

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

Operating as

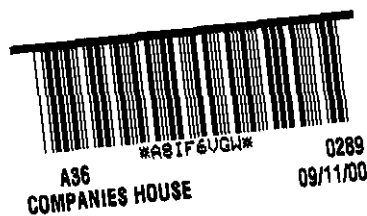
STEWARDSHIP SERVICES

Annual Report & Accounts

for year ended 5th April 2000



Registered Charity Number 234714
Company Limited by Guarantee Registered Number 90305



CONTENTS

	<u>Page</u>
Notice of Annual General Meeting	1
Auditors' Report	2
Statement of Council's Responsibilities	3
Directors and Members of the Council of Trustees	4
Legal and administrative Details	5
Report of the Council	6 -11
Statement of Financial Activities / Summary Income and Expenditure Account	12-13
Balance Sheet	14
Notes to Accounts	15 - 23

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTICE is hereby given that an **ANNUAL GENERAL MEETING** of **THE UNITED KINGDOM EVANGELIZATION TRUST (INC)** will be held at The Charity Centre, 24 Stephenson Way, London, NW1 on Tuesday, 12th September 2000 at 1.30p.m. for the purpose of receiving the Council's Report and Statement of Accounts for the year ended 5th April 2000, for the election of Members of the Council and for the transaction of the Ordinary General Business of the Trust.

By Order of the Council

Dated this 17th day of August 2000

A handwritten signature in black ink, appearing to be 'D. M. Jones' or similar, written in a cursive style.

Secretary

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

AUDITORS' REPORT

We have audited the financial accounts on pages 12 to 23 which have been prepared in accordance with the accounting policies set out on pages 15 and 16.

RESPECTIVE RESPONSIBILITIES OF COUNCIL AND AUDITORS

As described on page 3 the Trust's Council are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial accounts, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial accounts are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the Trust's affairs as at 5th April 2000 and of its incoming resources and applications of resources for the year then ended and have been properly prepared in accordance with the provisions of the

Companies Act 1985 applicable to small companies.



MARK SMITH & COMPANY
Chartered Accountants
Registered Auditors
11/12 The Shrubberies
George Lane
South Woodford
London E18 1BD

27th June 2000

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

STATEMENT OF COUNCIL'S RESPONSIBILITIES

We are required under company law to prepare financial accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial accounts we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial accounts comply with Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Date 27th June 2000

L.D. L.L.
By Order of the Council

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

DIRECTORS AND MEMBERS OF THE COUNCIL OF TRUSTEES

Except as noted below the following served as Directors and Members of the Council of Trustees during the year ended 5th April 2000:

L. D. LUCAS FCII (Chairman)

Member of Properties Sub Committee, Strategy Review Group and Finance Committee

W. B. ADAMS ACIB

P. I. ALBON BSC, FCA
Member of Finance Committee

D. N. BECKWITH

E. E. COSTELLO FCSI, MRSH
Member of Properties Sub-Committee

E. D. DOIG
(Vice Chairman and Member of Strategy
Review Group) (Resigned 14.2.2000)

P. F. DOYE ACIB
Member of Finance Committee

P. R. GROSVENOR FCCA, FCIS, ATII
Chairman of Finance Committee

J. S. HUNTER LL.B, NP

K. J. PRATT
Member of Properties Sub-Committee

G. T. WEST BA (Arch.), FRIBA
Chairman of Properties Sub-Committee
and Member of Strategy Review
Group

D. VARDY

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE DETAILS

BANKERS

National Westminster Bank PLC
110 George Lane, South Woodford, London, E18 1AE

Lloyds TSB Bank PLC
Black Horse House, Bentalts, Pipp's Hill, Basildon, Essex, SS14 3BY

SOLICITORS

Leland Swaby Clarke & Norris
209/211 South Street, Romford, Essex, RM1 1QL

INVESTMENT ADVISORS

Brewin Dolphin Securities Ltd
5 Giltspur Street, London, EC1A 9BD

AUDITORS

Mark Smith & Company
11/12 The Shrubberies, George Lane,
South Woodford, London, E18 1BD

CHIEF EXECUTIVE AND COMPANY SECRETARY

D.C. Jones LL.B

MANAGER (ACCOUNTANCY SERVICES)

K. J. Russell ACA ATII MACIE

REGISTERED OFFICE

Oakwood House, Oakwood Hill Industrial Estate,
Loughton, Essex, IG10 3TZ

OPERATING NAME

The Trust operates under the name of
Stewardship Services

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

REPORT OF THE COUNCIL

for the year ended 5th April 2000

to be presented at an

ANNUAL GENERAL MEETING OF THE TRUST

to be held at The Charity Centre, 24 Stephenson Street London NW1

on Tuesday, 12th September 2000

The Council has pleasure in submitting the Report, Accounts and Balance Sheet as at 5th April 2000.

