan.</p> <p>Acknowledging the current economic risks, all loans continue to be subject to regular monitoring of their performance and new applications are stress tested.</p>
Service continuity risk	As an organisation providing a selection of different client 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.</p> <p>Development in our technology helps manage our resilience and supports continuity plans. Hybrid staff working arrangements are a key part of physical continuity plans. We also use, when appropriate, internal incident response groups in highlighting and addressing key business-critical activities and issues.</p> <p>We continue to provide robust recruitment, succession planning, 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>
Compliance with legislation and regulatory risk	Stewardship, as a donor advised fund charity, continues to ensure that it maintains high integrity by ensuring that gifts received and grants made are aligned with the required regulations.	<p>The growth in our operations as a donor advised fund charity has seen our Gifts In and Grants Out both exceeding £100m per year.</p> <p>We continue to review and develop our processes and systems to ensure that where possible we use the appropriate tools to ensure that we remain compliant whilst being efficient and effective.</p> <p>There are relevant policies in place covering our products, services and activities across the organisation. These are approved by the appropriate committee, updated regularly and breaches reported to the Audit and Risk Committee and any other committees as required.</p>

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, the primary function being to hold in trust property and financial resources generously given for church planting and evangelism. We have evolved, 118 years later, into a family of charities and companies that seeks to inspire and serve evangelical Christian generosity.



At 31 December 2023, the Stewardship family (as detailed in note 15 to the financial statements) was comprised of Stewardship Services (UKET) Ltd, the principal charity; Stewardship Professional Services Ltd, a wholly owned subsidiary of Stewardship Services (UKET) that is currently dormant; and an associate investment in Lamb's Passage Holding Ltd, the parent company of Kingdom Bank.

In January 2023, Stewardship Professional Services Ltd was incorporated, a wholly owned subsidiary of Stewardship Services (UKET) Ltd, with the intention to be the entity holding our Accounts Examination, Payroll Bureau, Charity Formation and Consultancy Services in the future. The entity is currently dormant.

On 30 June 2023, Stewardship American Donor Fund US Inc transferred Stewardship American Donor Fund UK Ltd and its dual-qualified US-UK giving service to the International Generosity Foundation, a US public charity that is part of the TrustBridge Global Network. Subsequently, Stewardship American Donor Fund US Inc was dissolved on 16 November 2023.

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, last amended in September 2017. All 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 Executive Team they provide:

- strategic vision
- governance oversight
- operational process and direction

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

Public benefit statement

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

People

The Executive Team comprises the key management personnel of the charity.

The Executive Team

The Executive Team works in partnership with the Council of Trustees to deliver our goals and mission. The following served as members of the Executive Team for the period ended 31 December 2023, and up to the date of approval of the accounts, except where stated otherwise.



Stewart McCulloch

Chief Executive Officer

To 31 December 2023



Janie Oliver

Chief Financial Officer and Company Secretary

Chief Executive Officer from 1 January 2024



Nicola Johnson

Chief Philanthropy Officer

Chief Customer Officer from 1 January 2024



Daniel Jones

Chief Generosity Officer

Chief Purpose Officer from 1 January 2024



Peter Wilson

Chief Partnerships Officer

To 15 April 2024



Brett Mickelburgh

Chief Technology Officer

To 31 December 2023



Felicity Griffiths

-

Chief Financial and Operating Officer from 1 January 2024

Members of Stewardship Services (UKET) Ltd Council (trustees)

The following served as directors and members of the Council for the period ended 31 December 2023, and up to the date of approval of the accounts, except where stated otherwise:

Name	Full Council	Finance & Investment	Audit & Risk	Appointments & Remuneration	IT & Digital Strategy ¹	People Culture & Place	Lending Sub-Committee
Chris Gillies	● Chair	●	●	● Chair		●	
Gareth Burns	● Deputy Chair		● Chair (until 15.06.2023)	●			
Stephanie Biden	● Until 15.06.2023		● Until 15.06.2023				
Mike Bugembe	●				●		
Jennifer Charteris	●					●	
Curt Hopkins	●				●		
Andrea Pattico	●			●		● Chair	
Sunil Rajan	●				●		
Ritz Steytler	●			●	● Chair		
James Ward	●	● Chair		●			●
Nathan Whitaker	●	●					●
Katherine Tait	●					●	
Angie Rusbridge ²	● From 02.03.2023	● From 02.03.2023					
Edward Mishambi ³	● From 15.06.2023		● Chair (from 15.06.2023)	●			
Lew Jackson ⁴	● From 14.09.2023		● From 14.09.2023				

¹ The IT & Digital Strategy Committee was re-named as the IT, Product & Data Committee from 21 February 2024.

² Angie Rusbridge attended the Finance and Investment Committee meeting in February 2023 as an observer.

³ Edward Mishambi attended the Audit and Risk Committee meeting in February 2023 as an observer.

⁴ Lew Jackson attended the Full Council meeting on 15 June 2023 as an observer.



Advisers

Joachim Adenusi

Non-trustee member of the Audit and Risk Committee

Bernadette Cunningham

Non-trustee member of the Finance and Investment Committee and the Lending Sub-Committee

Jonathan Gwilt

Non-trustee member of the Finance and Investment Committee and the Lending Sub-Committee

Anna McDonald

Non-trustee member of the Finance and Investment Committee and the Lending Sub-Committee (until 31 December 2023)

Andrew Shefford

Non-trustee member of the Audit and Risk Committee from February 2024 (attended 22 November 2023 ARC meeting as a guest)

David Vardy

Chair Emeritus (until 31 December 2023)

Committees and trustees

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 Appointments and Remuneration Committee makes recommendations to Council. The power to appoint new trustees rests with the existing trustees on a two-thirds majority.

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 Executive Team, the main strategic and directional decisions are taken.

Day-to-day operations are delegated to the Executive Team, which has, within certain limits, delegated authority. Suitable benchmarks and milestones are agreed to provide a basis on which to measure achievements, with the Executive Team generally

reporting progress to the trustees through the various committees.

There are five trustee committees and one sub-committee, as follows:

1

Finance and Investment Committee

This committee is responsible for overseeing the general financial management and investment activity of Stewardship. To fulfil these responsibilities, the committee:

- regularly monitored the overall financial performance of the charity, approving unbudgeted spend where this was considered necessary
- approved updates to the Client and Lending interest rate policies and monitored compliance
- deliberated and approved the 2024 budget and ongoing financial management reporting
- oversaw compliance with and approved updates to the Liquidity, Investment and Reserves policies
- continued to take responsibility for decision making regarding the distribution of legacy funds
- reviewed and approved large value lending in line with the lending policy; this responsibility was delegated, in part, to the Lending Sub-Committee from January 2022

2

Lending Sub-Committee

A sub-committee of the Finance and Investment Committee

This committee is responsible for overseeing the lending portfolio, and for reviewing and approving lending within prescribed limits. To fulfil these responsibilities, the committee:

- evaluated, deliberated and challenged large loan proposals
- considered the risks attached to the proposed loans (financial and non-financial) and any mitigating factors
- considered and recommended any changes required to the lending policy when required

3

Audit and Risk Committee

This committee has responsibility for the supervision of audit and the oversight of risk management. To fulfil these responsibilities, the committee:

- supervised the maintenance of appropriate internal controls
- advised Council on optimising the risk profile of future strategies
- met with our auditors to discuss and agree the audit plan and to receive their post-audit report
- reviewed the 2022 Annual Report and Financial Statements and proposed them for approval to Council
- reviewed Serious Incidents as needed, internally and externally, and authorised reporting to the Charity Commission where required
- reviewed key policies and approved the following new policies: social media policy, anti-fraud, bribery, and corruption policy, risk appetite statement, investment compliance policy & vulnerable donor policy

Appointments and Remuneration Committee

This committee has responsibility to ensure that the trustees and Executive Team are properly appointed following appropriate process, and that the Executive Team are remunerated fairly, in line with Stewardship's policies and values. To fulfil these responsibilities, the committee:

