

STEWARDSHIP SERVICES (UKET) LIMITED

Operating as

stewardship[®]

transforming generosity

Annual Report & Financial Statements

For the year ended 30 September 2012

Registered Charity Number 234714
Company limited by guarantee registered number 90305

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Stewardship Services (UKET) Limited

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Stewardship Services (UKET) Limited
Report of the Council

The Board of Trustees has pleasure in presenting its Report and its audited Financial Statements for the year ended 30 September 2012

OBJECTS OF THE CHARITY, MISSION, AND PRINCIPAL ACTIVITIES

Objects of the Charity

The main objects of the charity are to advance the evangelical Christian faith and to promote charitable work of evangelical Christian churches, societies, workers and charities for the public benefit

Stewardship's Vision

We envision a thriving UK church, abundantly resourcing the global work of the Kingdom of God

Stewardship's Mission

Stewardship supports a community of generous givers – people passionate about resourcing the Kingdom and making an impact. We accomplish this by employing the following key strategies

We Help People Give	We provide a single, tax effective account to organise all of one's charitable giving, from the first gift to the last, any amount at any age
We Have Influence	We make approximately £50m in grants each year and offer a range of professional, legal and financial support services to churches, charities and individuals. We have an important voice in the UK, advocating causes important to our community and the church
We Encourage Entrepreneurship	We support the next generation of ministries and Christian leaders through our full-time Christian worker programme and charity formation department
We Educate	We work with key leaders and thinkers to produce and promote content and materials that equips others to live, give and lead generously
We Connect	We are a catalyst, supporter and servant to those with a heart for promoting generosity

Stewardship's principal activities to fulfil this Mission are

- **Giving services.** a Stewardship Account provides a donor with one account to simplify and maximise the effectiveness of all their charitable giving. The accounts serve donors giving from £10 a month to seven figure single gifts. The Stewardship Account also serves thousands of recipient charities, churches and Christian workers
- **Fund management:** firstly, the placement for income generation and capital growth of funds that will ultimately be disbursed within the charitable objectives of Stewardship. Secondly, the management of surplus funds for which churches and charities have no immediate need, and thirdly, the provision of loans to Christian churches and charities that are seeking to extend their mission activities through construction or development of buildings
- **Professional services** the supply of accounts examination, payroll administration, education resources and specialist consultancy services to promote efficiency and increase knowledge on different aspects of church and charity activities including charity formation, and laws and taxation relating to charities, employment and property

Stewardship Services (UKET) Limited
Report of the Council (continued)

Public benefit

Stewardship seeks to add value and facilitate the work of Christian churches, workers and charities in the UK and abroad by providing services designed to handle efficiently the receipt and distribution of charitable funds (see Note 3 to the Accounts). In addition, the range of services provided by Stewardship enables churches, workers and charities to fulfill better their key activities of advancing the Christian faith, preventing or relieving poverty, the advancing of health and the saving of lives, and the bringing of relief to those in need.

The Charity Commission's general guidance on public benefit has been referred to in the review process of our aims and objectives and in planning future developments.

ORGANISATION

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 23 served throughout the year. The trustees have the power by a two thirds majority to appoint additional trustees. There is no formal recruitment practice but the trustees and the Executive always look for potential new trustees whose skills and experience could contribute to the development of the organisation. Prospective trustees are given the opportunity to examine the organisation extensively and to attend two trustee meetings before they, and other trustees, reach a conclusion as to the appropriateness of the appointment. New trustees are provided with the opportunity to visit the Stewardship office and meet the chief executive and senior management team as well as other staff members.

Trustees meet regularly, either as a full Council or in committees, to oversee and govern the charity's affairs. They are supported by an Executive and broader staff team which possess appropriate skills and experience. The trustee committees are as follows -

- **Finance Committee:** The Finance Committee met three times during the year and covered a broad range of financial issues including quarterly accounts, budgeting, investment of cash funds, lending and audit matters.
- **Investment Committee:** The Investment Committee met three times during the year to oversee the performance of the investment funds that are under management by external managers.
- **Legacy Grants Committee.** During the year a new Committee was formed to oversee the distribution of grants from funds received under legacies and held its first meeting in September 2012.

