

90305

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

Operating as

STEWARDSHIP SERVICES

Annual Report & Accounts

for year ended 5th April 2001



Registered Charity Number 234714
Company Limited by Guarantee Registered Number 90305



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THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

NOTICE is hereby given that an **ANNUAL GENERAL MEETING** of **THE UNITED KINGDOM EVANGELIZATION TRUST (INC)** will be held at The Charity Centre, 24 Stephenson Way, London, NW1 on Tuesday, 11th September 2001 at 1.30p.m. for the purpose of receiving the Council's Report and Statement of Accounts for the year ended 5th April 2001, for the election of Members of the Council and for the transaction of the Ordinary General Business of the Trust.

By Order of the Council

Dated this 15th day of August 2001



Secretary

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

AUDITORS' REPORT

We have audited the financial accounts on pages 13 to 27, which have been prepared in accordance with the accounting policies set out on pages 18 and 19.

RESPECTIVE RESPONSIBILITIES OF COUNCIL AND AUDITORS

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

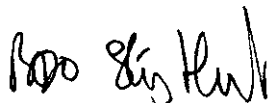
BASIS OF OPINION

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

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

OPINION

In our opinion the financial accounts give a true and fair view of the state of the Trust's affairs as at 5th April 2001 and of its incoming resources and applications of resources for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



BDO Stoy Hayward
Emerald House
East Street
Epsom
Surrey KT17 1HS

11 Sept 2001

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

STATEMENT OF COUNCIL'S RESPONSIBILITIES

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

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

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

In the opinion of Council, the accounts comply with current statutory requirements, the Memorandum and Articles of Association and the Charity Commission Statement of Recommended Practice "Accounting by Charities" issued in October 1995.

Date 11th September 2001



By Order of the Council

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

DIRECTORS AND MEMBERS OF THE COUNCIL OF TRUSTEES

Except as noted below the following served as Directors and Members of the Council of Trustees during the year ended 5th April 2001:

L. D. LUCAS FCII, ACI Arb (Chairman)

Member of Property Committee, Executive Group, Finance Committee
and Compensation Committee

D. VARDY (Vice Chairman)

Member of Executive Group and Compensation Committee

W. B. ADAMS ACIB

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

D. N. BECKWITH

E. E. COSTELLO FCSI, MRSH
Member of Property Committee

P. F. DOYE ACIB
Member of Finance Committee

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

R. C. HAINES BSc, Ph.D
Appointed 15/9/2000
Resigned 13/3/2001

J. S. HUNTER LL.B, NP

K. J. PRATT
Member of Property Committee

G. T. WEST BA (Arch.), FRIBA
Chairman of Property Committee

D. N. WHITEHOUSE CEng
Appointed 15/9/2000
Resigned 12/3/2001

Registered Charity Number 234714
Company Limited by Guarantee Registered Number 90305

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

LEGAL AND ADMINISTRATIVE DETAILS

BANKERS

Lloyds TSB Bank PLC
Black Horse House, Bentalls, Pippas Hill, Basildon, Essex, SS14 3BY

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

SOLICITORS

Sinclair Taylor & Martin
9 Thorpe Close, London, W10 5XL

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

INVESTMENT ADVISORS

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

AUDITORS

BDO Stoy Hayward
Emerald House, East Street,
Epsom, Surrey, KT17 1HS

CHIEF EXECUTIVE AND COMPANY SECRETARY

D.C. Jones LL.B

MANAGER (ACCOUNTANCY SERVICES)/ASSISTANT COMPANY SECRETARY

K. J. Russell ACA ATII MACIE

REGISTERED OFFICE

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

OPERATING NAME

The Trust operates under the name of Stewardship Services

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

REPORT OF THE COUNCIL

for the year ended 5th April 2001

The Council has pleasure in submitting the Report, Accounts and Balance Sheet as at 5th April 2001.

OBJECTS OF THE CHARITY, PRINCIPAL ACTIVITIES AND ORGANISATION

The Trust is constituted as a company limited by guarantee (number 90305), and is therefore governed by a Memorandum and Articles of Association. It is registered as a charity in England and Wales (number 234714)

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

The principal activities carried out in pursuance of these objects are set out below. The policies adopted in order to achieve these objects are set out in a Corporate Plan, which was approved by the Council in March 2000. The Executive Group report to full Council following regular review and update of this document.

