

lose yourself in
generous service
and every day can be
a most unusual day,
a triumphant day,
an abundantly
rewarding day!

William Arthur Ward

Stewardship Services (UKET) Limited

Annual Report and Financial Statements: 30 September 2016



Contents

History and Public Benefit: Why are we here?	2
Objectives: What we are trying to do?	3
Strategic report	4
<i>Activities and achievements: What we have done and how well have we done?</i>	4
<i>Financial review: How have our finances performed?</i>	8
<i>What is in store for the future: Our plans for 2017</i>	9
<i>Organisational and Governance structure: How we work</i>	10
<i>Our People: Who we are</i>	12
<i>Policies: Our operational framework</i>	13
Grant making policy	13
Investment policy and powers	14
Investment performance and fund management	15
Reserves policy	17
<i>Principle risks and uncertainties: the main risks we face</i>	18
Modern day Slavery Act	19
Statement of Council responsibilities	20
Independent auditor's report to the members of Stewardship Services (UKET) Limited	21
Statement of Financial Activities	23
Balance Sheet	24
Cash flow statement	25
Notes to the financial statements	26
Legal and administrative details	41

History and Public Benefit: Why are we here?

History

Stewardship began its life in 1906 as the United Kingdom Evangelisation Trust (UKET) with our primary function being to hold in trust resources generously given by its members for Christian based philanthropy.

Some 110 years later, we remain a pioneer of generosity; during the last year we have received £68.4m of donations and legacies, and granted funds of £59.7m. We act as a connector and influencer amongst those that we serve. In addition, we encourage churches to teach on generosity and we challenge them and individuals to join us on our generosity campaigns, spearheaded by 40acts.

Furthermore, our professional services, support and advisory teams seek to serve the church and the Christian community by helping and encouraging them to:

- Demonstrate a Godly *attitude* towards handling their finances.
- Operate a solid and reliable system for *administering* finances.
- Establish and encourage an environment of *accountability* for those handling money and throughout the church.

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.

In addition, the range of services provided by Stewardship enables churches, workers and charities to better fulfil 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 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.

Objectives: What we are trying to do?

Our vision

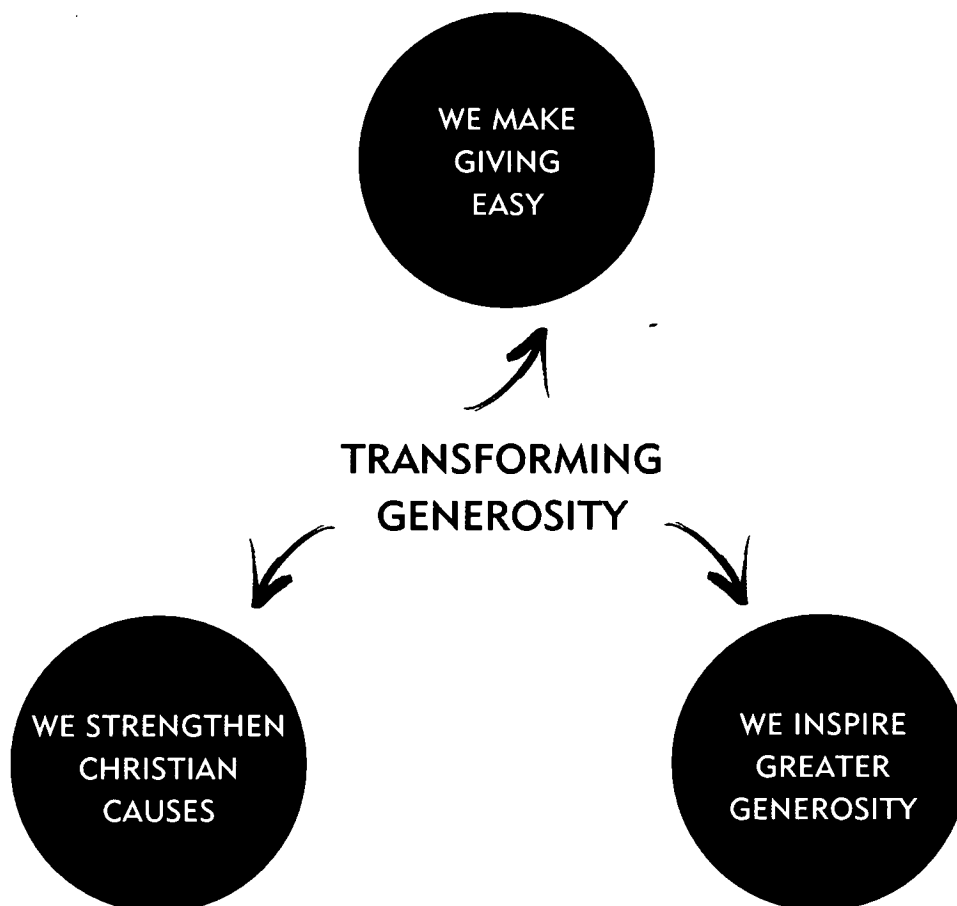
For the world to encounter
Jesus through the generosity of
His church.

Our mission

Transforming generosity.

Our values

- Generosity
- Integrity
- Relationship
- Excellence



Strategic report

Activities and achievements: What we have done and how well have we done?

Making giving easy: our giving and recipient accounts



Giving services

Giving services rests at the very heart of our aim to make giving easy. Whether it's event fundraising, regular giving, one off or legacy giving, a Stewardship Giving account provides a solid platform for any donation of any amount at any time from anyone.

2016 saw us receive £68.4m from more than 32,000 active Stewardship Giving accounts; experiencing a growth in account numbers of 6% from 2015. Give.net, our online fundraising account, had over 3,000 fundraising pages set up in the year.

"Thank you all for your help and service in the past - it has been a genuine pleasure to use Stewardship and the care, attention and Christian love that I have felt whilst dealing with your staff has been incredible. I've never come across an organisation like it!"

Stewardship Giving account holder



Grant making

Because of the generosity of our account holders and in accordance with our grant making policy, we are able to provide grants to a wide range of charitable causes that support our own purposes and objectives.