Senior Management Team

The senior management team now comprises of the Chief Executive, Operations Director and the heads of Finance, Giving Services and Business Development and has delegated authority, within certain limits, to run the day to day affairs of the charity.

Stewardship Services (UKET) Limited
Report of the Council (continued)

GRANT MAKING POLICY

Stewardship works in partnership with its givers and other parties to identify Christian churches, workers and charities for the purpose of providing grant support. Assessment of the work being performed by proposed recipients is undertaken by Stewardship initially checking to ensure that the activities of the recipient are consistent with its own objectives. Then, public information on registered charities is reviewed and considerably more information required on the projects where the recipients are not UK registered charities.

Once projects have been created for recipient churches, charities and full time Christian workers, account holders who have made gifts to Stewardship may express a preference that funds are donated to specific recipient causes. This process enables those that give to Stewardship to identify closely with the recipient and the recipient to be aware of committed support. Stewardship is therefore facilitating the ministry of the recipient by means of the generosity of the account holder.

INVESTMENT POLICY AND POWERS

The investment powers of the charity allow funds that are not immediately required to be invested in such manner as the trustees may deem fit and the following are used:

- Stock exchange investments are managed by the charity's investment advisors in accordance with Discretionary Management Agreements, which preclude investment in companies with substantial involvement in armaments, brewing, gaming, pornography and tobacco.
- Investment in cash and short term deposits on the money markets is governed by the charity's Treasury Policy, which determines the eligibility of the counter-parties.
- Mortgages and loans to churches and Christian charities, governed by the charity's Mortgage Policy, which is primarily designed to manage risk.

The investment objective on the Stock Exchange investments is to look at a total return, balancing the needs of income for ministry whilst maintaining capital. This requirement has been expressed in a benchmark performance rate which is applied to the individual funds. The performance of the funds managed by the Trust's investment managers against the benchmarks is reviewed regularly by the Investment Committee which has concluded that performance in the context of market conditions has been acceptable.

RISK REVIEW

Management and trustees constantly review the risks that Stewardship faces and act accordingly to manage or reduce those risks. A formal and systematic approach to identification and management of risks has been introduced and is regularly reviewed and updated.

Stewardship Services (UKET) Limited
Report of the Council (continued)

RESERVES POLICY

The level of reserves held by the charity is reviewed regularly in the context of current risks and other relevant factors and the policies determining the requirement for reserves are stated in Note 1 to the Accounts. Unrestricted reserves amounted to £6.2m (2011 £5.4m).

The trustees determine that Stewardship needs to maintain reserves such that investments are covered to protect against the risk of default, all budgeted capital expenditure is covered for the next year, total running costs are covered for at least three months and support is provided for the loans advanced for church and charity building projects. These four criteria derive a required minimum reserves figure of £3.4m.

Free reserves, as determined by the guidance provided by the Charity Commissioners, are in excess of this requirement by £2.5m, a level considered appropriate in view of the current economic uncertainties.

UNRESTRICTED FUNDS

Net unrestricted incoming resources for the year, after transfers, amounted to £0.8m (2011 £0.5m) and this figure, added to the figure brought forward, resulted in unrestricted fund balances carried forward at the year end of £6.2m (2011 £5.4m).

RESTRICTED FUNDS

Restricted funds carried forward at 30 September 2012 amounted to £63.0m (2011 £57.7m). These funds predominantly comprise gifts where, subject to purposes consistent with the charity's own objects, the trustees allow donors to express preferences as to direct distributions for other charitable purposes.

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

CHARITABLE AND POLITICAL DONATIONS

Charitable donations made by the charity are shown in the Statement of Financial Activities. No political donations were made in the year (2011 Nil).