Following a report of a Governance Working Party, a revised governance structure has been put in place.

Trustees meet regularly, either as a full Council or in committees, to manage the Charity's affairs. They are supported by full time management and other full and part time staff who possess appropriate skills and experience. The trustee committees are as follows:-

Finance Committee

The Finance Committee meets approximately four times per annum and covers a broad range of financial issues including investment, lending and audit matters.

Property Committee

The Property Committee meets quarterly. This Committee is deals with the Charity's property portfolio including property trusts and liaison with the Church Planting Initiative.

Compensation Committee

Meets annually to determine pay and conditions of senior staff.

REPORT OF COUNCIL (continued)

Executive Group

The Group comprises the Chairman, Vice Chairman, Chief Executive and Manager, Accountancy Services. Meeting eight times a year, it provides a liaison between Council and management. It reviews strategy and implementation thereof and addresses key operational matters, reporting to full Council.

POLICY CHANGES

Since the last Annual Report the Finance Committee have concluded a further review of the Reserves Policy. The revised Policy was adopted by Council in June 2000 and is summarised in Note 1 (m) of these accounts. Further comment is given below.

GRANT MAKING POLICY

The Trust does not invite applications for grants. The majority of grants made are in accordance with specific requests made by the donors of those funds from time to time. A small number of additional grants are made on the basis of the Trustees' knowledge of specific needs or situations.

INVESTMENT POLICY AND POWERS

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

The performance of the funds managed by our Investment Managers is reviewed regularly by the Finance Committee who have concluded that performance in the context of benchmark measurements has been satisfactory.

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

REPORT OF COUNCIL (continued)

RISK REVIEW AND RESERVES POLICY

Management and Trustees constantly review the risks that face Stewardship Services and act accordingly to manage or eliminate those risks. The Trustees are now developing a more formal and systematic approach to identification and mitigation of risks. It is expected that a revised structure will be put in place over the coming 12 months.

The level of reserves held by the charity is reviewed regularly in the context of current risks and other relevant factors. The Reserves Policy is stated in Note 1 (m) to these accounts. Unrestricted reserves not otherwise designated amounted to £1,268,300. Whilst the Trustees will seek to increase this level over time, they are satisfied that the economic risks facing the Trust are adequately provided for.

DIRECTORS AND TRUSTEES

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

TRANSACTIONS AND FINANCIAL POSITION

Unrestricted Funds

Net incoming resources for the year amounted to £246,200 (2000: £291,000). Unrestricted fund balances carried forward at the year end were £3,869,000 (2000 : £3,446,900).

Restricted Funds

Restricted funds carried forward at 5 April 2001 amounted to £6,070,900 (2000: £4,828,900). These funds predominantly comprise donations received under Covenant and Gift Aid where, subject to purposes consistent with the Trust's own objects, the Trustees allow donors to exercise discretion as to direct distributions to other charities.

The net movement on restricted funds is summarised in Note 11.

FIXED ASSETS

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

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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REPORT OF COUNCIL (continued)

STEWARDSHIP ACCOUNTS

The Trust administers Gift Aid accounts for a large number of donors. During the year funds amounting to approximately £15.1 million (2000: £13.3 million) were distributed on behalf of donors to many organisations and individuals involved in Christian service. This represents a year on year increase of 13.4% (2000: 16%).

PROPERTY PORTFOLIO

The Trust owns or part owns 48 (2000: 50) properties used as places of worship. Properties that have not been subject to an external professional valuation in the last 5 years have been revalued on 5th April 2001 on the basis of £20 per square foot of usable space for use as Church premises.

The total property portfolio stands in the accounts at £2.1 million (2000 : £2.0 million).

OTHER ACTIVITIES

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

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

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

DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS THIS YEAR

The Trustees consider that the performance of the Charity this year has been most satisfactory (as demonstrated by the development in activities outlined above.) The new rules relating to tax reliefs on charitable giving have presented both challenges and opportunities. The Trust has responded well, adjusting product and service delivery to the changing needs of customers and beneficiaries.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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REPORT OF COUNCIL (continued)

FUTURE DEVELOPMENT AND FUNDING

Growth in the Trust's Stewardship Accounts has continued, albeit at a more modest pace than recent years. However, as the Trust repositions itself to take advantage of other opportunities, growth in other areas is showing pleasing results. For example, the relatively new Trust Accounts designed in particular to facilitate gifts of shares to charity had year end funds of £1.3 million compared with only £0.4 million at 5 April 2000.