- reviewed and approved proposals for the appointment of new trustees and committee members
- approved the appointment and remuneration of the new CEO and Executive Team, facilitating a rigorous internal application process
- approved the introduction of a discretionary staff bonus scheme and the terms thereof
- acted as a first point of reference for the Chair of Council and Executive Team on urgent issues between Council meetings

IT and Digital Strategy Committee

The responsibility of this committee is to advise on issues and operations related to IT and overseeing the strategic direction of all aspects of technology, product and data. To fulfil this responsibility, the committee:

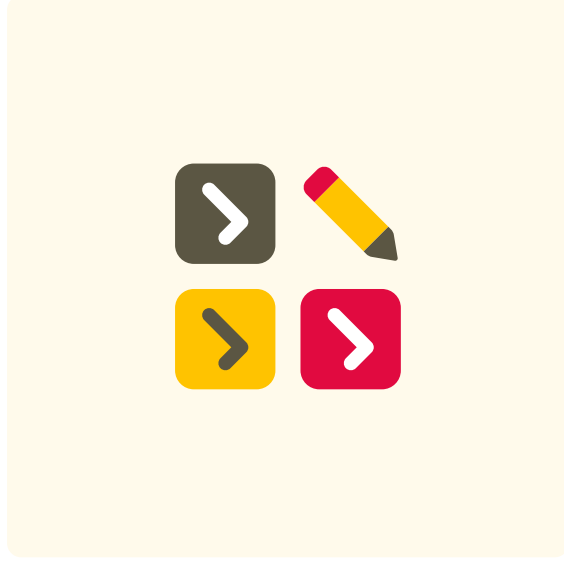
- scrutinised the IT and digital transformation plan and vision to ensure it is consistent with the strategic objectives of the organisation, with particular focus on technology required to support the strategic direction of the organisation
- proposed IT and digital policies, given improvements to technological capabilities
- considered and mitigated IT and digital risks (per the Stewardship Risk Register) on behalf of the Audit and Risk Committee
- provided guidance to inform the formation of the new Data and Insights team and provided thought leadership with regard to our digital product throughout the strategy process
- ensured adequate internal staffing and outsourced resources were in place to deliver our products and services in a secure, agile and cost-effective manner. The committee added expertise and broader market perspective to the recruitment and supplier appointment process

People, Culture and Place Committee

This committee is responsible for overseeing the culture and workplace of Stewardship. To fulfil this responsibility, the committee:

- oversaw changes to the organisational design, to be implemented by April 2024, including a significant focus on our culture
- continued to ensure that our values drive our culture, strategy and brand – who we are, what we do and how we are seen
- proposed people, culture and place policies for adoption by the Council
- oversaw people, culture and place risks (per the Stewardship Risk Register) on behalf of the Audit and Risk Committee
- reviewed and advised on the People, Culture and Place strategy, which includes flexible working, reward, training and development, health and wellbeing, performance and talent management, employee engagement and diversity and inclusion
- monitored the spiritual, cultural and physical wellbeing of the organisation through regular surveys and feedback advising on areas for improvement

Policies and other statutory declarations



Grant-making policy summary

Stewardship works in partnership with its donors and other parties to identify churches, Christian workers and charities for the purpose of providing grant support. It always operates within the prevailing regulatory, legal and taxation framework of the UK. Assessment of the activities being performed by partners is undertaken by Stewardship to ensure that the partners' work is properly understood and is consistent with our own objectives. Stewardship uses the Nicene creed as its benchmark to ascertain whether another organisation or partner shares our Christian faith.

Account holders making gifts to Stewardship may express a preference that funds are donated to specific partner causes. Donations may be made to a wide range of causes, both Christian and secular. Following successful due diligence and a financial needs assessment, a beneficiary is recognised as eligible, and we will then consider the request of the donor. The depth of due diligence undertaken is risk-based and considers several risk factors including the size of the proposed grant, geographical location, governance arrangements and operational structure.

Modern Slavery Act

Our operating income (those funds freely available for Stewardship to use in pursuance of our charitable objectives) for the period is £9.6m (2022: £6.0m), 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 charitable gift processing and providing services to charities and churches, our supply chain is low value by comparison and, as such, we have assessed it as low risk. The 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

Stewardship is registered with the Fundraising Regulator and adopts the standards within the Code of Fundraising Practice.

As a Donor Advised Fund charity, Stewardship's charitable model is different from most other charities, in that we receive restricted donations from individuals and organisations and have established and maintain over 12,000 charitable grant-making partner relationships. These relationships have enabled individuals and organisations to donate to Stewardship, expressing a preference for their support of an eligible partner, knowing that we have undertaken the required due diligence on our partners together with claiming any tax relief on eligible giving.

Donors can give with Stewardship's online fundraising platform at stewardship.org.uk. Stewardship's online fundraising and donation pages have been fundamental in helping churches and charities during the recent UK and global cost-of-living crisis. This has enabled donors to give support quickly and easily to those most in need.

During the accounting period, Stewardship has received one fundraising complaint and has addressed the related compliance issues accordingly so that we can continue to uphold the Code of Fundraising Practice.

Stewardship has not employed any third-party professional to engage in fundraising activities on its behalf. Stewardship has several members of staff who work to promote Stewardship and its services, through the production of marketing and delivery of training materials. The aim of these activities is not to raise funds for Stewardship's purposes but to promote its services in order to fulfil its objectives.

As a Donor Advised Fund, Stewardship is in a niche fundraising position with many churches, charities and overseas non-profits registered to receive funds from us and therefore in the habit of referring potential donors to us as they seek funds for their work. To support these partners, we provide:

- events and training to support good standards in raising funds
- helpful resources in fundraising for individuals raising financial support for Christian ministry
- provision of helpful support forms and platforms to encourage donors to give in a way in which they are comfortable

In addition, in furtherance of our charitable objects, we make grants to individuals in Christian ministry who rely on and seek supporters to fund their work by making donations to Stewardship. We pay close attention to funds raised in support of individuals and have integrity checks and alert systems in place to manage this complex area of fundraising.

Stewardship takes its responsibility to protect vulnerable donors very seriously and upholds 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 running further checks if identified
- having processes in place for when a gift has been made by a donor in vulnerable circumstances
- ensuring staff who are actively involved in fundraising undertake vulnerable donor training

The costs of fundraising for Stewardship in the reporting period were £454,000.

Sustainability and carbon reporting



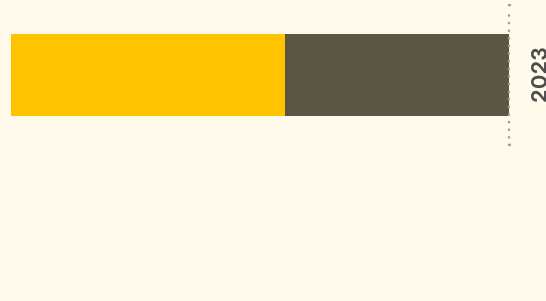
Stewardship reports energy and carbon emissions in compliance with The Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Stewardship has achieved Planet Mark certification for the first time as part of our ongoing commitment to reducing our environmental impact. Accreditation is based on a verified report on Stewardship's carbon emissions for 2023 that includes electricity, transmission and distribution losses, water, business travel, waste, paper and refrigerant losses (measured by the fluid top ups required for the air conditioning system).

A separate estimate for homeworking has been provided but does not form part of the total footprint. In prior years, only emissions relating to electricity have been calculated and these comparatives have been retained for this year.