Stewardship Services (UKET) Limited
Report of the Council (continued)

KEY ACHIEVEMENTS DURING THE YEAR

- | | |
|-----------------------|---|
| Giving Services | <ul style="list-style-type: none">▪ Ever greater use of the new online service is being made by givers and recipients. Around 34% of all one off donations are now being made online (last year 25%)▪ In the last quarter of the financial year a major new fundraising service, <u>www.give.net</u>, was launched. This will be a very attractive service to churches and charities needing the means of receiving gifts online and for individuals undertaking fundraising sponsorship projects▪ The sustained level of giving is greatly encouraging and total gifts received at £51.4m were down by just 2.9% against the previous year |
| Fund management | <ul style="list-style-type: none">▪ The funds under management in the investment funds rose from £22.2m at 30 September 2011 to £24.0m at 30 September 2012▪ Funds on the Money Market remained relatively constant throughout the year at approximately £40.0m▪ Demand from churches for mortgages to support new building development remained strong throughout the year and the church mortgages portfolio increased from £10.5m to £12.1m and further growth in the year ahead is expected |
| Professional Services | <ul style="list-style-type: none">▪ The payroll service continued to grow with the number of church and charity clients now up to 360 and covering 1,568 employees (2011 306 clients and 1,525 employees)▪ The accounts examination service with its 280 clients performed steadily throughout the year▪ The number of charities assisted to form and register remained unchanged at around 60 in the year▪ Training was provided to church leaders, treasurers and administrators and charity trustees through seminars, e-briefings and free briefing papers or briefing notes on technical issues for charities▪ Under the general theme of Transforming Generosity successful campaigns were run at Christmas and Easter, festivals and holiday weeks were attended in the Spring and Summer, and training materials made available to encourage generous living▪ Stewardship remained in a leading role in engaging with HMRC and HM Treasury on matters directly affecting churches and Christian charities. This included the making of high level representations in opposition to the government's proposal, subsequently withdrawn, to cap tax relief for charitable giving. A very detailed response was provided in respect of the new Small Charitable Donations Bill |

Stewardship Services (UKET) Limited
Report of the Council (continued)

RE-ELECTION OF BOARD OF TRUSTEES (THE COUNCIL)

Under the Articles of the charity, one third of the current members of the Council retire and, being eligible, offer themselves for re-election

AUDITORS

A resolution to reappoint BDO LLP as auditors will be proposed at the annual general meeting

As required by s 234za of 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 was approved by the Council of Trustees on 2 February 2013 and signed on its behalf

A handwritten signature in black ink, appearing to read 'REC Gough', is positioned above the printed name of the Chairman.

Richard Gough, Chairman

Stewardship Services (UKET) Limited
Statement of Council's Responsibilities

The members of Council are responsible for preparing the annual 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. Under that law the members of Council have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 charity and of the surplus or deficit of the 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 judgments and 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 charity will continue in business.

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

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



Date 2 February 2013

R E C Gough

By Order of the Council

Stewardship Services (UKET) Limited
Independent auditor's report to the members of Stewardship Services (UKET) Limited

We have audited the financial statements of Stewardship Services (UKET) Limited for the year ended 30 September 2012 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Council's Responsibilities Statement (set out on page 7), the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 30 September 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Stewardship Services (UKET) Limited
Independent auditor's report to the members of Stewardship Services (UKET) Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements and the trustees' report in accordance with the small companies' regime

S Ro LLP

Andrew Stickland

Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor

Gatwick

United Kingdom

Date *6 Feb 2013*

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

Stewardship Services (UKET) Limited
Statement of Financial Activities
For the year ended 30 September 2012