Substantial growth is also being experienced in other financial service areas.

Looking forward, publicity materials are more precisely defining the Trust's mission to:

- Transform Christian giving
- Raise the standard of legal and financial administration of churches and charities
- Network and mobilise resources for the advancement of the Kingdom of God.

As part of this three pronged approach, Stewardship Services is hosting **m:power**, the first ever National Christian Stewardship event in January 2002. This is intended to become the focal point for Christian stewardship in the UK aiming to be a key development and networking opportunity for a range of church and charity personnel and their advisors.

The Trust continues to investigate further opportunities afforded by the internet and e-commerce generally, taking account of the security implications and other risks involved.

Development has resource implications. The trustees continue to be mindful of these particularly in terms of human resources, I.T., establishment and reserves.

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

Tony Wakeling, the Trust's General Manager, left Stewardship Services on 30th June 2000 after 32 years' service. The Trustees wish to record their appreciation to Tony. On 1st July, David Jones took over management responsibility in the new post of Chief Executive Officer.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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REPORT OF COUNCIL (continued)

CO-OPERATION WITH OTHER CHARITIES

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

The Church Planting Initiative has been incorporated into a separate charity, which has recently gained charitable status. The Trust has the power to nominate two individuals to act as representative trustees of the this charity which will take over the activities of the Church Planting Initiative Fund.

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

ASSETS HELD ON BEHALF OF OTHERS

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

CHARITABLE AND POLITICAL DONATIONS

Charitable donations made by the Trust are shown in the Statement of Financial Activities. No political donations were made in the year (2000: nil).

RE-ELECTION OF COUNCIL

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

AUDITORS

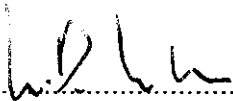
The Auditors, BDO Stoy Hayward, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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REPORT OF COUNCIL (continued)

APPROVAL

This report was approved by the Council of Trustees on 11th September 2001 and signed on its behalf.



Leslie D. Lucas
Chairman

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

Statement of Financial Activities
For the year ended 5 April 2001

Summary Income and Expenditure Account

	Notes	Unrestricted Funds 2001	Restricted Funds 2001	Total Funds 2001	Total Funds 2000
INCOMING RESOURCES					
Donations:					
From Stewardship & Personal Trust account holders		341,800	16,336,900	16,678,700	14,747,100
Church Planting Initiative		-	10,400	10,400	10,100
Other		4,100	-	4,100	17,000
Investment income	14	630,800	18,000	648,800	465,700
Trading activities (within charitable objects)					
Fees for services provided	108,700				92,800
Insurance commissions	63,000				54,200
Publications and other	17,800				9,200
		189,500	-	189,500	156,200
Other incoming resources					
Profit on sale of functional property		147,300	-	147,300	62,700
Release from revaluation reserve on disposal		57,300	-	57,300	78,100
Surplus based on historic cost		204,600	-	204,600	140,800
Total incoming resources		£1,370,800	£16,365,300	£17,736,100	£15,536,900
RESOURCES EXPENDED					
Direct charitable expenditure:					
Grants to Christian charitable causes	5	64,200	15,066,500	15,130,700	13,334,900
Church Planting Initiative		17,800	7,100	24,900	26,400
Services to clients		669,800	-	669,800	518,300
Insurance services		53,100	-	53,100	41,700
Property services		13,900	-	13,900	15,800
Educational services & helpline		42,800	-	42,800	32,900
Support costs		18,200	1,500	19,700	12,900
		797,800		799,300	621,600
		£879,800	£15,075,100	£15,954,900	£13,982,900
Other expenditure:					
Fundraising and publicity		64,800	-	64,800	37,400
Management and administration		172,300	1,800	174,100	114,700
		£237,100	£1,800	£238,900	£152,100
Total resources expended	12	1,116,900	15,076,900	16,193,800	14,135,000
Net incoming resources before transfers		253,900	1,288,400	1,542,300	1,401,900
Transfers between funds	11	(7,700)	7,700	-	-
NET INCOME FOR THE YEAR		£246,200	£1,296,100	£1,542,300	£1,401,900