OBJECTS OF THE CHARITY, PRINCIPAL ACTIVITIES AND ORGANISATION OF OUR WORK

The Charity is constituted as a company limited by guarantee, and is therefore governed by a Memorandum and Articles of Association.

The objects of the Trust are to maintain and encourage Christian work in a variety of ways through the preaching of the Gospel and the instruction and edification of Christians. The Trust has wide powers relating to the use of the property and funds passing through its hands and acts in accordance with those powers in making and managing its investments.

The principal activities carried out in pursuance of these objects are set out below. The policies adopted in order to achieve these objects are set out in a Corporate Plan which was approved by the Council in March 2000. The Strategy Group review and update this document on an annual basis. The Group also conduct a major review of policy, strategy and goals on a triennial basis.

The Charity is organised so that the trustees meet quarterly to manage its affairs. They are supported by full time Managers and other full and part time staff who possess appropriate skills and experience.

The Committee structure of Council has recently been reviewed by a Governance Working Party whose recommendations are expected to be implemented from April 2001.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

REPORT OF COUNCIL (continued)

POLICY CHANGES

The Strategy Group has reported to Council on proposed Policy changes resulting from the recent triennial review of the Corporate Plan. The revised Corporate Plan, which prioritises the service areas that the Trustees wish to pursue, was approved by Council in March 2000.

The Finance Committee have reviewed the Reserves Policy which was implemented in 1998. A revised Policy is set out in Note 1 (n) of these accounts.

DIRECTORS AND TRUSTEES

All directors of the Company are also Trustees of the Charity, and there are no other trustees. Unless otherwise stated, all of the Trustees named on page 4 served throughout the year. The Trustees have the power by a two thirds majority to appoint additional trustees.

TRANSACTIONS AND FINANCIAL POSITION

Unrestricted Funds

Net incoming resources for the year amounted to £291,000 (1999: £179,600) after adjustment for a change in accounting policy relating to accounting for distributions out of surplus (see note 5). Unrestricted fund balances carried forward at the year end were £3,446,900 (1999: £3,203,100).

Restricted Funds

Restricted funds predominantly comprise donations received under Covenant and Gift Aid where, subject to purposes consistent with the Trust's own objects, the Trustees allow donors to exercise discretion as to direct distributions to other charities.

The net movement on restricted funds is summarised in Note 12(c).

FIXED ASSETS

Details of movements in fixed assets are set out in note 2 to the Accounts. Further detail is given under "Property Portfolio" below.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

REPORT OF COUNCIL (continued)

STEWARDSHIP ACCOUNTS

The Trust administers Deeds of Covenant and Gift Aid accounts for a large number of donors. During the year funds amounting to approximately £13.3 million (1999: £11.4 million) were distributed on behalf of donors to many organisations and individuals involved in Christian service. This represents a year on year increase of 16% (1999: 36%).

PROPERTY PORTFOLIO

The Trust owns or part owns 50 (1999: 50) properties used as places of worship. The full portfolio was revalued on 5th April 1995 by the Trust's General Manager on the basis of £2 per square foot of usable space for use as Church premises. Further revaluations of individual properties have been undertaken since then in accordance with Trust policy. It is Trust Policy to revalue the full property portfolio every five years.

However, the Trustees are reconsidering their revaluation policy as the portfolio represents functional, rather than investment properties. The outcome of the current review of the Charity SORP, particularly in relation to the valuation requirements of the recently issued Financial Reporting Standard No 15 (Tangible Fixed Assets) is awaited prior to a decision being made. In the meantime, the Valuation of the Portfolio has been frozen at its 5th April 1999 value.

The total property portfolio stands in the accounts at £2.0 million (1999: £2.0 million).

CAPITAL TRUSTS

The Trust also acts as Trustee for 28 (1999: 37) capital trusts holding cash and investments on their behalf with an aggregate market value at 5th April 2000 of approximately £4.8 million (1999: £4.1 million).