During 2016 we were able to release £59.7m of grants (1.7% growth on 2015) as follows:

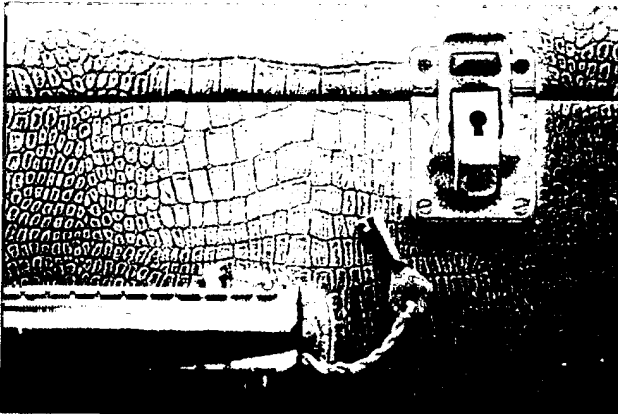
- Churches: £18.3m
- Christian organisations: £26.1m
- Christian workers: £11.8m
- Bible college students: £0.6m
- Other charities: £2.9m

These grants enable Christian workers and Christian organisations to spread the love of Jesus and His messages of wholeness, love generosity and salvation.

"Thank you for all your help and support you give us in this area. We are always really encouraged especially by your emails with articles with advice! God bless."

Full time Christian worker

Strengthening Christian causes: our professional services

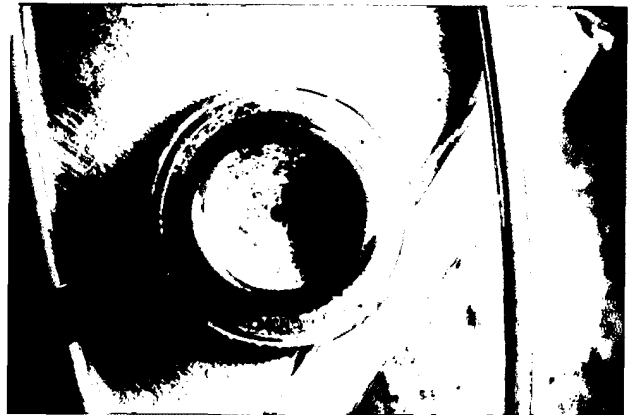


Payroll

Our payroll service now administers 522 church and Christian charity payrolls, an 8% rise from 2015. The team ensures that our clients meet the necessary HMRC requirements and help steer them through periods of change including in 2016 the implementation of pension auto-enrolment for many.

"Brilliant, many thanks. As ever you are amazing, efficient and I am not sure what we would do without you. Be encouraged!"

Stewardship payroll client



Independent accounts examination

Our team of qualified finance professionals carried out the independent examination of the annual financial accounts for more than 313 church and Christian charity clients in 2016. This is an increase of 12% from 280 in 2015. In particular our team helped clients work through the changes introduced by the new charity SORPs.

"As we are a growing church, I seem to have new questions every year and know that I will get the help I need to produce accurate accounts."

Stewardship independent examination client

Strengthening Christian causes: our professional services



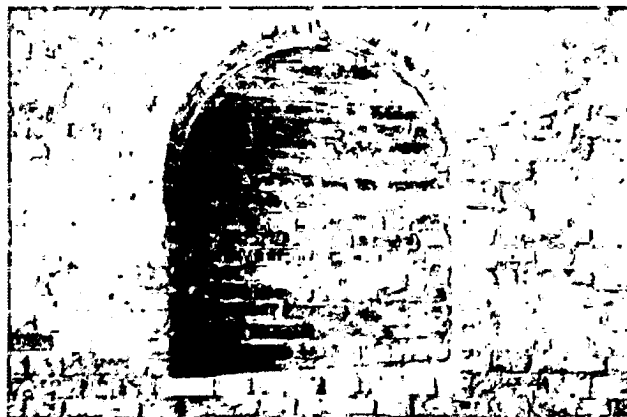
Technical, training and support

Stewardship provides training to church leaders, treasurers, administrators and charity trustees through seminars, briefing papers and a quarterly webinar dial-in which now regularly attracts over 100 participants.

These resources combine to help explain the complexities of charity law and financial regulations in ways that are relevant to the church and Christian charity community. Our help-line provides clients with a rapid response to issues that they are struggling to understand or to deal with, and our charity formation service helped in the birth of around 65 new charities.

"Very interesting, easy to listen to and important learning points."

Feedback from an attendee at a Stewardship Trustee Training Day



Mortgage provision

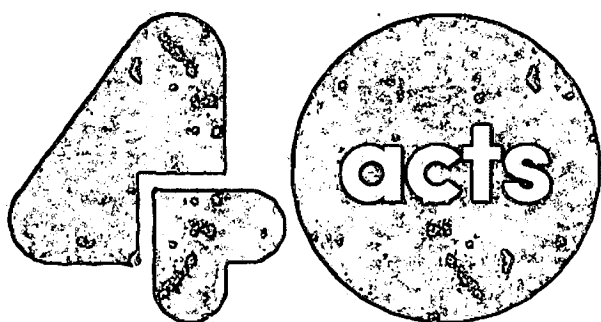
During 2016, Stewardship was able to advance £3.5m in mortgages, bringing our year end mortgage book to £14.7m. These loans are primarily used to help churches buy, build, renovate and improve their premises and thereby to assist them to engage with their communities. Our mortgage service has an exemplary track record and we give thanks to God for our client's integrity in managing their finances. The trustees have authorised an increase to our mortgage book to enable Stewardship to grow this social impact investing.

Mortgages were provided to 15 churches with the average advance being around £233k (2015 - 15 churches, average advance £217k).

"It was amazing to have an organisation that considers and understands our vision, faith and journey. Stewardship is different, they understand God's economy"

Stewardship mortgage client

Inspiring greater generosity: our campaigns and resources



Teach, provoke and challenge

We inspire the church to teach more effectively on generosity and we ask churches and individuals to join with us in our own generosity campaigns making the most of the resources that we make available to them.

Over 100,000 people signed up to take part in our award winning 40acts generosity campaign. Take a look at 40acts.org.uk

"A Christian friend of mine recommended 40acts to me last year. I am enjoying being introduced to and learning about the Christian faith and am now looking to do an Alpha course."

40acts participant

Financial review: How have our finances performed?

Summary financial highlights

During the financial year we saw gifts into Stewardship Giving accounts increase by £6.9m to £68.4m, reflecting the continued generosity of our account holders. Donations out to charitable causes also increased by £1m to £59.7m. This reflects that some Stewardship Giving account holders, gift into their account for example during their working life, and then express a preference to how the money is donated over a longer period. During the year the number of live giving accounts also grew by 6% to over 32,000.

Our professional services income grew by 25% as staff served an increasing number of Churches and

Christian charities, providing payroll and independent accounts examination services. With the increase in regulations and Charity governance, we see a growing number of clients seeking Stewardship's professional advice.

Total Stewardship funds grew £13.9m, from £90.4m to £104.3m in the year. The majority of this growth was in restricted funds, £12.5m up, reflecting growth in balances on Stewardship Giving accounts and an unrealised revaluation increase in investments of £3.7m. See page 15 for details of the financial review for investments.