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

Statement of Financial Activities
For the year ended 5 April 2001

Summary Income and Expenditure Account (continued)

	Notes	Unrestricted Funds 2001	Restricted Funds 2001	Total Funds 2001	Total Funds 2000
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES					
Net income for the year		246,200	1,296,100	1,542,300	1,401,900
Unrealised gains / losses:					
On revaluation of investments		(27,300)	(54,100)	(81,400)	135,600
On revaluation of fixed assets		260,500	-	260,500	0
Released on disposal of fixed assets		(57,300)	-	(57,300)	(78,100)
Net Movement in funds for the year		422,100	1,242,000	1,664,100	1,459,400
Fund balances at 6 April 2000		3,446,900	4,828,900	8,275,800	6,690,900
Prior year adjustments	4	-	-	0	125,500
As revised		3,446,900	4,828,900	8,275,800	6,816,400
Fund balances carried forward at 5 April 2001	11	£3,869,000	£6,070,900	£9,939,900	£8,275,800
The notes on pages 18 to 27 form part of these accounts.					

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

Balance Sheet
As at 5 April 2001

	Notes	2001	2001	2000	2000
FIXED ASSETS					
Tangible Assets					
Freehold properties at cost or valuation		2,094,600		1,964,100	
Leasehold property		200		0	
Plant, equipment and furniture		129,900		104,300	
	2	2,224,700		2,068,400	
Investments					
Mortgages and loans		3,174,900		3,696,600	
Investments other than loans	3	904,600		409,100	
		4,079,500		4,105,700	
Total fixed assets			6,304,200		6,174,100
CURRENT ASSETS					
Stocks of handbooks		900		1,700	
Tax recoverable (Covenants and Gift Aid)		322,300		337,900	
Other debtors	8	85,600		137,900	
Pooled investment fund units	10	3,446,900		3,988,800	
Money market deposits		5,041,600		3,561,500	
Cash at bank and in hand		2,942,400		1,765,500	
		<u>11,839,700</u>		<u>9,793,300</u>	
CREDITORS: Amounts falling due within one year					
Church & mission organisations etc. deposits with UKET		4,012,000		3,055,300	
Special Trusts cash balances		395,600		451,300	
Other creditors	9	349,500		196,200	
		<u>4,757,100</u>		<u>3,702,800</u>	
Pooled investment fund units	10	<u>3,446,900</u>		<u>3,988,800</u>	
NET CURRENT ASSETS			3,635,700		2,101,700
Total assets less current liabilities			9,939,900		8,275,800
NET ASSETS			£9,939,900		£8,275,800

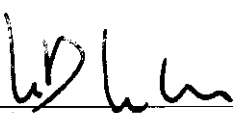
THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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Balance Sheet (continued)
As at 5 April 2001

		<u>Notes</u>	<u>2001</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
FUND BALANCES						
Restricted Funds		11		6,070,900		4,828,900
Unrestricted Funds:	Designated Funds	11	2,600,700		2,171,100	
	Other Funds	11	<u>1,268,300</u>		<u>1,275,800</u>	
				3,869,000		3,446,900
		13		<u>£9,939,900</u>		<u>£8,275,800</u>

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

11 September 2001



 Leslie D. Lucas
 Chairman

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

Cash flow Statement
For the year ended 5 April 2001

	2001	2001	2000	2000
Net cash inflow from operating activities		1,849,100		1,846,700
Returns on investments and servicing of finance				
Interest received	605,100		419,200	
Interest paid	(212,600)		(141,900)	
Net cash inflow from returns on investments and servicing of finance		392,500		277,300
Capital expenditure and financial investment				
Purchases of tangible fixed assets	(61,600)		(46,500)	
Sale of tangible fixed assets	178,600		149,100	
Purchase of investments	(1,181,700)		(1,501,500)	
Net cash outflow from investing activities		(1,064,700)		(1,398,900)
Net cash inflow before financing		1,176,900		725,100
Increase in cash and cash equivalents		<u>£1,176,900</u>		<u>£725,100</u>