OTHER ACTIVITIES

The Trust promotes its services widely throughout the UK by a variety of means. These include:

- Seminars for Church Trustees and Treasurers. During the year, 3 very successful events were held Bristol, Manchester and Chessington, Surrey. A total of over 500 delegates attended.
-

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

REPORT OF COUNCIL (continued)

- A regular newsletter for account members and enquirers covering service developments and topical matters of interest related to Christian stewardship.
- Advertisements in various Christian publications and other media.
- Exhibiting at various Christian events throughout the year.
- The Stewardship Services Web-site.

During the year demand continued to grow in all of the mainstream services provided by the Trust.

INVESTMENT POWERS

The investment powers of the Trust allow funds that are not immediately required to be invested in such manner as the Trust may deem fit. Stock Exchange investments are managed by the Trust's Investment advisors in accordance with a Discretionary Management Agreement. Investment in cash and short term deposits is governed by the Trust's Investment Policy.

DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS THIS YEAR

The Trustees consider that the performance of the Charity this year has been most satisfactory (as demonstrated by the development in activities outlined above.)

FUTURE DEVELOPMENT AND FUNDING

Growth in the use of the Trust's Stewardship Accounts has proved to be very strong, again demonstrating the value placed on this service by the Christian community. Substantial growth is also being experienced in other financial service areas such as Personal Charitable Trust Accounts, payroll services, mortgages and cash deposits. The changes to the taxation arrangements on charitable giving announced by the Chancellor last Autumn are most welcome. These developments not only represent an opportunity for churches and charities to increase their income but provide Stewardship Services with further opportunities to assist a wider audience in Christian financial stewardship be they individuals or Churches/missions. The Trustees expect the present growth trend to continue and to facilitate this the promotion programme will continue on a similar basis to that of the last year.

The Trustees continue to keep the resource implications of the above under review in terms of human resources, capital base, ICT, establishment etc.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

REPORT OF COUNCIL (continued)

The Trust is also working towards the development of existing services to take full advantage of technological advances particularly in the field of e-commerce. Provision has been made in the budgetary process for appropriate funding. The Trust will retain sufficient surplus funds in order to finance the development of its services to a standard that meets our customers expectations and that is competitive when compared to the standards provided by other leading service providers.

The Trustees remain confident that adequate assets will continue to be available on both general and restricted funds to fulfil the obligations of the Trust.

CO-OPERATION WITH OTHER CHARITIES

In carrying out its objectives, the Trust supports and distributes funds to a large number of evangelical causes and fellowships.

A separate company, limited by guarantee, named The Church Planting Initiative has been formed during the year to take over the activities of the Church Planting Initiative Fund which was formed in partnership with Counties and Gospel Literature Outreach several years ago. The company is expected to commence operations shortly.

The Trust also administers Pooled Investment Funds on behalf of a number of charity unit holders.

ASSETS HELD ON BEHALF OF OTHERS

The Trust acts as Trustee for a number of church buildings which are used for Christian worship. The Trust's involvement is generally limited to holding legal title to each property. No account of these properties is taken in these accounts.

CHARITABLE AND POLITICAL DONATIONS

Charitable donations made by the Trust are detailed in notes 4 and 6 to the Accounts. No political donations were made in the year (1999: nil).

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

REPORT OF COUNCIL (continued)

RE-ELECTION OF COUNCIL

Under the Articles of the Trust, your Council retire and being eligible, offer themselves for re-election.

AUDITORS


The Auditors, Mark Smith & Co, are retiring at the conclusion of the Annual General Meeting. A resolution proposing the appointment of BDO Stoy Hayward as auditors, in accordance with sections 385 and 388 of the Companies Act 1985, will be brought before the members.

SMALL COMPANY EXEMPTIONS

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

APPROVAL

This report was approved by the Council of Trustees on 27th Jun 2000 and signed on its behalf.

.....