		Unrestricted Funds 2012 <u>£'000</u>	Restricted Funds 2012 <u>£'000</u>	Total Funds 2012 <u>£'000</u>	Total Funds 2011 <u>£'000</u>
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
Gifts from account holders		1,312	50,149	51,461	52,983
Other		-	-	-	1
Investment Income	2	1,691	819	2,510	2,281
Income from charitable activities					
Fees for services provided		435	-	435	439
Total incoming resources		3,438	50,968	54,406	55,704
RESOURCES EXPENDED					
Charitable activities					
Grants to charitable causes	3	5	47,581	47,586	51,760
In furtherance of charitable objects					
Giving Services		1,750	-	1,750	1,814
Fund Management		169	-	169	95
Professional Services		609	-	609	573
Governance costs		79	-	79	79
Total resources expended	4	2,612	47,581	50,193	54,321
Net incoming resources before transfers		826	3,387	4,213	1,383
Other transfers between funds	12	(132)	132	-	-
NET INCOME FOR THE YEAR		694	3,519	4,213	1,383

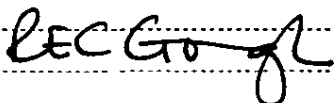
Stewardship Services (UKET) Limited
Statement of Financial Activities
For the year ended 30 September 2012

		Unrestricted Funds 2012 <u>£'000</u>	Restricted Funds 2012 <u>£'000</u>	Total Funds 2012 <u>£'000</u>	Total Funds 2011 <u>£'000</u>
	Notes				
Net income for the year		694	3,519	4,213	1,383
Unrealised gains/(losses)					
On revaluation of investments	8	96	1,846	1,942	(1,584)
Realised gains/(losses)					
On disposal of investments		-	(48)	(48)	305
Net movement in funds for the year		790	5,317	6,107	104
Fund balances at 1 October 2011		5,427	57,696	63,123	63,019
Fund balances at 30 September 2012	12	6,217	63,013	69,230	63,123

Stewardship Services (UKET) Limited
Balance Sheet
As at 30 September 2012

Company number 90305		2012	2012	2011	2011
	Notes	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
FIXED ASSETS					
Tangible assets					
Leasehold property		66		104	
Fixtures, fittings, equipment and software		231		324	
	7	<u>297</u>		<u>428</u>	
Investments					
Mortgages and loans		10,629		9,940	
Investments other than loans	8	<u>24,073</u>		<u>22,242</u>	
		34,702		32,182	
Total fixed assets			34,999		32,610
CURRENT ASSETS					
Stocks		5		7	
Debtors	9	1,152		1,384	
Mortgages and loans		1,479		600	
Pooled investment fund units	11	-		173	
Money market deposits		41,751		39,000	
Cash at bank and in hand		<u>1,044</u>		<u>3,663</u>	
		45,431		44,827	
CREDITORS Amounts falling due within one year					
Church and mission organisations deposits held		8,612		8,847	
Third party trusts' cash balances		5		8	
Other creditors	10	<u>2,583</u>		<u>5,286</u>	
		11,200		14,141	
Pooled investment fund units	11	<u>-</u>		<u>173</u>	
		11,200		14,314	
NET CURRENT ASSETS			34,231		30,513
Total assets less current liabilities			<u>69,230</u>		<u>63,123</u>
NET ASSETS	13		<u>69,230</u>		<u>63,123</u>
FUND BALANCES					
Restricted funds	12		63,013		57,696
Unrestricted funds	12		<u>6,217</u>		<u>5,427</u>
			69,230		63,123

Approved and authorised for issue by the Board of Directors and Council of Trustees and signed on their behalf on



Richard Gough
Chairman

The notes on pages 14 to 22 form part of these accounts

Stewardship Services (UKET) Limited
Cash flow statement
For the year ended 30 September 2012