	2016 £'000	2015 £'000
Gifts in from account holders	67,250	60,568
Legacies	1,112	853
	68,362	61,421
Grants to Charitable causes		
Christian Churches	18,294	17,576
Christian organisations	26,090	25,054
Christian workers	11,810	10,908
Bible College students	651	627
Other Charities	2,887	4,579
Total Grants to Charitable causes	59,732	58,744
Income from provision of Professional Services	590	472
Fund balances		
Restricted Funds	95,477	82,939
Unrestricted Funds	8,792	7,433
Total Funds	104,269	90,372

What is in store for the future: Our plans for 2017

The trustees and senior management team continually keep one eye to the future - both our next financial year and beyond. Set out below are the key objectives we are working on for 2016/17:

1. Long Term Strategy

Stewardship will continue to develop its Long Term Strategy as we work through strategic milestones, build an action plan around deliverable projects and a budget for the next 3-5 years.

2. Customer engagement

We aim during 2016/17 to continue our customer growth, as we engage with Churches, Bible colleges, Christian charities and givers offering both our professional services and giving products.

3. Digital and Technology

As the digital and technology needs of all organisations are accelerating, so are Stewardship's. As part of this we are recruiting a Chief Information Officer to lead us, ensuring

we are appropriately resourced for the future and establishing a sustainable model of IT project delivery to meet the needs of appropriate digital innovation for Stewardship.

4. Organisational

a. Management

With the arrival of a Chief Information Officer we will look to review our management structure, ensuring that we update roles and responsibilities across the Senior and Operational management teams. We will also redefine service and product owners.

b. Operational efficiency

Review our current operational processes and policies to bring increased standardisation and systems support to increase Stewardship's ability to grow.

c. Business Continuity

Our Business Continuity plan is now established and will be tested across the organisation

Organisational and Governance structure: How we work

Stewardship is a company limited by guarantee registered in England and Wales (number 90305) and a registered charity (number 234714). We are governed by a Memorandum and Articles of Association, as last amended in July 2008. See page 2 for details of the public benefit provided by Stewardship. All of the directors of the company are also trustees and members of the charity. The trustees meet regularly as Council and are referred to as members of the Council. Together with the Senior Management Team (SMT) they provide:

- Strategic vision;
- Governance oversight; and
- Operational process and direction.

Appointment of new trustees

The existing trustees, together with the Chief Executive, seek to identify potential new trustees with the character, energy, shared vision, skills and experience to provide a positive contribution to Stewardship and who we consider will be able to help in our development. Potential trustees are given significant exposure to Stewardship before a decision is made on their appointment. The power to appoint new trustees rests with the existing trustees on a two-third's 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 Stewardships products and services
- Details of our objectives for our coming year and our Strategic plan

Operations and decision making

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

There are four trustee committees which are:

- Finance and Investment Committee: This has the responsible for overseeing the general financial management and investment activity of Stewardship including:
 - Investment strategy and advice, including the appointment of investment managers;
 - Receiving and challenging budgets and management accounts;
 - Treasury and liquidity policy;
 - Review and approval of larger value mortgages;
 - Monitoring of reserves.
- Audit and Risk Committee: This has the responsibility for the supervision of audit and the oversight of risk management including:
 - Supervising the maintenance of appropriate internal controls;
 - Advising the Council on minimising the risk profile of future strategies;
 - The appointment of auditors;
 - The review and proposing to council of the annual report and accounts;

- Appointments and remuneration committee.

This is responsible for:

- Proposals for the appointment of trustees;
- The appointment and remuneration of the Chief Executive and members of the Senior Management Team. Agreeing the basis for the general pay award to staff. Pay increases for all employees including the Chief Executive and Senior Management Team, are subject to cost of living increases and to individual performance assessed in

line with the performance appraisal criteria agreed as part of the Charity's performance management system.

- Between council meetings to act as a first point of reference for the Chairman and SMT on urgent issues.

- Legacy Fund Grants Committee. This committee is responsible for the award of grants from legacy funds which are managed by Stewardship.

Our People: Who we are

Members of Council

The following served as Directors and Members of the Council (trustees) for the full year ended 30 September 2016 except where stated otherwise:

Balram Gidoomal CBE <i>(Chairman)</i> Appointments and Remuneration	Heather Grizzle <i>(Vice Chairman)</i> Legacy Fund Grants, Appointments and Remuneration	Simon Blake FCA CF Finance and Investment (Chairman), Appointments and Remuneration	Gareth Russell Audit and Risk (Chairman)
Anthony Barnes BSc FCA FCT Finance and Investment	Sandra Cobbin Legacy Fund Grants	Michael Wright FCSI Finance and Investment	Sam Wright MA, FCSI Finance and Investment

New appointments:

Stephanie Biden 4 March 2016 Audit and Risk	Gareth Burns 3 December 2015	Helen Senior CA 4 March 2016 Audit and Risk	Ritzema Steytler MBA 4 March 2016
--	--	--	---

Resignations:

Luke Fletcher LLB 5 March 2016	David Flowers Dip PFS 5 March 2016	David Vardy (Chairman) 5 March 2016
--	--	--

Senior Management Team

The Senior Management Team (SMT) works in partnership with the trustee Council to deliver our goals and mission. The current members of the SMT are:

Michael O'Neill Chief Executive	Frances Miles Head of Giving Services	Juliet Maggs ACA Finance Director	Daniel Jones Head of Business Development	Appointment pending Chief Information Officer
---	--	---	--	--