Leslie D. Lucas
Chairman

UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

Statement of Financial Activities
For the year ended 5 April 2000

Summary Income and Expenditure account

	Notes	Unrestricted Funds 2000	Restricted Funds 2000	Total Funds 2000	Total Funds 1999
INCOMING RESOURCES					
Donations:					
Stewardship & Personal Trust account holders		338,000	14,409,100	14,747,100	12,045,500
Church Planting Initiative		-	10,100	10,100	17,000
Other		17,000	-	17,000	23,000
Investment income	15	465,700	-	465,700	436,400
Trading activities (within charitable objects)					
Fees for services provided	92,800				79,700
Insurance commissions	54,200				48,600
Other	9,200				7,600
		156,200	-	156,200	135,900
Other incoming resources					
Insurance claim proceeds		0	-	0	41,000
Profit on sale of functional property		62,700	-	62,700	-
Release from revaluation reserve on disposal		78,100	-	78,100	-
Surplus based on historic cost		140,800	-	140,800	-
Total incoming resources		£1,117,700	£14,419,200	£15,536,900	£12,698,800
RESOURCES EXPENDED					
Direct charitable expenditure:					
Grants to Christian charitable causes	6,4	53,000	13,281,900	13,334,900	11,471,400
Church Planting Initiative		7,400	19,000	26,400	7,800
Services to clients		518,300	-	518,300	465,600
Insurance services		41,700	-	41,700	40,500
Property services		15,800	-	15,800	15,400
Educational services & helpline		32,900	-	32,900	25,100
Support costs		7,900	5,000	12,900	5,300
		616,600		621,600	551,900
		£677,000	£13,305,900	£13,982,900	£12,031,100
Other expenditure:					
Fundraising and publicity		37,400	0	37,400	46,700
Management and administration		112,300	2,400	114,700	68,200
		£149,700	£2,400	£152,100	£114,900
Total resources expended	13	826,700	13,308,300	14,135,000	12,146,000
NET INCOME FOR THE YEAR		£291,000	£1,110,900	1,401,900	£552,800

UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

Statement of Financial Activities
For the year ended 5 April 2000 (continued)

Summary Income and Expenditure account

	<u>Notes</u>	Unrestricted Funds 2000	Restricted Funds 2000	Total Funds 2000	Total Funds 1999
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES					
Net income for the year		291,000	1,110,900	1,401,900	552,800
Unrealised gains / losses:					
On revaluation of investments		30,900	104,700	135,600	5,600
On revaluation of fixed assets		0	-	0	42,800
Released on disposal of fixed asset		(78,100)	-	(78,100)	0
Net Movement in funds for the year		243,800	1,215,600	1,459,400	601,200
Fund balances at 6 April 1999		3,150,100	3,540,800	6,690,900	6,093,700
Prior year adjustments	5	53,000	72,500	125,500	49,000
As revised		3,203,100	3,613,300	6,816,400	6,142,700
Fund balances carried forward at 5 April 2000	12	£3,446,900	£4,828,900	£8,275,800	£6,743,900

The notes on pages 15 to 23 form part of these accounts.

UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

Balance Sheet as at 5th April 2000

	Notes	2000	2000	1999	1999
FIXED ASSETS					
Tangible Assets					
Freehold properties at cost or valuation		1,964,100		2,045,000	
Leasehold property		0		2,200	
Plant, equipment and furniture		104,300		91,400	
	2	2,068,400		2,138,600	
Investments					
Mortgages and loans		3,696,600		2,881,900	
Investments other than loans	3	409,100		223,600	
Pooled investment fund	11	3,988,800		3,318,500	
		8,094,500		6,424,000	
Total fixed assets			10,162,900		8,562,600
CURRENT ASSETS					
Stocks of handbooks		1,700		500	
Tax recoverable (Covenants and Gift Aid)		337,900		135,300	
Other debtors	9	137,900		46,800	
Money market deposits		3,561,500		3,349,300	
Cash at bank and in hand		1,765,500		1,040,400	
		<u>5,804,500</u>		<u>4,572,300</u>	
CREDITORS: Amounts falling due within one year					
Church & mission organisations etc. deposits with UKET		3,055,300		2,398,000	
Special Trusts cash balances		451,300		333,300	
Other creditors	10	196,200		268,700	
		<u>3,702,800</u>		<u>3,000,000</u>	
NET CURRENT ASSETS			2,101,700		1,572,300
Total assets less current liabilities			12,264,600		10,134,900
CREDITORS: Amounts falling due after more than one year					
Pooled investment fund units	11	3,988,800		3,318,500	
NET ASSETS			<u>£8,275,800</u>		<u>£6,816,400</u>
FUND BALANCES					
Restricted Funds		4,828,900		3,613,300	
Unrestricted Funds		3,446,900		3,203,100	
	12	<u>£8,275,800</u>		<u>£6,816,400</u>	