Carbon footprint by emission source

34.3 tCO₂e

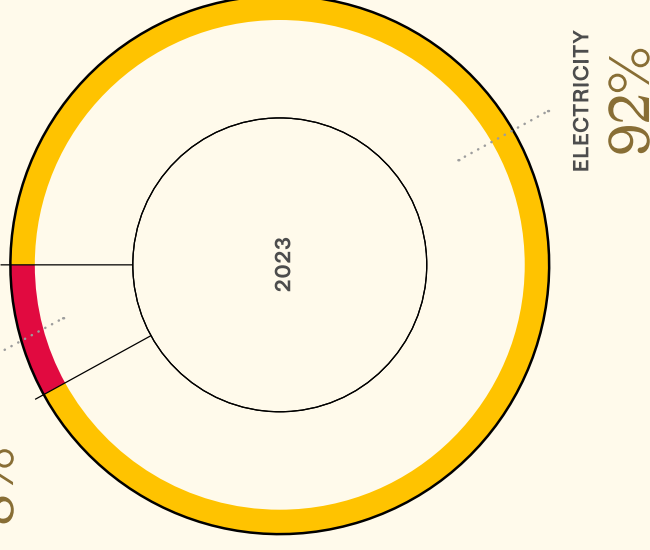


Buildings emissions

15.4 tCO₂e

TRANSMISSION AND DISTRIBUTION LOSSES

8%



Emissions from energy usage

Energy source: electricity (kWh)		Consumption	Energy intensity	Carbon emissions	Carbon intensity
Calculations		Consumption/ kWh	Consumption/ SQM	TCO ₂ e	TCO ₂ e/SQM
2023		68,509	132	14	0.026
2022		70,193	135	14	0.026
2021		62,655	120	13	0.026
12 months to September 2019 (base year)		101,340	195	26	0.050

Unless otherwise stated, the period covers the 12 months from January to December.

Our location-based carbon footprint for the year ending December 2023 was 34.3 tCO₂e, with electricity (including transmission and distribution losses) accounting for 44.9% and business travel accounting for 54.5% of total emissions. Waste, water and paper accounted for 0.2% of total emissions each.

Business travel included a small number of long-haul flights. For future reporting, additional information relating to business travel will be captured to ensure that estimated emissions are as accurate as possible. This in turn will equip us to review travel methods thoroughly and consider lower impact alternatives.

Emissions relating to electricity were 14.2 tCO₂e, which is in line with the prior year, as detailed in the table. A 2% decrease in electricity consumption is reported when compared to the prior reporting period (68,509 kWh in 2023 compared to 70,193 kWh in 2022).

Compared to the base year (2019), a 32% decrease in electricity consumption is reported, with most employees working from home for a majority of 2020 and 2021 followed by a move to hybrid working introduced in 2022. Levels

of home working and therefore energy consumption have remained relatively stable in 2023 compared to the prior reporting period.

In line with our Planet Mark status, a key goal is to increase our use of electricity generated from renewable sources. With that in mind, we will review our electricity supplier when our current contract expires.



Our target reduction going forwards is 5% or 1.7tCO₂e

We need to achieve at least 2.5% reduction to maintain our certification. Now we have a solid baseline of data, we are equipped not only to measure clearly our progress year on year, but also to explore how we can achieve this target proactively.

Charity Governance Code

Section 172 Statement

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 118-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. At the start of 2023, our Chair of Trustees led a detailed review of our board effectiveness with reference to the charity governance code. This review confirmed that the board were operating effectively but identified some opportunities for improvements which we implemented during 2023. In February 2024, we conducted a shorter review of our effectiveness, and the consensus is that we are more effective than a year ago, with further suggestions to implement over the coming year.

Background

As a charity and company limited by guarantee, Stewardship is required to report on how the trustees have discharged their duty to promote the best interests of Stewardship, 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 between members of the company

Stakeholders

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 can evaluate the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

Stakeholder group	Churches, charities and Christian workers (partners)	Givers and philanthropists	Employees
Key considerations	<ul style="list-style-type: none"> To help partners raise and steward resources 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"> 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"> Growth, training and development Organisational culture and structure Diversity, inclusion and equality Fair and appropriate remuneration, benefits and condition Succession planning
How we engage	<ul style="list-style-type: none"> We offer a full curriculum of support (monthly communications via targeted e-newsletters, free webinars and targeted training programmes) We provide a pathway for churches to revitalise and grow, for Christian charities to form and grow to be self-sustaining and for mission workers in their support raising 	<ul style="list-style-type: none"> Quarterly email newsletter <i>Impact</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 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 	<ul style="list-style-type: none"> People, Culture and Place Committee focuses on continuous improvement to our people, culture and place development A renewed focus on culture, with the support of an external partner, Curiosity Society, to help us embed the new organisational structure and develop a culture to ensure the success of the new strategy Throughout the strategy process and organisational redesign, feedback was encouraged from employees through various mechanisms Development of reward strategy to ensure appropriate remuneration across the organisation Quarterly employee engagement surveys. Dedicated intranet and chat channels, weekly all-staff team meetings, bi-weekly all-staff prayer meetings and all staff away days

Stakeholder group	Regulators (Charity Commission, HMRC and Fundraising Regulator)	Investment community	Neighbours	Suppliers
Key considerations	<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"> 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"> Foster good relationships with our residential neighbours in the flats above our office at 1 Lamb's Passage To work well together in tackling building issues impacting us all 	<ul style="list-style-type: none"> Work with suppliers who share our values To be a trustworthy and reliable customer
How we engage	<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 	<ul style="list-style-type: none"> Regular meetings and correspondence with our investment managers Oversight from the Finance and Investment Committee Actively seeking and harnessing ethical and impactful investment opportunities, particularly for Kingdom growth Working with external experts where required on potential regulatory or specialist issues 	<ul style="list-style-type: none"> Stewardship representatives attend the monthly Lambs Management Company (LMC) board and technical meetings, as we work together to get the cladding removed from our building We extended the offer of financial support, pending the outcome of the First Tier Tribunal process, to LMC to ensure that the project could progress Engaging in ongoing discussions with LMC regarding water damage to the building impacting the offices due to a major water leak in January 2024 	<ul style="list-style-type: none"> We endeavour to build good relationships with our suppliers and have worked with most of them for several years Having recently received our sustainability report from Planet Mark, we are reviewing key suppliers' websites and policies to ensure their values align with ours, and not only in relation to sustainability We complete and submit payment reporting to the Department for Business and Trade. The July to December 2023 report indicated that on average, we take 13 days to pay our suppliers, compared to 15 days covering the same period in the prior year

Key decisions in 2023

The following sets out the key decisions taken by the Stewardship Council of Trustees in 2023 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.

Appointment of a new CEO

Following the resignation of Stewart McCulloch as CEO in September 2023, Janie Oliver (the former CFO) was appointed as the new CEO from 1 January 2024.

Key considerations:

- Recognising the significant progress made on the strategy programme in 2023 and not to lose momentum, the trustees made the decision to fill the role of the CEO internally, given the calibre of potential internal applicants
- A rigorous internal application process commenced, led by trustees, who sought feedback from staff regarding characteristics they would value in the new CEO
- The appointment of Janie Oliver as the successful candidate was approved by the trustees on 30 November 2023 and communicated to the organisation shortly thereafter. Janie formally took on the role as CEO from 1 January 2024

Defining our strategy for the next 3 years

In early 2023, work began on our strategy for the next three years (2024 to 2026). The aim of the strategy was to provide a common and unifying longer-term goal, vision and mission for the organisation and to provide clarity on how the different teams across Stewardship fit together as a whole, to best serve our donors, partners and clients.

Key considerations:

- This was a very collaborative piece of work involving over 40 people, including staff, trustees and a learning partner, Curiosity Society
- Recognising the knowledge and expertise of individuals from across the organisation, the Strategy Development Team (SDT) was formed, made up of 25 staff who directly input into the process, alongside the Executive Team
- A significant amount of time was spent researching and discussing the needs of our donors, partners and clients and considering where we could add the most value
- Significant consideration was given to Stewardship's mission and vision as the strategy work progressed, and these were revised accordingly
- Consideration was given to what could be achieved in the shorter term to support our longer-term ambitions given resource constraints and a high-level roadmap produced to inform staff of the plan for the next three years
- The strategy programme ran alongside the budget process and both the strategy and budget to support its delivery was approved by the trustees in November 2023

Our new organisational structure and Executive Team

As the strategy work progressed, it became evident that the structure of our organisation would be a key enabler in the successful delivery of the strategy. Therefore, work on our organisational re-design became a key part of the strategy programme.