	2012 <u>£'000</u>	2012 <u>£'000</u>	2011 <u>£'000</u>	2011 <u>£'000</u>
Net cash inflow from operating activities				
Operating surplus / (deficit)		2,553		88
Depreciation		320		352
Decrease in debtors		232		138
(Decrease)/increase in creditors		(2,941)		1,742
Decrease/(increase) in stocks		2		(3)
Loss/(profit) on sale of fixed assets		41		(305)
Net cash inflow/(outflow) from operating activities		<u>207</u>		<u>2,012</u>
Returns on investments and servicing of finance				
Interest received	1680		1,637	
Interest paid	<u>(67)</u>		<u>(37)</u>	
Net cash inflow from returns on investments and servicing of loans		1,613		1,600
Capital expenditure and financial investment				
Purchase of tangible assets	(184)		(305)	
Purchase of investments	(1,745)		(3,809)	
(Increase) in mortgages/loans	(1,568)		(1,967)	
Sale of investments	<u>1,809</u>		<u>1,356</u>	
Net cash (outflow) from investing activities		(1,688)		(4,725)
Management of liquid resources				
(Increase)/decrease in short-term deposits		<u>(2,751)</u>		<u>3,000</u>
(Decrease)/increase in cash		<u>(2,619)</u>		<u>1,887</u>
Reconciliation of net incoming resources to net cash inflow from operating activities				
		2012		2011
		<u>£'000</u>		<u>£'000</u>
Net incoming resources before transfers		4,213		1,383
Realised (loss)/gains on disposal of investments		(47)		305
Net interest received		<u>(1,613)</u>		<u>(1,600)</u>
		<u>2,553</u>		<u>88</u>
		2012	2011	
		<u>£'000</u>	<u>£'000</u>	
Analysis of changes in cash in the year				
Balance as at 1 October		3,663	1,776	
Net cash (outflow)/inflow		<u>(2,619)</u>	<u>1,887</u>	
Balance as at 30 September		<u>1,044</u>	<u>3,663</u>	

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

1 ACCOUNTING POLICIES

- (a) The Financial Statements have been prepared on the historic cost basis except for investments, which are included at market value. The Financial Statements have been prepared in accordance with the Companies Act 2006, the applicable Accounting Standards and in particular, the Statement of Recommended Practice Accounting and Reporting by Charities (issued March 2005)

They include the results of the Charity's operations which are described in the Annual Report of the Council. All operations referred to in the Statement of Financial Activities, are continuing

- (b) Earned income and all expenditure are recognised on an accruals basis of accounting
- (c) Gifts and Gift Aid receipts are taken into account when the conditions for receipt have been met and there is reasonable assurance of receipt
- (d) Income tax recoverable is accounted for once a claim has been made to HM Revenue & Customs. Claims are made weekly throughout the year
- (e) Interest on fixed interest investments, deposits and income from the Stewardship Pooled Investment Fund is accounted for on an accruals basis
- (f) Depreciation of fixtures, fittings, equipment and software is charged to write the assets off over their useful lives which is estimated to be three years, a rate of 33.33% per year
- (g) Leasehold improvements are capitalised, where material, and depreciated in equal instalments over the remaining life of the minimum lease term
- (h) Where Stewardship has exercised discretion in making an allocation of funds to a recipient, there is no legal obligation to pay those funds to the specific recipient since Stewardship continues to have discretion to decline to make payment if circumstances change between the time of allocation and the time of payment. However, the trustees are of the view that in almost all cases, a constructive obligation (as defined by the Charities SORP) will have been created. Accordingly, amounts allocated to recipients, but not yet paid to them, at the balance sheet date are recognised as a liability in these accounts
- (i) The Statement of Financial Activities includes resources receivable and expended on Trust Funds. Where the Trust manages other cash funds either as agent or manager on behalf of other charitable trusts, they are shown as liabilities
- (j) Expenditure is directly attributed to the expenditure headings in the Statement of Financial Activities as far as possible. The remaining expenditure and overheads are apportioned to each activity on a reasonable, justifiable and consistent basis

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

1 ACCOUNTING POLICIES (continued)

- (k) 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 offset the risk of loss which might arise on the assets of the Trust
 - To provide funds to support loans to churches and charities for building development
 - To provide adequate working capital for the various activities and services of the Trust
 - To provide a capital base for the future growth in the volume and range of services provided by the Trust including any major capital projects
- (l) Governance costs include the cost of the audit, Trustees' expenses and the staff costs associated with directly supporting Trustees' meetings