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

Approved by the Board of Directors and Council of Trustees and signed on their behalf on 27th Jun 2000


 Leslie D. Lucas
 Chairman

The notes on pages 15 to 23 form part of these accounts.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS FOR YEAR ENDED 5TH APRIL 2000

1. ACCOUNTING POLICIES

- (a) With the exception of investments which are included at market value the Accounts have been prepared on the historic cost basis, modified by the revaluation of certain freehold properties and in accordance with applicable Accounting Standards and in particular, the Statement of Recommended Practice: Accounting by Charities save that the 5 yearly revaluation of freehold property, due this year, has not been undertaken pending clarification of the differing valuation requirements between Financial Reporting Standing No. 15 (Tangible Fixed Assets) and the draft revised Statement of Recommended Practice (Accounting and Reporting by Charities).

They include the results of the Charity's operations which are described in the Annual Report of the Council. All operations are continuing.

- (b) Earned income and all expenditure is recognised on an accruals basis of accounting.
- (c) Donations, covenants and Gift Aid receipts are taken into account when the conditions for receipt have been met and there is reasonable assurance of receipt.
- (d) Rental income is accounted for in the period in which it falls due.
- (e) Interest on fixed interest investments, deposits and income from the UKET Common Investment Pool is accounted for on the accruals basis.
- (f) Income Tax recoverable is accounted for once a claim has been made to the Inland Revenue. Claims are made weekly throughout the year.
- (g) Software licenses and external costs of software development, together with other assets which are intended for use on a continuing basis in the Trust's activities are capitalised and depreciated according to paragraph 1(h) below.
- (h) Depreciation of plant, machinery, fixtures, fittings and equipment is taken into account at the rate of 20% of the book value each year. No provision is made for the depreciation of freehold buildings as the Trustees have judged that any provision for depreciation would not be material. The materiality of depreciation of buildings is subject to annual review.
- (i) Grants payable by the Trust on behalf of donor clients are accounted for when paid. This approximates to the amounts payable in the year.
- (j) Grants payable by the Trust out of annual surpluses are accounted for in the year that the grant is paid. This represents a change in accounting policy following the introduction of Financial Reporting Standard No 12 (Provisions, Contingent Liabilities and Contingent Assets).

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

(k) Leasehold improvements are capitalised, where material, and amortised in equal instalments over the remaining life of the Lease.

(l) The Statement of Financial Activities includes resources receivable and expended on Trust Funds. Where the Trust manages other client cash funds either as agent or manager on behalf of other charitable trusts, they are shown as liabilities on the balance sheet.

(m) Direct charitable expenditure comprises all expenditure relating to the objects of the Trust. Fundraising and publicity expenditure comprises promotional and publicity materials and activity. Management and administration includes all expenditure not directly related to the pursuance of the charitable objects or promotional activity. It includes the costs of renting and running office premises, staff costs for administrative personnel and audit fees.

Expenditure is directly attributable to the above headings as far as possible. The remaining expenditure and overheads are apportioned to each activity on a reasonable, justifiable and consistent basis.

(n) The Reserves of the Trust and the purposes for which they are established are described in Note 12. In accordance with the Trust policy the Trustees seek to maintain sufficient reserves for the following purposes:

To provide the capital funding of church buildings owned by the Trust.

To provide funds to make loans to churches to finance church buildings.

To enable the Trust to protect donor client balances or deposits from any risk of loss which might arise from the assets which such balances or deposits are effectively funding.

To provide an adequate capital base for the various activities and services which the Trust provides.

To provide the capital base for future growth in the volume and range of services provided by the Trust including any major capital projects.

To provide a contingency in the event of any substantial reduction in activities including any caused by major changes in UK taxation.