Key considerations:

- Recognising the value that an external consultant would bring, a tender process commenced for potential candidates. The successful candidate was our existing learning partner on the strategy work, Curiosity Society
- Curiosity Society co-ordinated the collection and collation of feedback and input from staff across the organisation, as well as facilitating various workshops in the last quarter of the year
- These workshops were attended by staff representatives, the Executive Team and trustee representatives to help shape the new structure based on key themes arising from feedback and input. The new structure was approved by the trustees in November 2023 and was formally in place from 1 April 2024, with a transition period over the first quarter of 2024
- As part of the new structure, the Executive Team reduced from six to four members (including the CEO). An internal application process commenced in December 2023 to recruit for a Chief Customer Officer, a Chief Financial and Operating Officer and a Chief Purpose Officer. These roles were filled by Nicola Johnson (former Chief Philanthropy Officer), Felicity Griffiths (former Head of Finance) and Daniel Jones (former Chief Generosity Officer) respectively, with effect from 1 January 2024
- As the roles of Chief Technology Officer and Chief Partnerships Officer were not part of the new structure, Brett Mickelburgh and Peter Wilson left Stewardship as a result of the reorganisation
- Given the significant structural changes, feedback was sought from staff in the form of a short employee survey in February 2024 to monitor sentiment and morale, and to address concerns where required. Informal feedback has been gathered and is discussed on an ongoing basis

A renewed focus on culture

We recognised the importance of culture as another key enabler to the strategy and have adopted the servant leadership model going forward

Key considerations:

- The feedback and input gathered as part of the organisational re-design workshop indicated that alongside re-designing our structure, a renewed focus on culture was also required, in order to be set up for success
- In collaboration with Curiosity Society, staff representatives, the Executive Team and trustee representatives explored the existing culture, identifying aspects that should be kept going forward and where there was scope for improvement
- Based on these discussions, the Servant Leadership model was selected, given its alignment with our Christian ethos and values. These attributes were included in the job descriptions for the Executive Team and subsequent senior hires within the organisation
- In order to embed this servant leadership culture, a programme is in place to deliver workshops, training and other activities over the course of 2024

Technology changes to support our organisational needs

As the technology needs of our organisation evolve, we made the decision to change providers of some key platforms and systems.

Key considerations:

- Considering our strategy and growth plans and in consultation with relevant staff members, trustees and the Executive Team, we recognised the need to consider alternative options of some existing platforms and systems, in particular our card payments platform and lending software
- After engaging with potential and existing suppliers and reviewing available solutions, we transitioned our card payment provider towards the end of 2023
- Given the growth and increased complexity of our lending book, we began exploring alternative software providers and engaging with potential suppliers towards the end of 2023, with a view to transition in the second half of 2024
- In addition, work continues to transition our payroll bureau software which will enable us to grow this service even further in the future

Mitigating the impact of interest rate movements

Some of our key income streams are driven by interest rates – either the interest rates we can earn on our cash balances (and then share with clients) or the interest rates charged to our lending clients. Therefore, to mitigate the impact of interest rate volatility, we designed relevant policies to move in line with each other as the Bank of England base rate changes.

Key considerations:

- As the Bank of England base rate largely dictates the amount of interest income we can earn on cash balances, we designed our Lending Policy and Client Interest Rate Policy to take this into account
- Therefore, the Stewardship Standard Lending Rate (SSLR) and interest rate used to determine the amount of interest income allocated to clients' cash balances will move in line with base rate changes. This approach has allowed us to reduce exposure to significant swings in the base rate
- Further analysis was included as part of the 2024 – 2026 budget presented to the trustees, illustrating how this approach limits our exposure, particularly in a lower interest rate environment
- This approach and relevant policies also provide a robust methodology for calculating the SSLR and setting the interest rate on client balances
- Another important consideration in developing the methodology was customer fairness, which is embodied in the policies. This approach also supports transparent and objective decision making

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

- 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 Council members

Under the articles of the charity, trustees serve for a term of three years. The articles do not specify a maximum length of service. However, Stewardship's policy is to follow the Charity Governance Code recommendations. Trustees will usually be reappointed for a second three-year term and a third successive term of three years will be considered if appropriate. A trustee's term of office will only be extended beyond three successive terms (i.e. beyond a total of nine years) in exceptional circumstances, following particularly rigorous review which takes into account the need for progressive refreshing of the board, with such exceptions being explained in the annual report.

Appointment of auditors

It was agreed to appoint Crowe UK LLP as auditors at the Audit and Risk Committee meeting in February 2024.

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 27 June 2024 and signed on its behalf.

Signed on behalf of the Council by:



Christopher Gillies
CHAIR OF STEWARDSHIP

Independent auditor's report

to the members and the trustees of Stewardship Services (UKET) Ltd

United Kingdom Generally Accepted Accounting Practice

- have been prepared in accordance with the requirements of the Companies Act

from when the financial statements are authorised for issue.

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

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

We have audited the financial statements Stewardship Services (UKET) Ltd ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise The Consolidated Statement of Financial Activities, Consolidated and Parent Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 the charitable company's affairs as at 31 December 2023 and of the group's income and expenditure, for the year then ended
- have been properly prepared in accordance with

Other information

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

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

We have nothing to report in this regard.

Conclusions relating to going concern

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept
- the financial statements are not in agreement with the accounting records and returns

- certain disclosures of trustees' remuneration specified by law are not made

- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those

risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

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

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006.

Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison

SENIOR STATUTORY AUDITOR

For and on behalf of Crowe UK LLP, Statutory Auditor,
London

26 July 2024

Annual Financial Statements



Morag

HEAD OF PHILANTHROPY FUND



Consolidated Statement of Financial Activities

For the year ended 31 December 2023		31 December 2023			31 December 2022		
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
INCOME FROM							
Donations and legacies	2	3,086	108,263	111,349	2,745	106,893	109,638
Charitable activities	3	1,534	-	1,534	1,335	-	1,335
Investments	4	4,826	1,741	6,567	1,908	1,642	3,550
Share of associate's profit	15	116	-	116	-	-	-
Total income		9,562	110,004	119,566	5,988	108,535	114,523
EXPENDITURE ON							
Raising funds	5	(454)	-	(454)	(329)	-	(329)
Investment management fees	5	(28)	(450)	(478)	(12)	(457)	(469)
Grants and grant-making activities	8	(4,461)	(109,554)	(114,015)	(4,039)	(97,725)	(101,764)
Charitable activities	5	(2,611)	-	(2,611)	(2,195)	-	(2,195)
Share of associate's loss		-	-	-	(16)	-	(16)
Total expenditure		(7,554)	(110,004)	(117,558)	(6,591)	(98,182)	(104,773)
Net gains / (losses) on investments	14	145	5,228	5,373	338	(10,882)	(11,220)
Net income / (expenditure)		2,153	5,228	7,381	(941)	(529)	(1,470)
Transfer of entity	15	-	(78)	(78)	-	-	-
Transfers between funds	21	(1,454)	1,454	-	1,831	(1,831)	-
OTHER RECOGNISED LOSSES							
(Losses) on the revaluation of fixed assets	12	(661)	-	(661)	-	-	-
Net movement in funds		38	6,604	6,642	890	(2,360)	(1,470)
RECONCILIATION OF FUNDS							
Total funds brought forward	20	9,261	182,076	191,337	8,371	184,436	192,807
Total funds carried forward	20	9,299	188,680	197,979	9,261	182,076	191,337

All transactions arise from continuing operations. All gains and losses are included above. The notes on page 72 to page 95 form part of these financial statements.