2 INVESTMENT INCOME

	2012 <u>£'000</u>	2011 <u>£'000</u>
Cash investments	1,054	1,116
Mortgage interest	626	521
Income from externally managed investment funds	830	644
	<u>2,510</u>	<u>2,281</u>

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

3 GRANTS

The Trustees make grants to a wide range of charitable causes. The Trustees allow supporters to express a preference as to how the funds may be distributed as long as this is consistent with the charity's own objectives. Because of the volume of grants made each year, it is impractical and of limited value to include a list of grants in these accounts. However, larger grants can be summarised as follows:

		2012 <u>Number</u>	2012 <u>£'000</u>	2011 <u>Number</u>	2011 <u>£'000</u>
Grants of over £1,000	- to Christian organisations	4,685	12,074	3,921	16,331
	- to full-time Christian workers	798	1,419	787	1,344
	- to Bible college students	65	119	55	90
	- to other charities	319	2,037	321	3,028
		<u>5,867</u>	<u>15,649</u>	<u>5,084</u>	<u>20,793</u>
Grants of under £1,000			<u>31,937</u>		<u>30,967</u>
			<u>47,586</u>		<u>51,760</u>

Limited further information about grants made is available, in accordance with grant disclosure guidelines contained in the Statement of Recommended Practice "Accounting and Reporting by Charities". A request should be made to Stewardship's Registered Office.

4 RESOURCES (EXCLUDING GRANTS IN NOTE 3) EXPENDED IN FURTHERANCE OF CHARITABLE OBJECTS

	<u>Giving services</u>	<u>Fund Management</u>	<u>Professional services</u>	<u>Governance costs</u>	Total 2012 <u>£'000</u>	Total 2011 <u>£'000</u>
Staff costs	957	79	415	48	1,499	1,446
Interest payable	-	67	-	-	67	37
Services to clients	-	5	15	-	20	68
IT costs	402	3	24	-	429	468
Marketing	174	3	53	-	230	187
Premises	113	7	47	-	167	136
Printing, postage and stationery	39	2	17	-	58	60
Professional costs	11	-	14	28	53	77
Other costs	54	3	24	3	84	82
	<u>1,750</u>	<u>169</u>	<u>609</u>	<u>79</u>	<u>2,607</u>	<u>2,561</u>

Costs are either allocated directly to the service area to which they relate or are apportioned, based on some measure of utilisation.

Auditors remuneration totalled £26,400 (2011 £24,600)

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

5 STAFF COSTS & TRUSTEES' FEES AND EXPENSES

	2012 <u>£'000</u>	2011 <u>£'000</u>
<u>Staff costs and emoluments</u>		
Gross wages and salaries	1,149	1,127
Employer's National Insurance	117	111
Pension contributions	159	159
	<u>1,425</u>	<u>1,397</u>

	2012 <u>No</u>	2011 <u>No</u>
<u>Average number of full time equivalent employees</u>		
Giving services	26	25
Fund management	2	1
Professional services	10	9
	<u>38</u>	<u>35</u>

	2012 <u>No</u>	2011 <u>No</u>
Employees emoluments exceeding £60,000 (excluding pension contributions)		
£80,000 - £89,999	1	1
Contributions to money purchase pension schemes for these employees	£13,784	£12,245

Trustees fees and expenses

No fees are paid to Members of the Council for their services. Expenses incurred in carrying out Trustee's duties totalling £1,442 (2011 £2,806) were reimbursed to three Trustees.

6 PENSION CONTRIBUTIONS

The company contributes to a defined contribution scheme. Contributions for the year amounted to £159,350 (2011 £158,700).

Company pension contributions are accounted for and paid as they fall due. There were no outstanding contributions at the balance sheet date (2011 £Nil).