(o) The company has taken advantage of the exemption provided by the Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

2. FIXED ASSETS

Tangible Fixed Assets

	<u>Freehold Land & Buildings</u>	<u>Plant & Machinery</u>	<u>Short Leasehold Improvements</u>	<u>Fixtures, Fittings & Equipment</u>	<u>Total</u>
Cost or valuation					
At 6 April 1999	2,045,000	129,300	7,600	149,000	2,330,900
Additions	-	42,000	-	4,500	46,500
Disposals/ written off	(80,900)	(21,600)	-	(46,600)	(149,100)
At 5 April 2000	<u>1,964,100</u>	<u>149,700</u>	<u>7,600</u>	<u>106,900</u>	<u>2,228,300</u>
Depreciation					
At 6 April 1999	-	67,300	5,400	119,600	192,300
Charge for the year	-	20,800	2,200	9,500	32,500
Disposals/written	-	(21,600)	-	(43,300)	(64,900)
At 5 April 2000	<u>0</u>	<u>66,500</u>	<u>7,600</u>	<u>85,800</u>	<u>159,900</u>
Net Book Values:					
At 5 April 2000	<u>£1,964,100</u>	<u>£83,200</u>	<u>£-</u>	<u>£21,100</u>	<u>£2,068,400</u>
At 5 April 1999	<u>£2,045,000</u>	<u>£62,000</u>	<u>£2,200</u>	<u>£29,400</u>	<u>£2,138,600</u>

Freehold property, if accounted for on an unmodified historic cost basis, would have a cost and net book value at 5 April 2000 of £286,800 (1999: £289,600).

No provision for depreciation on freehold buildings is made as the trustees consider annual depreciation to be immaterial.

Freehold property is periodically revalued as set out in the Report of the Council. These properties consist of 50 buildings currently in use as places of worship. Prior to revaluation, freeholds are valued in the accounts as follows:

Properties purchased by the Trust - at their original cost or valuation.

Properties donated to the Trust - at nominal values.

Most of the properties have been in the ownership of the Trust for many years and are occupied by church congregations, as part of the direct charitable purposes of the Trust.

Leasehold improvements, software equipment and furniture are used partly to support direct charitable purposes and partly for the management and administration of the Trust.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

3. INVESTMENTS OTHER THAN LOANS

All investments are held in the form of units in the UKET Common Investment Pools (see Note 11) which invests wholly in UK and overseas listed equities, UK gilts and fixed interest stocks and Eurobonds.

	<u>2000</u>	<u>1999</u>
Historic cost - Unrestricted funds	154,500	154,500
- Restricted funds	<u>50,000</u>	<u>-</u>
	<u>£204,500</u>	<u>£154,500</u>
Market value - Unrestricted funds	254,400	223,600
- Restricted funds	<u>154,700</u>	<u>-</u>
	<u>£409,100</u>	<u>£223,600</u>

Market value is based on unit values declared in the most recent Accounts of the Common Investment Pool.

4. DONOR CLIENT BALANCES AND FUND MOVEMENTS

	<u>2000</u>	<u>1999</u>
At 6th April 1999 - Stewardship account balances	3,508,800	3,154,600
- Trust funds	15,700	-
Prior year adjustment (note 5(b))	72,500	-
Gifts received	11,229,500	9,325,300
Revaluation of Personal Trust Fund investments	104,700	-
Income Tax recovered and recoverable	<u>3,517,600</u>	<u>2,735,900</u>
	<u>£18,448,800</u>	<u>£15,215,800</u>
Charitable donations:		
UKET general purposes	338,000	268,900
To other charitable purposes	<u>13,281,900</u>	<u>11,422,400</u>
	<u>£13,619,900</u>	<u>£11,691,300</u>
Stewardship & Personal Trust Account balances carried forward	<u>£ 4,828,900</u>	<u>£3,524,500</u>

Further detail of funds distributed is available, on request, from the Registered Office.

5. PRIOR YEAR ADJUSTMENTS

- (a) Following the introduction of a new Financial Reporting Standard, the Trust has changed its policy for dealing with annual gifts made from surplus. These are no longer accrued into the year in which the surplus was made but are recognised as paid. As a result opening reserves have increased by £53,000.
- (b) Following a review of the operation of the Personal Trust Account service, creditor balances at 6th April 1999 totalling £72,500 have been reclassified as restricted funds.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