Consolidated and Charity Company Balance Sheets

Company number: 90305

		Group		Charity	
	Notes	31 Dec 23 £'000	31 Dec 22 £'000	31 Dec 23 £'000	31 Dec 22 £'000
FIXED ASSETS					
Tangible assets	12	2,940	3,630	2,940	3,630
INVESTMENTS					
Church and charity loans	13	29,140	24,339	29,140	24,339
Other investments	14	109,965	98,418	109,740	98,309
Total fixed assets		142,045	126,387	141,820	126,278
CURRENT ASSETS					
Debtors	16	4,217	2,666	4,217	2,610
Church and charity loans	13	1,854	1,955	1,854	1,955
Money market and cash deposits		53,967	60,215	53,967	60,215
Cash at bank and in hand		6,118	7,244	6,098	6,887
Total current assets		66,156	72,080	66,136	71,667
LIABILITIES					
Creditors: Amounts falling due within one year					
Grant payments due	17	4,385	4,768	4,385	4,768
Other creditors	17	5,837	2,362	5,829	2,379
Total current liabilities		10,222	7,130	10,214	7,147
Net current assets		55,934	64,950	55,922	64,520
Total net assets	19	197,979	191,337	197,742	190,798
THE FUNDS OF THE CHARITY					
Restricted funds	20	174,399	171,159	174,399	170,830
Restricted revaluation reserve	20	14,281	10,917	14,281	10,917
Unrestricted funds	20	8,605	8,051	8,368	7,841
Unrestricted revaluation reserve	20	694	1,210	694	1,210
Total funds		197,979	191,337	197,742	190,798

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 £6,944k (2022: deficit of £1,023k).

Approved and authorised for issue by the Council and signed on their behalf on 27 June 2024.



Chris Gillies

CHAIR OF STEWARDSHIP

The notes on page 72 to page 95 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash provided by (used in) operating activities		(4,999)		(7,674)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends and interest from investments	6,567		3,550	
Loan advances	(10,476)		(7,377)	
Loan capital repayments	5,776		6,681	
(Increase) / reduction in money market deposits (more than 3 months)	(8,398)		5,123	
Purchase of fixed assets	-		(7)	
Proceeds on sale of investments	12,002		11,981	
Purchase of investments	(16,244)		(17,895)	
Net cash (utilised) / provided by investing activities		(10,773)		2,056
Change in cash and cash equivalents during the reporting period		(15,772)		(5,618)
Cash and cash equivalents at the beginning of the reporting period		45,451		51,069
Cash and cash equivalents at the end of the reporting period		29,679		45,451
RECONCILIATION OF NET INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (expenditure) for the reporting period		6,642		(1,470)
Adjustments for:				
Gifts of shares		(2,328)		(854)
Transfer of property at gifted valuation		512		-
Share of associate's (profit) / loss		(116)		16
Depreciation charges		29		43
Loss on revaluation of leasehold premises		661		-
(Gains) / losses on investments		(5,373)		11,220
Dividends and interest from investments		(6,567)		(3,550)
(Increase) in debtors		(1,551)		(1,109)
Increase / (decrease) in creditors		3,092		(11,970)
Net cash (used in) operating activities		(4,999)		(7,674)

For the year ended 31 December 2023

	2023		2022	
	£'000	£'000	£'000	£'000

ANALYSIS OF CASH AND CASH EQUIVALENTS AND NET DEBT

Cash at bank	6,118	7,244
Money market deposits	23,561	38,207
Total cash and cash equivalents	29,679	45,451
Money market deposits (greater than three months)	30,406	22,008
Total cash and money market deposits	60,085	67,459

	At start of the period	Cash flows	Foreign exchange movements	At end of the period
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ANALYSIS OF CHANGES IN NET DEBT

Cash	7,244	(1,115)	(11)	6,118
Money market deposits	38,207	(14,646)	-	23,561
Total cash and cash equivalents	45,451	(15,761)	(11)	29,679
Money market deposits (greater than three months)	22,008	8,398	-	30,406
Total net surplus / (debt)	67,459	(7,363)	(11)	60,085

The notes on page 72 to page 95 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 a 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 unless otherwise stated.

b. Going concern

The Stewardship trustees and Executive Team have reviewed the group and charity's financial position, plans, reserves and risk management and believe Stewardship has 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 2023 the Stewardship group had unrestricted reserves of £9.3m to fund its ongoing operations, which is £1.8m above its minimum reserves requirement (see page 42 for details of our reserves policy). Stewardship also has significant liquidity, with £23.6m held as instant cash and another £36.5m 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. Based on the analysis undertaken, the trustees and Executive 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 Services (UKET) Ltd ('the charity') and other Stewardship 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 entities 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

Assets and liabilities are reviewed to ensure that all are reasonably included and valued given the known factors that impact the charity.

- i. Our loan book (note 13) is assessed regularly, 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.
- ii. Our long leasehold assets are subject to a full valuation by an independent valuer every five years.

Judgements

- iii. At 31 December 2023, Stewardship held a 35.5% investment in Lamb's Passage Holding Ltd, the holding company for Kingdom Bank Ltd (notes 14 and 15). Through this, Stewardship has the right to appoint three of the nine directors to the Lamb's Passage Holding Ltd board and hence this investment has been shown in the accounts as an investment in an associate. At 31 December 2023, a further 19.9% of shares were held within specific Stewardship Giving Accounts. In line with all Giving Account funds within Stewardship, these investments are accounted for within restricted funds, with any subsequent group's share of the profit or loss and equity being recognised within restricted funds. Stewardship has entered into agreements that delegate the voting and board nomination rights associated with 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 Ltd, and the overall investment can be regarded as an associate in our accounts.
- iv. 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 20). 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 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 1.d(iii), income received from donations and legacies is held as restricted funds. Income received in foreign currencies is reported in the financial statements at the pound sterling 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 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.

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 giver's 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. Wages and salaries are disclosed net of pension salary sacrifice arrangements, which are included in pension costs.
- vii. Employee termination costs are accounted for on an accruals basis and in line with FRS102.
- viii. Raising funds includes costs incurred in seeking donation income and is accounted for on an accruals basis.

h. Operating leases

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

i. Tangible fixed assets

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) – three years
- Improvements to long leasehold assets – fifteen years
- 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

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.

Investment properties are recognised and carried at cost.

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 programme-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 that 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. 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.

q. Funds held as agent

Funds received by the group as agent are not recognised as income nor is their 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. 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.

r. Reserves

- i. Unrestricted funds are available to cover the cost of running the group. Our reserves policy is explained on page 42 of our Trustees' Report.
- ii. Restricted funds are comprised of gifts received into the group's 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 of the preferences, the grant payments will be made. Until this time, the funds are held as restricted within the group's accounts.

2 Income from donations and legacies

	2023			2022		
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Gifts	3,086	87,199	90,285	2,745	87,173	89,918
Gift Aid tax	-	15,748	15,748	-	15,964	15,964
Legacies	-	2,990	2,990	-	2,902	2,902
Gift of shares	-	2,326	2,326	-	854	854
	3,086	108,263	111,349	2,745	106,893	109,638

All income is generated from activities within the UK.

3 Income from charitable activities

	2023	2022
	£'000	£'000
PARTNER SERVICES		
Payroll administration	530	457
Accounting and consulting	566	497
Conference, training and publications	96	102
Charity formation services	15	15
CHURCH AND CHARITY LENDING		
Fee income	162	88
GIVING ACCOUNTS		
Fees on management of Donor Advised Funds and Philanthropy Funds	115	131
Other income	50	45
	1,534	1,335

4 Investment Income

	2023			2022		
	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from externally managed funds	185	1,652	1,837	63	1,594	1,657
Loan interest	1,762	60	1,822	1,033	31	1,064
Interest on money market deposits	2,879	29	2,908	812	17	829
	4,826	1,741	6,567	1,908	1,642	3,550

5 Analysis of expenditure

	Grant Funding £'000	Direct Costs £'000	Support Costs £'000	Total £'000
Raising funds	-	454	-	454
Investment management fees	-	478	-	478
Grant and grant-making activities	109,615	2,807	1,593	114,015
Other charitable activities	-	1,349	1,262	2,611
	109,615	5,088	2,855	117,558

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

	2023	2022
	£'000	£'000
NET INCOME FOR THE YEAR/PERIOD IS STATED AFTER CHARGING		
Depreciation on tangible fixed assets	29	43
Statutory audit fees (including irrecoverable VAT)	87	68

Analysis of expenditure – prior year

	Grant Funding £'000	Direct Costs £'000	Support Costs £'000	Total £'000
Raising funds	-	329	-	329
Investment management fees	-	469	-	469
Grant and grant-making activities	97,758	2,825	1,181	101,764
Other charitable activities	-	1,130	1,065	2,195
Share of associate's loss	-	16	-	16
	97,758	4,769	2,246	104,773