Policies: Our operational framework

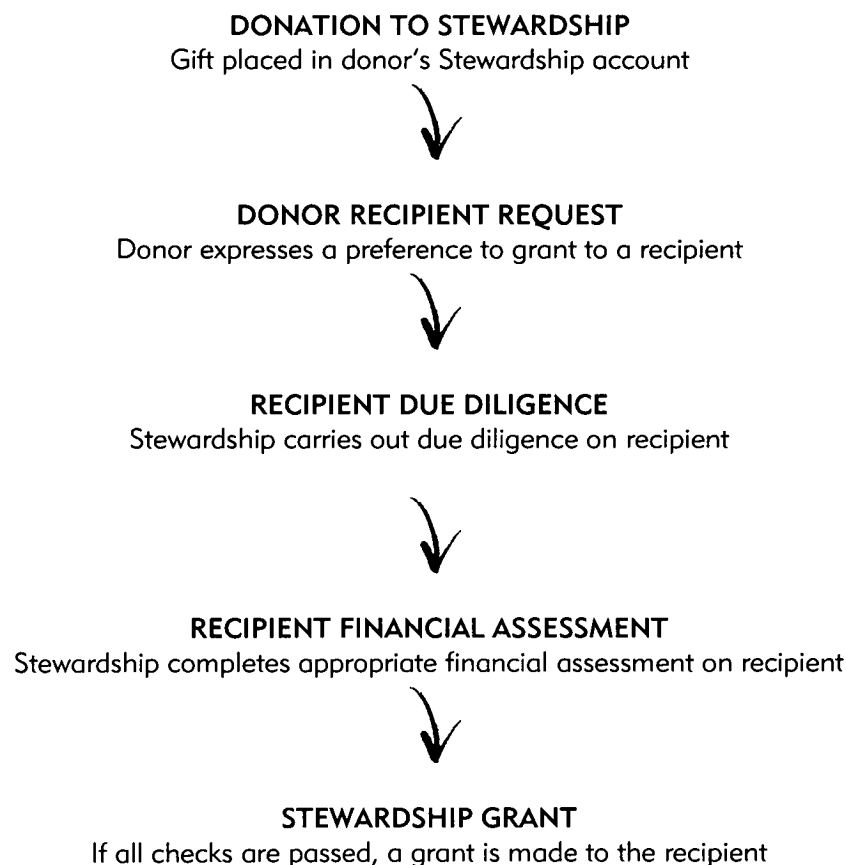
Grant making policy

Stewardship works in partnership with its donors 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 to ensure that the activities of the recipient are properly understood and that they are consistent with our own objectives.

Only when we are satisfied of this alignment and after we have undertaken our due diligence, will we consider making a grant. The depth of due diligence undertaken is risk based and we consider a number of risk factors (including geographical

location and structure) before determining what is an appropriate level of support.

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



Investment policy and powers

Stewardship Giving accounts hold cash balances as some of our account holders choose to gift into their Stewardship account and then express a wish for how these funds are granted out to recipients over a number of years. The trustees may, at the request of a gold account holder, invest these funds to provide an income stream to the Giving accounts and to assist in maintaining capital value. Investments also generate income to assist with the costs of running Stewardship. In order to minimise any investment risk, generate income and provide liquidity, a number of different investment approaches are applied to the funds held by Stewardship.

- Investments in cash and term deposits are governed by our Liquidity Policy, which determines the eligibility of counter-parties making use of recognised credit agency ratings and risk assessments.
- Equity and bond investments are managed by our Finance and Investment Committee with advice from our retained investment advisors. Ethical screens are applied to equity investments so as to limit our exposure to companies with operations in areas that are contrary to our own philosophy and beliefs.
- Mortgage provision to churches and Christian charities is considered a key part of fulfilling our charitable objectives, whilst at the same time this social impact investing provides an investment return. These mortgages and loans are governed by our mortgage policy which is designed to manage risk.
- Programme and social related investments are reviewed by the Finance and Investment committee. These investments seek to provide a positive social impact whilst at the same time generating an investment return

Investment performance and fund management

	2016		2015		2016	
	Capital £'000's	Income £'000's	Capital £'000's	Income £'000's	Actual Return* %	Benchmark Return* %
Cash and money market deposits	39,531	621	37,318	710	1.6%	1.5%
Pooled Investment Funds (equities and bonds)						
Balanced Fund	29,564	914	26,885	779	9.2%	13.5%
Growth Fund	6,112	176	6,064	175	22.6%	22.8%
Fixed Income Fund (bonds)	22,643	469	15,445	486	7.2%	2.5%
Church and Charity Mortgages	14,737	620	13,345	499	4.2%	4.1%
Social Investments	1,092	42	1,092	42	3.8%	3.8%
Other	73	-	71	-	0.0%	0.0%
TOTAL	113,752	2,842	100,220	2,691		
Net Unrealised Investment Gain / (Loss)		4,699		(701)		

* Total performance return i.e. both capital growth and income

Stewardship's investment objective is to look at total return, balancing the need of income for mission fulfilment with maintaining or growing capital. We also look to manage risk by keeping a spread of investments which will have varying aims and therefore slightly differing returns. Total investments have increased £13.5m to £113.8m, due to growth in the market value of equities and bonds of £4.7m, net additions into investments of £7.4m as we saw increased client gifts into Giving accounts and growth in our mortgage book of £1.4m.

Investment returns are benchmarked and performance monitored as follows:

- Externally managed pooled equity and bond funds are benchmarked against the weighted indices for the asset classes in which funds are invested. These funds are offered to our Gold account clients, who can indicate how they would like balances in their Stewardship accounts to be invested. Performance of both funds is reviewed quarterly by the Finance and Investment Committee.

- Balanced Fund. Sarasin & Partners manages the Balanced Fund which aims to achieve a balance between income and long term capital growth whilst meeting the objective of beating CPI +4% over the long-term. During the year the Balanced Fund, in particular, was hit by an adverse market impact of the Brexit decision and total return was below benchmark (total income and capital return of 9.2% verses benchmark of 13.5%). However over the longer term the fund has met the objective of CPI +4%.
- Growth Fund. Rathbones manages the Growth Fund which aims for a longer term approach with a focus on capital growth. The return on the Growth fund was in line with benchmark (total income and capital return of 22.6% verses benchmark of 22.8%)
- Externally managed bonds held in Stewardship's Fixed Income Fund are chosen to maintain capital and to generate income at 2.5% per annum, as set by the Finance and Investment Committee. At the year end the Fixed Income Fund generated an unrealised revaluation gain of £964k as bond prices increased with the continued fall in long term interest rates. Since the year end bond prices have fallen, eroding part of this unrealised revaluation gain. The total return of these funds at 7.2% therefore included a high capital growth when compared to the benchmark return of income at 2.5%.
- Returns for term deposits, mortgages and social investments are set by the Finance and Investment committee, with performance reviewed on a quarterly basis. Mortgage rates are set after considering factors which include default risk, base interest rate and competitor rates. Our base mortgage rate was reduced at the year end in line with the base rate reduction by the Bank of England. As shown in the table on page 15, these categories of investments showed a return in line with benchmark during the year.
- Social investments enable organisations to generate an investment return whilst also fulfilling our own charitable objectives. Given the dual nature of these investments, benchmark returns are set by the Finance and Investment Committee recognising that investment return is important but is not the only consideration. All aspects of these investments are reviewed by the committee on a quarterly basis including default risk

Reserves policy

The trustees determine that Stewardship needs to maintain reserves to cover:

- Against the risk of default by counterparties holding cash deposits
- Total running costs for six months
- All budgeted capital expenditure for the coming year
- Mortgage default

The actual level of reserves is reviewed by the Finance and Investment Committee in the context of the current operating environment and the principal risks and uncertainties that we face. Given Stewardship's asset base of over £100m, cash is deposited with a spread of counterparties that either have high credit ratings or have been credit assessed. We manage the level of funds held with each counterparty. However, the trustees still consider that a level of reserves should be maintained to manage the exposure to any one counterparty. Our mortgage service to church and Christian charities has an exemplary track record and we are extremely thankful to God for our clients' integrity in managing their accounts. However the trustees consider it is prudent to ensure reserves are in place, should a mortgage default.