6. DISTRIBUTIONS

The Trustees made the following grants from unrestricted funds during the year:-

	<u>2000</u>	<u>1999</u>
Barnabus Trust	1,000	1,000
Bible Society	1,000	1,000
Brass Tacks	1,000	1,000
Partnership	1,000	1,000
Christian Workers Relief Fund	4,000	4,000
Counties	13,500	13,500
Covenanters	3,000	3,000
Echoes of Service		
discretionary fund	2,000	2,000
relief fund	500	500
office expenses	500	500
Evangelical Alliance	1,000	1,000
Evangelisation Society	2,000	1,000
Gospel Printing Mission	2,000	1,000
Home Evangelism	2,000	2,000
London Evangelistic Mobile Units	500	500
Missionaries' Children's Fund	1,000	1,000
Missionary Aviation Fellowship	1,000	2,000
Open Air Mission	1,500	1,000
Operation Mobilisation	3,000	2,000
Public Transport Scripture Text Mission	1,500	1,000
Scripture Gift Mission	2,000	2,000
Scripture Union	2,000	2,000
Torch Trust for Blind	1,000	1,000
Gospel Literature Outreach	2,000	1,000
Gideons International	1,000	1,000
Churches and other gifts	-	2,000
Tear Fund	1,000	-
Interserve	<u>1,000</u>	<u>-</u>
	<u>£53,000</u>	<u>£49,000</u>

7. STAFF COSTS & REMUNERATION OF COUNCIL MEMBERS

The average number of staff, all of whom are engaged on administrative matters, is 13 full time and 8 part time (1999 : 11 full time and 7 part time).

Total staff emoluments (including benefits in kind) for the year were £397,100 (1999: £342,100). Two employees received emoluments of between £40,000 and £50,000. (1999 : One)

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

No fees are paid to Members of the Council for their services although travel etc expenses incurred in carrying out Trustees duties totalling £2,238 (1999 : £1,812) were reimbursed to 4 Trustees (1999 : 5 Trustees).

8. PENSION CONTRIBUTIONS

The Company contributes to a defined contribution pension scheme. Contributions for the year amounted to £15,400 (1999: £14,900).

9. DEBTORS: DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
Trade debtors	6,000	12,500
Other debtors	99,200	1,500
Prepayments	17,000	15,000
Accrued income	<u>15,700</u>	<u>17,800</u>
	<u>£137,900</u>	<u>£46,800</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	112,800	86,900
Other creditors	49,900	155,300
Taxation and social security	9,700	8,900
Accruals	<u>23,800</u>	<u>17,600</u>
	<u>£196,200</u>	<u>£268,700</u>

11. POOLED INVESTMENT FUNDS

The Trust administers the United Kingdom Evangelization Trust Common Investment Funds. These pooled funds were established by a Scheme of the Charity Commission made on the 16th March 1993 under reference BD-234714A(Ldn.1). The fund is under the control and management of the Trust which is the sole trustee appointed for the purpose. Accordingly the market value of units held in the funds by other charities are included in these Accounts as both an asset and a corresponding liability.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

12. FUND BALANCES

(a) Unrestricted Funds

	General Reserve Fund	Church Planting Initiative	Revaluation Reserves	Total
	£		£	£
As at 6 April 1999	1,249,100	76,600	1,824,400	3,150,100
Prior year adjustment	53,000	-	-	53,000
Revaluations	-	-	30,900	30,900
Adjustment on disposal of fixed assets	-	-	(78,100)	(78,100)
Net income for the year	300,000	(9,000)	-	291,000
Transfers	(426,200)	2,103,500	(1,677,300)	-
As at 5 April 2000	<u>£1,175,900</u>	<u>£2,171,100</u>	<u>£99,900</u>	<u>£3,446,900</u>

(b) Designated Funds

The unrestricted general funds of the Trust detailed in Note 12(a) above include funds set aside by the Trustees for use by the special initiative dedicated to Church Planting:

	Church Planting Initiative	
	Property Fund	Revenue Fund
As at 6 April 1999	41,000	35,600
Net expenditure in the year	-	(9,000)
New designations	2,103,500	-
As at 5 April 2000	<u>£2,144,500</u>	<u>£26,600</u>

The Revenue Fund is intended for day to day expenses. The Property Fund incorporates the Capital Fund set up last year. In addition, the Trustees have this year designated the funds represented by the property portfolio together with the net surplus arising on property sales, to this Fund. The purpose of the Fund is to generate income for Church Planting Initiatives and to fund certain other grants made by the Trustees.

The Initiative also benefited from use of a restricted fund summarised in Note 12(c) below.