6 Analysis of support costs

	Staff £'000	IT £'000	Premises £'000	Other £'000	Total £'000
Grants	934	355	94	210	1,593
Charitable activities	739	282	75	166	1,262
	1,673	637	169	376	2,855

Analysis of support costs – prior year

	Staff £'000	IT £'000	Premises £'000	Other £'000	Total £'000
Grants	723	236	93	129	1,181
Charitable activities	652	212	84	117	1,065
	1,375	448	177	246	2,246

7 Analysis of governance costs

	2023 £'000	2022 £'000
Staff costs	100	78
Statutory audit fees (including irrecoverable VAT)	87	87
Other audit related costs	14	-
	201	165

8 Grant 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.

	2023		2022	
	£'000	Number	£'000	Number (Restated)
GRANTS OF OVER £1,000				
to Christian organisations	39,981	4,698	32,295	4,492
to Christian churches	12,947	2,923	10,403	2,607
to support Christian workers	2,743	1,389	2,628	1,268
to other charities	4,504	710	4,726	789
to support Bible college students	147	69	131	67
	60,322	9,789	50,183	9,223
GRANTS OF UNDER £1,000				
to Christian organisations	18,818	439,987	17,993	411,921
to Christian churches	15,272	146,324	14,555	138,321
to support Christian workers	12,285	291,874	12,137	286,989
to other charities	2,596	75,844	2,617	70,228
to support Bible college students	322	7,015	273	5,736
	49,293	961,044	47,575	913,195
Total grants	109,615	970,833	97,758	922,418
GRANT-MAKING ACTIVITIES				
Direct costs	2,807		2,825	
Support costs	1,593		1,181	
Total grants and grant-making activities	114,015		101,764	

During the year, grants to individuals totalled £15,497k (2022: £15,169k) and grants to churches and charities totalled £94,118k (2022: £82,589k).

9 Analysis of expenditure

	2023	2022
	£'000	£'000
Wages and salaries	3,777	3,397
Social security costs	422	386
Pension contributions	499	494
Redundancy and termination payments	67	40
Other employee benefits	49	39
	4,814	4,356
Average headcount	89	95

Total employee compensation above includes discretionary bonus payments made to staff totalling £168,530 (2022: £73,929), including Employer's National Insurance. The 2023 annual salary increase was higher than the prior year and effective from 1 January 2023 compared to 1 April 2022.

Redundancy and termination payments are recognised when there is a demonstrable commitment that cannot be realistically withdrawn. Redundancy costs of £66,574 (2022: £40,478) were incurred following an organisational re-design at the end of 2023 impacting key management personnel and these are included in the table below. Total emoluments for those affected by redundancies have resulted in the highest paid staff member not being the Chief Executive Officer in the period. Amounts outstanding at the balance sheet date totalled £64,290 (2022: £18,745).

Employees' emoluments exceeding £60,000 (excluding pension contributions)			2023	2022
£170,000	–	£179,999	1	-
£140,000	–	£149,999	1	-
£130,000	–	£139,999	1	-
£120,000	–	£129,999	-	1
£110,000	–	£119,999	1	-
£100,000	–	£109,999	1	-
£ 90,000	–	£ 99,999	2	2
£ 80,000	–	£ 89,999	-	3
£ 70,000	–	£ 79,999	2	-
£ 60,000	–	£ 69,999	3	2

	2023	2022
	£'000	£'000
Contributions to defined contribution pension schemes for these employees	108	60
Remuneration, including redundancy and terminations paid to key management personnel (members of the Executive Team as defined on page 46)	852	655
Contributions to defined contribution schemes for five key management personnel (2022: 6)	59	48

Trustees' fees and expenses

No fees are paid to trustees for their services. Expenses were reimbursed to two trustees (2022: three) for travel/ subsistence totalling £916 (2022: £1,344).

10 Pension contributions

Stewardship contributes to a defined contribution pension scheme. Contributions for the period amounted to £498,533 (2022: £493,703).

Pension contributions are accounted for as they fall due. Contributions at the balance sheet date that were pending payment to our pension provider totalled £45,297 (2022: £487).

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. This includes any donations made using their Donor Advisory Fund account under the standard terms and conditions. The trustees may also be trustees of other organisations that 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.

	2023	2022
	£'000	£'000
Donations received from trustees and related parties	5,211	6,512

These donations are reported excluding Gift Aid.

Donations of £4,912,953 (2022: £5,525,009) were received from and grants of £580,803 (2022: £617,049) were made to Trustbridge Global Foundation. Trustbridge Global Foundation is considered to be a related party by virtue of a trustee of Stewardship American Donor Fund US Inc being an employee and member of the executive

committee, and Stewardship's Chief Customer Officer (previously the Chief Philanthropy Officer until 31 December 2023) being a trustee. All conflicts of interest are declared and carefully managed.

At 31 December 2023, no amounts were due to Stewardship American Donor Fund US Inc (2022: £40,000), or from Stewardship American Donor Fund UK Ltd (2022: £13,702).

During the year, Stewardship American Donor Fund UK Ltd repaid to Stewardship Services (UKET) Ltd £23,271 relating to a £80,000 grant made in 2022. The grant made in 2022 was to cover the running costs of Stewardship American Donor Fund UK Ltd until the point of transfer of ownership, but the full amount was not spent and the excess returned to Stewardship Services (UKET) Ltd. No grants were made to or returned by Stewardship American Donor Fund US Inc during the year (2022: grant of £40,000). Stewardship American Donor Fund US Inc fully owned the share capital of Stewardship American Donor Fund UK Ltd until ownership was transferred to the International Generosity Foundation (a US public charity which is part of the TrustBridge Global Network) on 30 June 2023. Stewardship American Donor Fund US Inc was dissolved on 16 November 2023.

Cash deposits of £1,046,990 were held with Kingdom Bank Ltd (a subsidiary of Lamb's Passage Holding Ltd) as at 31 December 2022 (31 December 2021: £1,012,449).

Investment management fees totalling £6,930 (2022: £6,989) were incurred from Rathbones in respect of donor advised investments introduced to Stewardship by a trustee and managed at the donor's request by the trustee.

Transactions between group entities	Stewardship American Donor Fund US Inc		Stewardship American Donor Fund UK Ltd		Stewardship Services (UKET) Ltd	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Opening balances	17	(51)	9	(3)	(26)	54
Grant from / repaid to Stewardship	-	40	(23)	80	23	(120)
Costs settled by SADF UK Ltd	-	-	-	-	-	-
Costs recharged	-	-	(29)	(159)	29	159
Fund settlements	(17)	28	43	91	(26)	(119)
Amounts due (from) / to group entities	-	17	-	9	-	(26)

12 Tangible fixed assets

	Long Leasehold Premises £'000	Leasehold Improvements £'000	Fixtures, Fittings and Equipment £'000	Computer Equipment £'000	Total £'000
AT COST OR VALUATION					
As at 1 January 2023	3,461	355	52	167	4,035
Additions	-	-	-	-	-
Disposal	(661)	-	-	-	(661)
As at 31 December 2023	2,800	355	52	167	3,374
DEPRECIATION					
As at 1 January 2023	-	197	52	156	405
Charge for the period	-	23	-	6	29
As at 31 December 2023	-	220	52	162	434
NET BOOK VALUES					
As at 31 December 2023	2,800	135	-	5	2,940
As at 31 December 2022	3,461	158	-	11	3,630

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

As required by accounting policy to perform a full valuation every five years, Stewardship's long leasehold premises were revalued at 31 December 2023. A red book valuation was performed by MRICS registered consultants from Daniel Watney LLP and the property was valued at an estimated market value of £2,935k, as shown above under Long Leasehold and Leasehold improvements.

13 Church and charity loans

	2023	2022
	£'000	£'000
As at 1 January	26,294	25,598
New loans advanced	10,476	7,377
Capital repayments	(5,776)	(6,681)
As at 31 December	30,994	26,294
Amounts falling due after more than one year	29,140	24,339
Amounts falling due within one year	1,854	1,955
	30,994	26,294

Loans to churches and charities are secured on properties.