The four criteria above require free reserves in the range of £5m to £6m. At the year end free reserves were within this range at £5.7m (2015 £4.1m). (Free reserves are defined under the charity SORP as unrestricted reserves less fixed assets.) The trustees are comfortable with the level of reserves and do not consider them excessive because of:

- the unpredictable nature of investment valuations which at the year end saw a market peak, which generated an unrealised investment gain of £1m
- the need to hold reserves to manage the risk of exposure to anyone counter party holding cash balances.
- the trustees have also approved budgeted net expenditure for the next financial year of (£260k)

Restricted reserves at 30 September 2016 are £95.5m (2015 £82.9m) and comprise gifts received into Stewardship Giving accounts. The donors at some future date will express a preference as to how these funds may be granted out to specific recipient causes. Upon approval of the preference, the grant payments will be made. Until such a time the funds are held as restricted within Stewardship's accounts.

Principle risks and uncertainties: the main risks we face

Stewardship is largely dependent upon receiving donations from givers. The principal identified risks and uncertainties are therefore concentrated around the conditions which facilitate giving and our own operational abilities to efficiently manage and facilitate the flow of funds through the organisation.

We maintain and update a risk register which is regularly monitored by the SMT, and reported to the trustees via the Audit and Risk committee on a quarterly basis. The trustees in conjunction with the SMT, consider that they have established appropriate systems to anticipate risks as they arise and have instigated procedures and actions to mitigate the probability, likelihood and impact that such risks may pose to the organisation. The principal risks and uncertainties have been identified as:

- A change in the tax rules reducing the incentive for charitable giving. Such a change may reduce the number of donors or the total donations received, and may undermine the benefit of the services that we provide.
- Investment and counterparty risk. Worsening economic conditions may adversely impact the value of our investments and in extreme cases may pose a threat to the counterparties holding our deposits and investments. A well diversified portfolio has been constructed to help counter this risk.
- Reputational concern around use of funds. Our reputation is paramount and therefore adverse publicity linked to our investments or grants would be damaging. Extensive due diligence procedures seek to mitigate the risk of grants being misapplied and the use of ethical screening seeks to mitigate the exposure of investments to undesirable organisations.
- Loss of key management. With a relatively small team, the loss of key staff would undoubtedly be significant. We continue to invest in our people, seeking to grow new leaders from our existing staff, thereby providing a degree of succession planning.
- Inefficient or underperforming IT platforms. Any episodes of significant IT "down time" would impact our ability to efficiently manage and facilitate the flow of funds through the organisation. Appropriate procedures are in place to monitor performance of the IT platform, with funds committed to improve and enhance its reliability. A Chief Information Officer has also been recruited to lead our future IT development.
- In common with other organisations, cyber-attacks present a constant threat to the integrity and availability of our systems and data. We operate a number of proactive preventative measures to protect against threats. We aim to design systems and infrastructure with security 'baked in' at the start, evaluating the strength of these measures on an ongoing basis

Modern day Slavery Act

The Modern Slavery Act 2015 is a positive piece of legislation aiming to safeguard overseas workers from exploitation. Stewardship does not have a traditional supply chain with an end product and therefore is not required by law to make a statement under the provisions of this act.

However, Stewardship would always want to ensure as far as possible that the organisations to which it provides grants do not use them in ways that are contrary to this Act

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 charity and of the incoming resources and application of resources, including the income and expenditure, 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 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 charity will continue in business.

The members of Council are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

Re-election of the members of Council

Under the Articles of the charity, one third of the current members of the Council retires and, being eligible, are able to offer themselves for re-election.

Appointment of auditors

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

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 the 3 March 2017 and signed on its behalf.

Signed on behalf of the Council by:

Balram Gidoomal CBE, Chairman

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 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Council and auditor

As explained more fully in the Statement of Councils' Responsibilities, 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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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, incorporating the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

BDO LLP

Fiona Condron Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor

Gatwick

United Kingdom

Date: 6 March 2017

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

Statement of Financial Activities

For the year ended 30 September 2016

	Notes	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Income from:					
Donations and legacies	2	1,398	66,964	68,362	61,421
Charitable activities	3	718	-	718	594
Investments	4	1,765	1,077	2,842	2,691
Total		3,881	68,041	71,922	64,706
Expenditure on:					
Raising funds		(43)	-	(43)	(36)
Grants	5	(1)	(59,731)	(59,732)	(58,744)
Charitable activities	6	(3,215)	-	(3,215)	(3,218)
Total		(3,259)	(59,731)	(62,990)	(61,998)
Net gains/(losses) on investments		1,045	3,920	4,965	(684)
Net income		1,667	12,230	13,897	2,024
Transfers between funds	17	(308)	308	-	-
Net movement in funds		1,359	12,538	13,897	2,024
Reconciliation of funds:					
Total funds brought forward		7,433	82,939	90,372	88,348
Total funds carried forward		8,792	95,477	104,269	90,372

All transactions arise from continuing operations.
All gains and losses are included above.

The notes on pages 26 to 40 form part of these financial statements

Balance Sheet As at 30 September 2016

Company number: 90305					
	Notes	2016 <u>£'000</u>	2016 <u>£'000</u>	2015 <u>£'000</u>	2015 <u>£'000</u>
Fixed assets:					
Tangible assets	11		2,959		3,291
Investments:					
Mortgages and loans	12	13,647		12,461	
Other Investments	13	59,484		49,557	
			73,131		62,018
Total fixed assets			76,090		65,309
Current assets:					
Stocks		5		6	
Debtors	14	1,261		1,327	
Mortgages and loans	12	1,090		884	
Money market deposits		36,792		29,317	
Cash at bank and in hand		2,739		8,001	
Total current assets		41,887		39,535	
Liabilities:					
Creditors: Amounts falling due within one year					
Church and mission organisations: deposits held		9,719		10,660	
Third party trusts' cash balances		33		20	
Other creditors	15	3,956		3,792	
		13,708		14,472	
Net current assets			28,179		25,063
Total assets less current liabilities			104,269		90,372
Total net assets			104,269		90,372
The funds of the charity:					
Restricted funds	16		95,477		82,939
Unrestricted funds	16		8,792		7,433
			104,269		90,372

Approved and authorised for issue by the Council and signed on their behalf on the 3 March 2017