(c) Restricted Funds

	Trust Funds	Church Planting Initiative	Donor Clients	Total
	£	£	£	£
As at 6 April 1999	15,700	16,300	3,508,800	3,540,800
Prior year adjustment	72,500	-	-	72,500
Net income for the year	247,400	(16,300)	879,800	1,110,900
Revaluations	104,700	-	-	104,700
As at 5 April 2000	<u>£440,300</u>	<u>£ -</u>	<u>£4,388,600</u>	<u>£4,828,900</u>

UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

13. TOTAL RESOURCES EXPENDED

	Direct charitable expenditure	Fundraising & publicity	Management & administration	Total 2000	Total 1999
Grants to charitable causes	13,334,900	-	-	13,334,900	11,471,400
Church Planting Initiative:					
Grants to churches & Forum expenses	26,500			26,500	11,800
Research, travel and meeting expenses	6,900	-	-	6,900	-
Administrative expenses	-	-	3,300	3,300	1,900
Staff costs (including pensions & training)	305,300	6,500	90,800	402,600	376,200
Sub contractor's fees	7,100	-	-	7,100	9,000
Premises costs	27,800	1,400	1,400	30,600	23,500
General office costs	72,700	6,800	5,300	84,800	70,200
Equipment depreciation & loss on sale of fixed assets	32,000	1,900	1,900	35,800	26,900
Property portfolio costs	3,600	100	-	3,700	2,500
Financial costs	141,900	-	-	141,900	111,800
Audit	-	-	2,800	2,800	2,600
Legal and professional advice	8,900	-	4,300	13,200	4,100
Seminar costs	10,400	500	-	10,900	1,600
Promotional costs	-	19,900	-	19,900	25,300
General expenses	3,800	100	1,000	4,900	2,200
Trustees' and meeting expenses	1,100	200	3,900	5,200	4,100
Irrecoverable VAT on above costs	-	-	-	-	900
	<u>£13,982,900</u>	<u>£37,400</u>	<u>£114,700</u>	<u>£14,135,000</u>	<u>£12,146,000</u>

14. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds	Restricted Funds	Client funds shown as liabilities	Total Funds 2000	Total Funds 1999
Fixed assets	2,068,400	-	-	2,068,400	2,138,600
Mortgage loans to churches	1,435,100	2,261,500	-	3,696,600	2,881,900
Investments	-	409,100	3,988,800	4,397,900	3,542,100
Money market deposits and bank balances	-	1,820,400	3,506,600	5,327,000	4,389,700
Other current assets	139,600	337,900	-	477,500	182,600
Current liabilities	-196,200	-	-3,506,600	-3,702,800	-3,000,000
Long term liabilities			-3,988,800	-3,988,800	-3,318,500
Total net assets	<u>£3,446,900</u>	<u>£4,828,900</u>		<u>£8,275,800</u>	<u>£6,816,400</u>

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTES TO ACCOUNTS (continued)

15. INVESTMENT INCOME

	<u>2000</u>	<u>1999</u>
Rents from properties used as places of worship	46,500	42,400
From cash investments	235,200	201,300
Mortgage interest	178,000	185,200
Income from UKET Common Investment Fund	<u>6,000</u>	<u>7,500</u>
	<u>£465,700</u>	<u>£436,400</u>

Following a review of the nature of certain deposit arrangements, income from cash investments now include amounts earned on deposits received from churches and Christian charities to whom UKET also pay equivalent sums. Comparative figures have also been adjusted to reflect amounts earned in the previous year.

16. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

Except where amounts have been included in these accounts, there were no material capital commitments or contingent liabilities at 5 April 1999 or 5 April 2000

17. OPERATING LEASE COMMITMENTS

At 5 April 1999 and 2000, the Trust had operating lease commitments for rental payments on its administrative offices as follows:

	<u>2000</u>	<u>1999</u>
Amounts due within one year	10,100	20,200
Amounts due within 2 to 5 years	<u>-</u>	<u>10,100</u>
	<u>£10,100</u>	<u>£30,300</u>

The leases for current office accommodation both expire in November 2000. Negotiations for their renewal will commence shortly.

18. INDEMNITY INSURANCES ETC

The Trust has effected insurance cover for the following risks: Employee Fidelity; Professional Indemnity and wrongful acts of Directors and Officers. Premiums paid for the above policies during the year totalled £3,300 (1999 : £3,200).

19. TAXATION

As a registered Charity the Company is exempt from UK Corporation Tax.

20. SUBSEQUENT EVENTS

Since the year end, the General Manager's contract has been terminated by mutual agreement. A financial settlement in respect of this has been agreed by the Trustees.