Loans by clients via nominated investment options made up £2,510k of the amount outstanding at the year end (2022: £2,046k) and £864k of new loans advanced in the period (2022: £1,350k).

14 Other investments

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Market value of investments as at 1 January	98,418	102,886	98,309	102,760
Additions	16,244	17,895	16,244	17,895
Gifts of shares	2,328	854	2,328	795
Proceeds of sales	(12,002)	(11,981)	(12,002)	(11,922)
Investment transferred to a recipient charity	(512)	-	(512)	-
Net investment gains / (losses)	5,373	(11,220)	5,373	(11,219)
Share of associate's profit / (loss)	116	(16)	-	-
Market value of investments as at 31 December	109,965	98,418	109,740	98,309
Historic cost	95,064	87,724	95,881	87,724

Sarasin & Partners LLP, Rathbone Investment Managers Ltd and Schroder & Co Ltd manage respectively the Balanced, Growth and Responsible Investment Portfolio 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	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Lamb's Passage Holding Ltd	3,829	3,713	3,603	3,603

The investment in Lamb's Passage Holding Ltd is a social investment. The investment is included in the following table as (i) £2,020,000 in restricted funds shown as 'investment in Lamb's Passage Holding Ltd' (2022: £2,020,000) and (ii) £3,829,000 (2022: £3,713,000) as 'investment in associate'.

Investments held (by group)	2023	2022
	Total £'000	Total £'000
Pooled Balanced Portfolio	36,572	34,556
Pooled Growth Portfolio	22,065	18,939
Pooled Responsible Investment Portfolio	708	555
Donor Advised Investments	29,042	32,405
Social investment property	776	1,131
Other	-	-
Investment in Lamb's Passage Holding Ltd	2,020	2,020
Donor advised investments	91,183	89,606
Pooled Responsible Investment Portfolio	1,592	1,489
Fixed income bonds	10,576	1,012
Other impact investments	2,785	2,598
Investment in Lamb's Passage Holding Ltd held as an associate	3,829	3,713
Other investments	18,782	8,812
Total investments	109,965	98,418
OF WHICH		
Social investments comprise	6,625	6,864

Investments held (by charity)	2023	2022
	Total £'000	Total £'000
Pooled Balanced Portfolio	36,572	34,556
Pooled Equity Portfolio (formerly known as Growth Portfolio)	22,065	18,939
Pooled Sustainable Investment Portfolio (formerly known as Responsible Portfolio)	708	555
Donor Advised Investments	29,042	32,405
Social investment property	776	1,131
Investment in Lamb's Passage Holding Ltd	2,020	2,020
Donor advised investments	91,183	89,606
Pooled Responsible Investment Portfolio	1,592	1,489
Fixed income bonds	10,576	1,012
Other impact investments	2,785	2,598
Investment in Lamb's Passage Holding Ltd held as an associate	3,603	3,604
Other investments	18,556	8,703
Total investments	109,739	98,309
OF WHICH		
Social investments comprise	6,339	6,755

15 Other Stewardship legal entities

Stewardship American Donor Fund UK Ltd

Stewardship American Donor Fund UK Ltd (company number: 11532453, charity registration number: 1180678) was incorporated in the UK on 22 August 2018. Stewardship American Donor Fund US Inc fully owned the share capital of Stewardship American Donor Fund UK Ltd until ownership was transferred to the International Generosity Foundation (a US public charity which is part of the TrustBridge Global Network) on 30 June 2023. These financial statements include the financial performance of Stewardship American Donor Fund UK Ltd from 1 January 2023 to 30 June 2023.

Stewardship American Donor Fund US Inc

Stewardship American Donor Fund US Inc was dissolved on 16 November 2023 and the financial performance of the entity is included in these financial statements until this date. Stewardship American Donor Fund US Inc was incorporated in Delaware, USA on 26 July 2018. Its headquarters were located at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), DE 19801, USA. Until the point of dissolution, three of the trustees of Stewardship Services (UKET) Ltd were ex officio the three members of Stewardship American Donor Fund US Inc. Stewardship Services (UKET) Ltd had the power to appoint and remove the members of Stewardship American Donor Fund US Inc at any time.

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

	Stewardship American Donor Fund US Inc		Stewardship American Donor Fund UK Ltd	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Income	-	40	578	5,835
Expenditure	(36)	(45)	(882)	(6,259)
Losses on investments	-	-	-	(1)
Transfer to IGF	-	-	(78)	-
	(36)	(5)	(382)	(425)
Net assets at the period end	-	47	-	382

Lamb's Passage Holding Ltd

Lamb's Passage Holding Ltd (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 Ltd. Its registered office is c/o Kingdom Bank Ltd, Media House, Padge Road, Beeston, Nottingham NG9 2RS. At 31 December 2023, Stewardship Services (UKET) Ltd (the charity) had a beneficial interest in 35.5% of the share capital of Lamb's Passage Holding Ltd. A further 19.9% was held as donor advised investments within restricted funds and the voting rights attaching to those shares are delegated to the Giving Account holder concerned via a power of attorney. At 31 December 2023, two of the nine directors of LPH were 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 profit of LPH was £116k (2022: loss of £16k). LPH undertook a rights issue effective on 26 January 2024 with further detail disclosed in note 26 in respect of the post balance sheet event.

Stewardship Professional Services Ltd

Stewardship Professional Services Ltd (company number: 14613682, registered office: 1 Lamb's Passage, London EC1Y 8AB) was incorporated in the UK on 24 January 2023. It is a wholly owned subsidiary of Stewardship Services (UKET) Ltd, formed with the intention to be the entity holding our Accounts Examination, Payroll Bureau, Charity Formation and Consultancy services in the future. The entity is currently dormant.

16 Debtors: Due within one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	74	104	74	104
Gift Aid tax receivable	1,141	1,457	1,141	1,426
Prepayments	184	251	184	221
Accrued income	1,978	854	1,978	845
Other debtors	840	-	840	-
Amounts owed by group undertakings	-	-	-	14
	4,217	2,666	4,217	2,610

As detailed in note 26 Post balance sheet events, Lamb's Passage Holding Ltd undertook a rights issue in which one of our clients elected to participate. Included within other debtors is £817k paid to Kingdom Bank Ltd in advance of the share issue that took place on 26 January 2024.

17 Creditors: Due within one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Grant payments due	4,385	4,768	4,385	4,768
Funds held as agent – see note 18	1,837	1,675	1,837	1,675
Accruals	2,650	363	2,642	340
Deferred income	962	17	962	17
Taxation and social security	193	161	193	161
Trade creditors	150	146	150	146
Other creditors	45	-	45	-
Amounts owed to group undertakings	-	-	-	40
	10,222	7,130	10,214	7,147

18 Funds held as agent

Group and charity	As at 1 January 2023 £'000	Receipts £'000	Payments £'000	As at 31 December 2023 £'000
Payroll bureau services	1,675	74,809	(74,647)	1,837
Learning community events	-	-	-	-
	1,675	74,809	(74,647)	1,837

Group and charity Prior period	As at 1 January 2022 £'000	Receipts £'000	Payments £'000	As at 31 December 2022 £'000
Payroll bureau services	1,531	66,495	(66,351)	1,675
Learning community events	178	2	(180)	-
	1,709	66,497	(66,531)	1,675

19 Analysis of net assets by fund

Group	31 December 2023				31 December 2022			
	Unrestricted Funds £'000	Restricted Funds £'000	Client/ Agency Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Client/ Agency Funds £'000	Total Funds £'000
Tangible assets	5	2,935	-	2,940	10	3,620	-	3,630
Church and charity loans	-	30,994	-	30,994	-	26,294	-	26,294
Other investments	1,780	108,185	-	109,965	1,537	96,881	-	98,418
Money market deposits and cash balances	7,144	46,717	6,224	60,085	7,478	53,536	6,445	67,459
Other current assets	1,404	2,813	-	4,217	842	1,824	-	2,666
Funds held as agent	-	-	(1,837)	(1,837)	-	-	(1,675)	(1,675)
Other creditors	(1,034)	(2,964)	(4,387)	(8,385)	(606)	(79)	(4,770)	(5,455)
	9,299	188,680	-	197,979	9,261	182,076	-	191,337