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

7 TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures, fittings, equipment & software £'000	Total £'000
At cost or valuation			
As at 1 October 2011	215	1,200	1,415
Additions	-	184	184
Disposals	-	(6)	(6)
As at 30 September 2012	<u>215</u>	<u>1,378</u>	<u>1,593</u>
Depreciation			
As at 1 October 2011	111	876	987
Charge for the period	38	282	320
Released on disposals	-	(11)	(11)
As at 30 September 2012	<u>149</u>	<u>1,147</u>	<u>1,296</u>
Net Book Values			
As at 30 September 2012	<u>66</u>	<u>231</u>	<u>297</u>
As at 1 October 2011	<u>104</u>	<u>324</u>	<u>428</u>

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

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

8 INVESTMENTS OTHER THAN LOANS

All restricted investments are held in the form of units in the Stewardship Pooled Investment Funds (see note 11), which invest wholly in UK and overseas equities, fixed interest stocks and property funds. All of the underlying investments are listed on recognised stock exchanges.

		2012 <u>£'000</u>	2011 <u>£'000</u>
Historic cost	- Unrestricted funds	551	551
	- Restricted funds	23,003	23,113
		<u>23,554</u>	<u>23,664</u>
Market value	- Unrestricted funds	819	723
	- Restricted funds	23,254	21,519
		<u>24,073</u>	<u>22,242</u>
UK		22,307	20,766
Overseas		606	689
Cash		1,160	787
		<u>24,073</u>	<u>22,242</u>

At the above dates, with the exception of an investment in 3i Infrastructure Plc representing 10.2% of the total market value of the Pools, the market value of each individual investment within the Common Investment Pools was less than 5% of the total market value of the Pools.

Market value is based on unit values declared in the most recent accounts of the Common Investment Pool. Restricted funds are invested in the Common Investment Pool at the stated preference of the supporter of the funds.

	2012 <u>£'000</u>	2011 <u>£'000</u>
Market value of investments at 1 October 2011	22,242	21,068
Additions	1,745	3,808
Disposals	(1,856)	(1,050)
Net investment (losses)/gains	1,942	(1,584)
	<u>24,073</u>	<u>22,242</u>

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

9 DEBTORS: DUE WITHIN ONE YEAR

	2012 <u>£'000</u>	2011 <u>£'000</u>
Income tax recoverable - gift aid	230	607
Trade debtors	29	30
Other debtors	126	96
Prepayments	57	63
Accrued income	710	588
	<u>1,152</u>	<u>1,384</u>

All amounts fall due within one year

10 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 <u>£'000</u>	2011 <u>£'000</u>
Trade creditors	821	868
Other creditors	1,577	4,294
Taxation and social security	37	30
Accruals and deferred income	148	94
	<u>2,583</u>	<u>5,286</u>

Other creditors at 30 September 2011 included an exceptionally large grant of £2.4m which had been processed at that date but the related bank transfer was only completed at the start of the new financial year

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 16 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.

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

12 FUND BALANCES

	As at 1 October 2011 <u>£'000</u>	Investment gains / (losses) <u>£'000</u>	Net income for the year <u>£'000</u>	Transfers <u>£'000</u>	As at 30 September 2012 <u>£'000</u>
General Funds					
General Reserve	5,256		826	(132)	5,950
Revaluation Reserve	171	96	-	-	267
	<u>5,427</u>	<u>96</u>	<u>826</u>	<u>(132)</u>	<u>6,217</u>
Restricted Funds					
Donor balances	57,696	1,798	3,387	132	63,013
	<u>57,696</u>	<u>1,798</u>	<u>3,387</u>	<u>132</u>	<u>63,013</u>

Donor balances

Supporter balances represent funds given to Stewardship, where, subject to purposes consistent with the Trust's own objectives, the Trustees allow supporters to express preferences as to direct distribution to other charities. A Gold account is designed to offer the supporter facilities normally achieved by establishing a personal charitable trust but without the legal and financial complications for the settlor.