Chairman

The notes on pages 26 to 40 form part of these financial statements

Cash flow statement

For the year ended 30 September 2016

	2016 <u>£'000</u>	2015 <u>£'000</u>
Cash flows from operating activities:		
<i>Net cash provided by operating activities</i>	5,623	3,269
Cash flows from investing activities:		
Dividends and interest from investments	2,842	2,691
Mortgage advances	(3,496)	(3,261)
Mortgage capital repayments	2,104	1,274
(Decrease) / increase in money market deposits	(866)	4,183
Adjustment / purchase of property, plant and equipment	102	(211)
Proceeds from sale of investments	4,381	5,435
Purchase of investments	(9,343)	(10,664)
<i>Net cash utilised by investing activities</i>	(4,276)	(553)
<i>Change in cash and cash equivalents in the reporting period</i>	1,347	2,716
<i>Cash and cash equivalents at the beginning of the reporting period</i>	14,001	11,285
<i>Cash and cash equivalents at the end of the reporting period</i>	15,348	14,001
Reconciliation of net income to net cash flow from operating activities -	2016 <u>£'000</u>	2015 <u>£'000</u>
Net income for the reporting period (as per statement of financial activities)	13,897	2,024
Adjustments for:		
Depreciation charges	230	241
(Gains)/losses on investments	(4,965)	684
Dividends and interest from investments	(2,842)	(2,691)
Decrease in stocks	1	1
Decrease/(increase) in debtors	66	(107)
(Decrease)/increase in creditors	(764)	3,117
Net cash provided by operating activities	5,623	3,269
Analysis of cash and cash equivalents:		
Cash at bank	2,739	8,001
Money market deposits (less than 3 months)	12,609	6,000
Total cash and cash equivalents	15,348	14,001
Money market deposits (greater than 3 months)	24,183	23,317
Total cash and money market deposits	39,531	37,318

The notes on pages 26 to 40 form part of these financial statements

Notes to the financial statements

For the year ended 30 September 2016

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 Companies Act 2006, the applicable Accounting Standards and in particular, the Charities Statement of Recommended Practice (Charities SORP, FRS 102 September 2015). The only restatement required by the new SORP was to investments as detailed in note 1(e) below.

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

b) Key judgements and estimates:

The trustees make judgements and accounting estimates, as required, that are considered reasonable and prudent. Assets and liabilities are reviewed to ensure that all are reasonably included and valued given the known factors that impact the charity. Our mortgage book is assessed and the trustees consider that no bad debt provision is required given the exemplary track record of our clients and the current status of the mortgage accounts."

c) Income:

- i) Income is recognised on an accrued basis and included in the statement of financial activities when the charity is entitled to the income. This includes all earned investment income and fee income on services provided by Stewardship.
- ii) Voluntary income represents monies received by the charity from donations, gifts or legacies. Donations and gifts are recognised in the statement of financial activities usually in the period they are received or, if appropriate, when any requested conditions have been met. Where a donation or gift is made with a valid Gift Aid declaration, the Gift Aid is recognised in the period in which the original donation or gift was made. Legacies are accounted for as income once the receipt of the legacy becomes probable and quantifiable.

Notes to the financial statements

For the year ended 30 September 2016

d) Expenditure:

- i) Grants to charitable causes, principally represent the payments made following the expression of wishes made by our givers, from their Stewardship accounts. These are recognised in the accounts on receipt of the givers expression of wishes, provided that Stewardship has completed the appropriate due diligence and financial assessment checks on the charitable cause nominated. Where Stewardship has followed a donor's request and allocated funds to a recipient's account, Stewardship continues to have discretion to decline to make payment, if circumstances have changed between the allocation of funds and payment date. However, the trustees are of the view that 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) Other expenditure in the furtherance of charitable objects is accounted for on an accruals basis. Where expenditure does not fall clearly into one category, costs are apportioned by headcount.
- iii) Governance costs include the cost of the audit, trustees' expenses and the staff costs associated with directly supporting trustees' meetings.

e) Tangible Fixed Assets:

- i) Tangible fixed assets (except long leasehold assets) 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. A full year's depreciation is charged in the year of acquisition and then calculated as follows –
 - Fixtures, fittings and equipment - 3 years
 - Information technology software - 3 years
 - Improvements to long leasehold assets – 15 years
- ii) Long leasehold assets are stated at valuation. These are subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle.

f) Investments:

- i) Investments are included at bid market value at the balance sheet date. Unrealised gains and losses at the end of the financial period are included in the statement of financial activities. Realised gains and losses are shown separately and are calculated as the difference between valuation at the start of the financial year or the cost of purchase during the year and the subsequent sale proceeds.
- ii) Investments have been restated following the requirement of the new charity SORP. Previously they were valued at mid market value which has now been updated to bid market value. The restatement impact of £40k has been shown as an adjustment to the opening balances of investments and net assets as at 1 October 2015.

Notes to the financial statements

For the year ended 30 September 2016

g) Reserves:

- i. Unrestricted funds are available to cover the cost of running Stewardship. Our policy for reserve levels is explained on page 17 of our Trustee report.
- ii. Restricted funds comprise gifts received into Stewardship's Giving accounts. Donors at some future date will express preferences as to how these funds may be granted out to specific recipient causes. Upon approval of the preferences the grant payments will be made. Until such a time the funds are held as restricted within Stewardships accounts.

h) Going Concern:

The trustees have reviewed the financial position, plans, reserves and risk management of the Charity 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.

2) INCOME FROM DONATIONS AND LEGACIES

	2016 £'000	2015 £'000
Gifts	67,250	60,568
Legacies	1,112	853
	<u>68,362</u>	<u>61,421</u>

3) INCOME FROM CHARITABLE ACTIVITIES

	2016 £'000	2015 £'000
Professional Services		
Payroll administration	276	223
Accounting and consultancy	255	202
Publications & advisory services	43	33
Charity formation services	16	14
Fund management		
Investment	104	100
Mortgages	10	13
Other income	14	9
	<u>718</u>	<u>594</u>

Notes to the financial statements

For the year ended 30 September 2016

4) INVESTMENT INCOME

	2016 <u>£'000</u>	2015 <u>£'000</u>
Interest on money market deposits	621	710
Mortgage interest	620	499
Income from externally managed investment funds	1,601	1,482
	<u>2,842</u>	<u>2,691</u>