Charity	31 December 2023				31 December 2022			
	Unrestricted Funds £'000	Restricted Funds £'000	Client/ Agency Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Client/ Agency Funds £'000	Total Funds £'000
Tangible assets	5	2,935	-	2,940	10	3,620	-	3,630
Church and charity loans	-	30,994	-	30,994	-	26,294	-	26,294
Other investments	1,554	108,185	-	109,739	1,427	96,882	-	98,309
Money market deposits and cash balances	7,125	46,717	6,224	60,066	7,429	53,228	6,445	67,102
Other current assets	1,404	2,813	-	4,217	817	1,793	-	2,610
Funds held as agent	-	-	(1,837)	(1,837)	-	-	(1,675)	(1,675)
Other creditors	(1,026)	(2,964)	(4,387)	(8,377)	(632)	(70)	(4,770)	(5,472)
	9,062	188,680	-	197,742	9,051	181,747	-	190,798

20 Analysis of charitable funds

Group	Unrestricted Funds					Restricted Funds			Total
	General £'000	Revaluation Reserve £'000	Legacy Funds £'000	Legacy Revaluation £'000	Total Funds £'000	Giving Accounts £'000	Revaluation Reserve £'000	Total Funds £'000	£'000
Balance 1 January 2023	3,559	610	4,492	600	9,261	171,159	10,917	182,076	191,337
Income	9,519	-	43	-	9,562	110,004	-	110,004	119,566
Expenditure	(7,521)	-	(33)	-	(7,554)	(110,004)	-	(110,004)	(117,558)
Investments (losses) / gains	-	65	-	80	145	1,864	3,364	5,228	5,373
Transfers of group entity	-	-	-	-	-	(78)	-	(78)	(78)
Transfers	(1,455)	-	1	-	(1,454)	1,454	-	1,454	-
Fixed asset revaluation	-	(661)	-	-	(661)	-	-	-	(661)
Balance 31 December 2023	4,102	14	4,503	680	9,299	174,399	14,281	188,680	197,979

Charity	Unrestricted Funds					Restricted Funds			Total
	General £'000	Revaluation Reserve £'000	Legacy Funds £'000	Legacy Revaluation £'000	Total Funds £'000	Giving Accounts £'000	Revaluation Reserve £'000	Total Funds £'000	£'000
Balance 1 January 2023	3,349	610	4,492	600	9,051	170,830	10,917	181,747	190,798
Income	9,422	-	43	-	9,465	110,137	-	110,137	119,602
Expenditure	(7,451)	-	(33)	-	(7,484)	(109,886)	-	(109,886)	(117,370)
Investments (losses) / gains	-	65	-	80	145	1,864	3,364	5,228	5,373
Transfers	(1,455)	-	1	-	(1,454)	1,454	-	1,454	-
Fixed asset revaluation	-	(661)	-	-	(661)	-	-	-	(661)
Balance 31 December 2023	3,865	14	4,503	680	9,062	174,399	14,281	188,680	197,742

Transfer of group entity

This is in respect of the transfer of Stewardship American Donor Fund UK Ltd to transferred to the International Generosity Foundation (a US public charity which is part of the TrustBridge Global Network) on 30 June 2023.

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 this time, the funds are held as restricted within the group's accounts.

Legacy funds

Legacy funds are 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			Total
	General £'000	Revaluation Reserve £'000	Legacy Funds £'000	Legacy Revaluation £'000	Total Funds £'000	Giving Accounts £'000	Revaluation Reserve £'000	Total Funds £'000	£'000
Balance 1 January 2022	4,200	956	3,215	-	8,371	161,184	23,252	184,436	192,807
Income	5,988	-	-	-	5,988	108,535	-	108,535	114,523
Expenditure	(6,591)	-	-	-	(6,591)	(98,182)	-	(98,182)	(104,773)
Transfers	(46)	-	1,277	600	1,831	(1,831)	-	(1,831)	-
Investments (losses) / gains	8	(346)	-	-	(338)	1,453	(12,335)	(10,882)	(11,220)
Balance 31 December 2022	3,559	610	4,492	600	9,261	171,159	10,917	182,076	191,337

Charity	Unrestricted Funds					Restricted Funds			Total
	General £'000	Revaluation Reserve £'000	Legacy Funds £'000	Legacy Revaluation £'000	Total Funds £'000	Giving Accounts £'000	Revaluation Reserve £'000	Total Funds £'000	£'000
Balance 1 January 2022	3,926	956	3,215	-	8,097	160,472	23,252	183,724	191,821
Income	6,070	-	-	-	6,070	108,903	-	108,903	114,973
Expenditure	(6,609)	-	-	-	(6,609)	(98,169)	-	(98,169)	(104,778)
Transfers	(46)	-	1,277	600	1,831	(1,831)	-	(1,831)	-
Investments (losses) / gains	8	(346)	-	-	(338)	1,455	(12,335)	(10,880)	(11,218)
Balance 31 December 2022	3,349	610	4,492	600	9,051	170,830	10,917	181,747	190,798

21 Transfers between funds

	Unrestricted Funds		Restricted Funds	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investment income attributed to Donor Advised Fund accounts	(1,663)	(211)	1,663	211
Transfer of the legacy fund	-	1,877	-	(1,877)
Income transfer between funds [Dormant balances]	1	112	(1)	(112)
Income transfer between funds [Generous Journey]	18	16	(18)	(16)
Donor Advisory Board support	171	20	(171)	(20)
Mission Catalyst Fund support	10	17	(10)	(17)
Other	9	-	(9)	-
	(1,454)	1,831	1,454	(1,831)

22 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:

	2023	2022
	£'000	£'000
Within one year	-	8
Between one and five years	-	-
	-	8

23 Financial commitments and contingent liabilities

As at 31 December 2023, there were the following financial commitments to churches and charities:

Commitment	Funded from	31 December 2023			31 December 2022		
		Total £'000	Due within one year £'000	Due after one year £'000	Total £'000	Due within one year £'000	Due after one year £'000
Grants	Giving Account balances	10,900	6,983	3,917	7,760	3,382	4,378
Loan offers	Restricted cash balances	3,456	3,456	-	9,196	6,921	2,275

24 Indemnity insurances

The group has taken out indemnity insurance cover for trustees. Premiums due for the policies during the period totalled £36,825 (2022: £43,740).

25 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.

26 Post balance sheet events

Lamb's Passage Holding Ltd undertook a rights issue with further shares issued on 26 January 2024. While Stewardship did not elect to participate in the rights issue, one of our clients elected to do so through via their Stewardship Giving Account. The share issue resulted in Stewardship's beneficial interest decreasing to 28.03% (from 35.5%) and the shareholding attached to donor advised investments as nominated investment options increasing to 21.09% (from 19.9%).

Stewardship CEO, Janie Oliver, was appointed as a Director of Lamb's Passage Holding Ltd on 10 June 2024.

Legal and Administrative Details

Registered office

1 Lamb's Passage, London EC1Y 8AB

Operating name

The charity operates under the name of Stewardship

Auditors

Crowe UK LLP

55 Ludgate Hill, London EC4M 7JW

Investment managers

Barclays Bank plc

1 Churchill Place, London E14 5HP

JP Morgan Bank Luxembourg SA

1 Lochside View, Edinburgh EH12 9DH

Rathbone Investment Management Ltd

8 Finsbury Circus, London EC2M 7AZ

Sarasin & Partners LLP

Juxton House, 100 St Paul's Churchyard, London EC4M 8BU

Schroder & Co. Ltd

1 London Wall Place, London EC2Y 5AU

Solicitors

Anthony Collins Solicitors LLP

134 Edmund Street, Birmingham B3 2ES

Bates Wells & Braithwaite London LLP

10 Queen Street Place, London EC4R 1BE

Coffin Mew LLP

1000 Lakeside North Harbour, Western Road, Portsmouth PO6 3EN

Farrer & Co LLP

66 Lincoln's Inn Fields, London WC2A 3LH

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.

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