<u>Transfers</u>	General Funds <u>£'000</u>	Restricted Funds <u>£'000</u>
Investment income attributable to certain funds	(132)	132

13 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds <u>£'000</u>	Restricted Funds <u>£'000</u>	Client Funds <u>£'000</u>	Total Funds 2012 <u>£'000</u>	Total Funds 2011 <u>£'000</u>
Fixed assets	297	-	-	297	428
Mortgage loans to churches	3,500	7,129	-	10,629	9,940
Investments	959	23,114	-	24,073	22,415
Money market deposits and cash balances	182	33,996	8,617	42,795	42,663
Other current assets	2,240	396	-	2,636	1,991
Current liabilities	(961)	(1,622)	(8,617)	(11,200)	(14,141)
Long term liabilities	-	-	-	-	(173)
Net assets	<u>6,217</u>	<u>63,013</u>	<u>-</u>	<u>69,230</u>	<u>63,123</u>

Stewardship Services (UKET) Limited
Notes to the accounts
For the year ended 30 September 2012

14 CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

There were no material capital commitments or contingent liabilities as at 30 September 2012 and 30 September 2011

15 OPERATING LEASE COMMITMENTS

As at 30 September 2012 and 30 September 2011, the Trust had annual operating lease commitments for rental payments on its administrative offices and equipment

Expiry date	2012 £'000	2011 £'000
Annual amounts due on leases expiring within one to two years	52	-
Annual amounts due on leases expiring within two to five years	-	52

16 INDEMNITY INSURANCES ETC.

The Trust has effected indemnity insurance cover. Premiums due for the policies during the year totalled £15,025 (2011 £15,873)

17 RELATED PARTY TRANSACTIONS

Directors of Stewardship may use the services that are provided but these are in the normal course of the activities of the organisation and there are no preferential terms. The Directors may also be Trustees of other organisations which Stewardship supports from its restricted funds, where supporters have expressed their wishes and the funds flow in the normal course of the Trust's activities, but they receive no personal benefit. The Directors have instituted a register of other interests and a policy has been instituted for disclosure at any meeting where there is a conflict of interest.

While certain of the grants were made to organisations which are related through common Trustees the amounts concerned are immaterial.

18 TAXATION

The company is a registered charity that carries out certain activities to achieve its primary purposes, such activities are exempt from taxation.

Stewardship Services (UKET) Limited
Directors and Members of the Council of Trustees

The following served as Directors and Members of the Council of Trustees for the full year ended 30 September 2012 except where stated otherwise

Name	Date of change	Committee service
RICHARD GOUGH ACA (Chairman)		
HEATHER GRIZZLE (Vice Chairman)		Legacy Grants
SIMON BLAKE FCA CF		Finance
SANDRA COBBIN		Legacy Grants
LUKE FLETCHER LLB		Legacy Grants
DAVID FLOWERS Dip PFS		Finance
KATH HOWELL	Resigned 7 September 12	
LESLIE LUCAS FCII ACI Arb		Finance, Investment
ANDREW NOVEMBER ASIP	Retired 31 January 12	Investment
GRAHAM DUNN	Appointed 4 February 12	Finance
MICHAEL WILSON ACII		Legacy Grants
MICHAEL WRIGHT FSI		Investment

Stewardship Services (UKET) Limited
Legal & administrative details

BANKERS

Lloyds TSB Bank PLC
First Floor, Criterion House, 40 Parkway, Chelmsford, Essex CM2 7PN

SOLICITORS

Lawson Lewis & Co
37 Brassey Avenue, Hampden Park, Eastbourne, East Sussex BN22 9QD

Anthony Collins
St Philip's Gate, 5 Waterloo Street, Birmingham B2 5PG

INVESTMENT MANAGERS

BlackRock Investment Managers (UK) Limited
Drapers Gardens, 12 Throgmorton Avenue, London EC2N 2DL

Rathbone Investment Managers Limited
159 New Bond Street, London W1S 2UD

AUDITORS

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

CHIEF EXECUTIVE

Michael O'Neill

FINANCE DIRECTOR AND COMPANY SECRETARY

Richard Broad CIMA ICSA

TECHNICAL DIRECTOR / ASSISTANT CO. SECRETARY

Kevin Russell ACA CTA FCIE

REGISTERED OFFICE

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

OPERATING NAME

The Trust operates under the name of Stewardship