5) GRANTS

Stewardship 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 -

	2016 <u>Number</u>	2016 <u>£'000</u>	2015 <u>Number</u>	2015 <u>£'000</u>
Grants of over £1,000				
- to Christian Churches	1,925	5,529	1,977	5,007
- to Christian organisations	3,022	12,649	3,093	12,121
- to support Christian workers	913	1,776	852	1,535
- to support Bible college students	75	145	54	90
- to other charities	360	1,545	369	3,174
	<u>6,295</u>	<u>21,644</u>	<u>6,345</u>	<u>21,927</u>
Grants of under £1,000				
- to Christian Churches	117,199	12,765	115,192	12,569
- to Christian organisations	296,514	13,441	278,172	12,933
- to support Christian workers	267,694	10,034	247,663	9,373
- to support Bible college students	13,713	506	14,467	537
- to other charities	35,471	1,342	34,350	1,405
	<u>730,591</u>	<u>38,088</u>	<u>689,844</u>	<u>36,817</u>
Total Grants	<u>736,886</u>	<u>59,732</u>	<u>696,189</u>	<u>58,744</u>

Notes to the financial statements

For the year ended 30 September 2016

6) ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Giving services <u>£'000</u>	Fund Management <u>£'000</u>	Professional services <u>£'000</u>	Governance costs <u>£'000</u>	Total 2016 <u>£'000</u>	Total 2015 <u>£'000</u>
Staff costs	1,101	111	717	50	1,979	1,865
Interest payable	-	75	-	-	75	73
Services to clients	21	2	17	-	40	40
IT costs	441	24	127	-	592	621
Marketing	146	6	82	-	234	218
Premises	53	5	36	-	94	90
Printing, postage and stationery	22	2	16	-	40	46
Professional costs	20	2	30	31	83	106
Other costs	35	6	27	10	78	159
	<u>1,839</u>	<u>233</u>	<u>1,052</u>	<u>91</u>	<u>3,215</u>	<u>3,218</u>

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

Auditors remuneration totalled £25,450 (2015 £23,850) for audit, £1,600 (2015 £650) for tax services, and £Nil (2015 £5,200) for risk management services.

Notes to the financial statements

For the year ended 30 September 2016

7) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2016 <u>£'000</u>	2015 <u>£'000</u>
<u>Staff costs and emoluments</u>		
Wages and salaries	1,526	1,475
Social security costs	141	145
Pension contributions	205	160
Other employer benefits	16	17
	<u>1,888</u>	<u>1,797</u>

	2016 <u>£'000</u>	2015 <u>£'000</u>
<u>Redundancy and termination payments</u>		
Redundancy and ex-gratia payment on termination of office	<u>26</u>	<u>-</u>

	2016 <u>No.</u>	2015 <u>No.</u>
<u>Average number of full time equivalent employees</u>		
Giving services	24	25
Fund Management *	2	3
Professional services	17	13
	<u>43</u>	<u>41</u>

*Fund Management includes Mortgages and Treasury management

Employees emoluments exceeding £60,000 (excluding pension contributions)

£110,000 - £119,999	1	-
£100,000 - £109,999	-	1
£60,000 - £69,999*	3	-

Contributions to money purchase pension schemes for these employees	<u>£45,217</u>	<u>£17,078</u>
---	----------------	----------------

** included within the 2016 analysis of employee emolument bands, is one employee who received a redundancy payment during the year*

Notes to the financial statements

For the year ended 30 September 2016

7) ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL *(continued)*

Remuneration of key management personnel	<u>£360,341</u>	<u>£295,087</u>
--	------------------------	------------------------

Trustees fees and expenses

No fees are paid to trustees for their services. Expenses incurred in carrying out trustee's duties totalling £4,280 (2015 ~~£9,598~~) were reimbursed to eleven trustees.

8) PENSION CONTRIBUTIONS

The trust contributes to a defined contribution scheme. Contributions for the year amounted to £205,044 (2015 ~~£160,057~~)

Pension contributions are accounted for and paid as they fall due. Contributions at the balance sheet date which were pending payment to our pension provider totalled £1,737 (2015 ~~£800~~).

9) RELATED PARTY TRANSACTIONS

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

	<u>2016</u>	<u>2015</u>
	<u>£'000</u>	<u>£'000</u>
Donations received from trustees and their related parties	<u>214</u>	<u>122</u>

Payments for legal and professional advice relating to Stewardships activities totalling £8,587 (2015: ~~£260~~) were made to Bates Wells Braithwaite London LLP, of which two trustees were partners.

Notes to the financial statements

For the year ended 30 September 2016

10) STATEMENT OF FINANCIAL ACTIVITIES – PRIOR YEAR

	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000	Total Funds 2015 £'000	Total Funds 2016 £'000
Income from:				
Donations and legacies	1,364	60,057	61,421	68,362
Charitable activities	594	-	594	718
Investments	1,753	938	2,691	2,842
Total	3,711	60,995	64,706	71,922
Expenditure on:				
Raising funds	(36)	-	(36)	(43)
Grants	(8)	(58,736)	(58,744)	(59,732)
Charitable activities	(3,218)	-	(3,218)	(3,215)
Total	(3,262)	(58,736)	(61,998)	(62,990)
Net gains/(losses) on investments	3	(687)	(684)	4,965
Net income	452	1,572	2,024	13,897
Transfers between funds	(336)	336	-	-
Net movement in funds	116	1,908	2,024	13,897
Reconciliation of funds:				
Total funds brought forward	7,317	81,031	88,348	90,372
Total funds carried forward	7,433	82,939	90,372	104,269

Notes to the financial statements

For the year ended 30 September 2016

11) TANGIBLE FIXED ASSETS

	Long Leasehold premises £'000	Leasehold improvements £'000	Fixtures, fittings & equipment £'000	Computer equipment & software £'000	Total £'000
At cost or valuation					
As at 1 October 2015	2,760	326	101	1,928	5,115
Additions	-	19	-	142	161
Adjustments	(259)	-	(4)	-	(263)
As at 30 September 2016	<u>2,501</u>	<u>345</u>	<u>97</u>	<u>2,070</u>	<u>5,013</u>
Depreciation					
As at 1 October 2015	-	29	73	1,722	1,824
Charge for the period	-	27	14	189	230
As at 30 September 2016	<u>-</u>	<u>56</u>	<u>87</u>	<u>1,911</u>	<u>2,054</u>
Net Book Values:					
As at 30 September 2016	<u>2,501</u>	<u>289</u>	<u>10</u>	<u>159</u>	<u>2,959</u>
As at 1 October 2015	<u>2,760</u>	<u>297</u>	<u>28</u>	<u>206</u>	<u>3,291</u>

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.

The valuation of the long leasehold premises is recorded at 2014 purchase price.

The adjustment to the cost of tangible fixed assets relates to VAT, following confirmation from HMRC regarding the treatment of partial exemption calculations which impacted the purchase cost of Stewardship's offices.

Notes to the financial statements

For the year ended 30 September 2016

12) MORTGAGES AND OTHER LOANS

	2016 <u>£'000</u>	2015 <u>£'000</u>
Mortgage and other loan balances at 1 October	13,345	11,358
Advanced	3,496	3,261
Capital repayments	(2,104)	(1,274)
Mortgage and other loan balances at 30 September	<u>14,737</u>	<u>13,345</u>
Analysed as follows:		
Amounts falling due within one year	1,090	884
Amounts falling due after more than one year	13,647	12,461
	<u>14,737</u>	<u>13,345</u>

Notes to the financial statements

For the year ended 30 September 2016

13) OTHER INVESTMENTS

The following table shows investments held by Stewardship, valued at bid market price except for Social Investments which are reported at their recoverable value.

	2016 £'000	2015 £'000
Market value of investments at 1 October	49,557	45,012
Additions	9,343	10,664
Proceeds of sale	(4,381)	(5,435)
Net investment gains/(losses)	4,965	(684)
Market value of investments at 30 September	59,484	49,557
Historic cost	52,416	47,184

At the above dates investments whose individual value was greater than 5% of the total were:

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Balanced Fund	-	29,564	29,564	-	26,885	26,885
Growth Fund	1,513	4,599	6,112	1,279	4,785	6,064
Fixed income investments	-	22,643	22,643	-	15,445	15,445
Social investments	1,092	-	1,092	1,092	-	1,092
Other	-	73	73	-	71	71
	2,605	56,879	59,484	2,371	47,186	49,557
UK	1,886	40,653	42,539	1,750	32,687	34,437
Overseas	712	15,733	16,445	536	12,771	13,307
Cash	7	493	500	85	1,728	1,813
	2,605	56,879	59,484	2,371	47,186	49,557

Notes to the financial statements

For the year ended 30 September 2016

14) DEBTORS: DUE WITHIN ONE YEAR

	2016	2015
	<u>£'000</u>	<u>£'000</u>
Income tax recoverable - gift aid	148	286
Trade debtors	82	64
Other debtors	292	186
VAT	44	-
Prepayments	65	75
Accrued income	630	716
	<u>1,261</u>	<u>1,327</u>

All amounts fall due within one year.

15) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	<u>£'000</u>	<u>£'000</u>
Trade creditors	1,113	1,066
Grant payments due	2,644	2,461
VAT and payroll taxes	41	115
Accruals and deferred income	158	150
	<u>3,956</u>	<u>3,792</u>

Notes to the financial statements

For the year ended 30 September 2016

16) ANALYSIS OF CHARITABLE FUNDS

Analysis of movements in funds: current year

	Unrestricted Funds			Restricted Funds*
	General Fund	Revaluation Reserve	Total	
	£'000	£'000	£'000	£'000
Balance 1 October 2015	6,903	530	7,433	82,939
Income	3,881	-	3,881	68,041
Expenditure	(3,259)	-	(3,259)	(59,731)
Transfers	(308)	-	(308)	308
Investment gains/(losses)	-	1,045	1,045	3,920
Balance 30 September 2016	<u>7,217</u>	<u>1,575</u>	<u>8,792</u>	<u>95,477</u>

Analysis of movements in funds: prior year

Balance 1 October 2014	6,822	495	7,317	81,031
Income	3,711	-	3,711	60,995
Expenditure	(3,262)	-	(3,262)	(58,736)
Transfers	(336)	-	(336)	336
Investment gains/(losses)	(32)	35	3	(687)
Balance 30 September 2015	<u>6,903</u>	<u>530</u>	<u>7,433</u>	<u>82,939</u>

*Restricted funds - Stewardship Giving Account balances

Restricted funds comprise gifts received into Stewardship Giving accounts. Donors at some future date will express preferences as to how these funds may be granted out to specific recipient causes. Upon approval of the preferences the grant payments will be made. Until such a time the funds are held as restricted within Stewardships accounts.

17) TRANSFERS BETWEEN FUNDS

	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000
Investment income attributable to certain funds	(308)	308	(336)	336

Notes to the financial statements

For the year ended 30 September 2016

18) ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £'000	Restricted Funds £'000	Client Funds £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Fixed assets	2,959	-	-	2,959	3,291
Mortgage loans to churches	-	14,737	-	14,737	13,345
Investments	2,605	56,879	-	59,484	49,557
Money market deposits and cash balances	3,876	23,385	12,270	39,531	37,318
Other current assets	755	511	-	1,266	1,333
Current liabilities	(1,403)	(35)	(12,270)	(13,708)	(14,472)
Net Assets	8,792	95,477	-	104,269	90,372

	Unrestricted Funds £'000	Restricted Funds £'000	Client Funds £'000	Total Funds 2015 £'000	Total Funds 2014 £'000
Fixed assets	3,291	-	-	3,291	3,321
Mortgage loans to churches	-	13,345	-	13,345	11,358
Investments	2,371	47,186	-	49,557	45,012
Money market deposits and cash balances	2,370	21,899	13,049	37,318	38,785
Other current assets	783	550	-	1,333	1,227
Current liabilities	(1,382)	(41)	(13,049)	(14,472)	(11,355)
Net Assets	7,433	82,939	-	90,372	88,348

Client Funds represent deposits placed with Stewardship by churches on an instant access basis

Notes to the financial statements For the year ended 30 September 2016

19) OUTSTANDING COMMITMENTS

At 30 September 2016 there were outstanding commitments relating to mortgage offers of £1.2m (30 September 2015 £0.5m).

20) INDEMNITY INSURANCES

Stewardship has taken out indemnity insurance cover for trustees. Premiums due for the policies during the year totalled £2,252 (2015: £1,086).

21) TAXATION

The trustees consider that Stewardship meets the charity tests set out in Para 1 Schedule 6 Finance Act 2010 and accordingly is potentially exempt from taxation in respect of income or capital gains within categories covered by Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Legal and administrative details

BANKERS

Lloyds Bank PLC

First Floor, Criterion House, 40 Parkway, Chelmsford, Essex CM2 7PN

SOLICITORS

Bates Wells Braithwaite London LLP

10 Queen Street Place, London EC4R 1BE

Withers LLP

16 Old Bailey, London, EC4M 7EG

Coffin Mew LLP

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

Anthony Collins Solicitors LLP

134 Edmund Street, Birmingham B3 2ES

INVESTMENT MANAGERS

Sarasin & Partners LLP

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

Rathbone Investment Managers Limited

1 Curzon Street, London W1J 5FB

Ashburn Wealth Management Limited

Ashburn House, 84 Grange Road, Darlington DL1 5NP

AUDITORS

BDO LLP

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

TECHNICAL DIRECTOR

Kevin Russell ACA CTA

REGISTERED OFFICE

1 Lamb's Passage, London, EC1Y 8AB

OPERATING NAME

The Trust operates under the name of Stewardship