Reconciliation of operating profit to net cash inflow from operating activities

	2001	2000
Operating surplus	1,542,300	1,401,900
Depreciation	29,200	32,500
Loss / (Profit) on sale of fixed assets	(147,300)	(137,500)
Decrease / (increase) in stocks	800	(1,200)
Decrease / (increase) in debtors	67,900	(293,700)
Increase / (decrease) in creditors	356,200	844,700
Net cash inflow / (outflow) operating activities	<u>£1,849,100</u>	<u>£1,846,700</u>

Analysis of changes in cash and cash equivalents during the year

	Cash at bank	Overdrafts	Total
Balance as at 5 April 2000	1,765,500		1,765,500
Net cash inflow	1,176,900	-	1,176,900
Balance as at 5 April 2001	<u>£2,942,400</u>		<u>£2,942,400</u>

NOTES TO ACCOUNTS
FOR YEAR ENDED 5TH APRIL 2001

1. **ACCOUNTING POLICIES**

- (a) With the exception of investments which are included at market value the Accounts have been prepared on the historic cost basis, modified by the revaluation of certain freehold properties and in accordance with applicable Accounting Standards and in particular, the 1995 Statement of Recommended Practice: Accounting by Charities.

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

- (b) Earned income and all expenditure is recognised on an accruals basis of accounting.
- (c) Donations and Gift Aid receipts are taken into account when the conditions for receipt have been met and there is reasonable assurance of receipt.
- (d) Rental income is accounted for in the period in which it falls due.
- (e) Interest on fixed interest investments, deposits and income from the UKET Common Investment Pool is accounted for on the accruals basis.
- (f) Income Tax recoverable is accounted for once a claim has been made to the Inland Revenue. Claims are made weekly throughout the year.
- (g) Freehold property is revalued either:
- By valuation every 5 years, on the basis of a fixed rate per square foot of internal usable space as church premises, the rate per square foot having been agreed by the Trustees, or:
 - By external professional valuation where there is a justifiable need to obtain such a valuation

The alternative bases of valuation are shown in these accounts as two separate classes of assets.

- (h) Depreciation of plant, machinery, fixtures, fittings and equipment is taken into account at the rate of 20% of the book value each year. No provision is made for the depreciation of freehold buildings as the Trustees have judged that any provision for depreciation would not be material. The materiality of depreciation of buildings is subject to annual review.
- (i) Grants payable by the Trust on behalf of donor clients or out of annual surpluses are accounted for when paid.

NOTES TO ACCOUNTS
FOR YEAR ENDED 5TH APRIL 2001

1. ACCOUNTING POLICIES (continued)

- (j) Leasehold improvements are capitalised, where material, and amortised in equal instalments over the remaining life of the Lease.
- (k) The Statement of Financial Activities includes resources receivable and expended on Trust Funds. Where the Trust manages other client cash funds either as agent or manager on behalf of other charitable trusts, they are shown as liabilities on the balance sheet.
- (l) Direct charitable expenditure comprises all expenditure relating to the objects of the Trust. Fundraising and publicity expenditure comprises promotional and publicity materials and activity. Management and administration includes all expenditure not directly related to the pursuance of the charitable objects or promotional activity. It includes the costs of renting and running office premises, staff costs for administrative personnel and audit fees.
- Expenditure is directly attributable to the above headings as far as possible. The remaining expenditure and overheads are apportioned to each activity on a reasonable, justifiable and consistent basis.
- (m) The Reserves of the Trust and the purposes for which they are established are described in Note 11. In accordance with the Trust policy the Trustees seek to maintain sufficient reserves for the following purposes:

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

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

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

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

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

To enable the Trust to make grants in accordance with objectives of the Trust and the policy set out by the Trustees.

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

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

NOTES TO ACCOUNTS

FOR YEAR ENDED 5TH APRIL 2001

2. TANGIBLE FIXED ASSETS

	Freehold Land & buildings		Plant & Machinery	Short Leasehold Improvements	Fixtures, Fittings & Equipment	Total
	Internally valued	Externally valued				
At cost or valuation						
As at 5 April 2000	1,499,500	464,600	149,700	7,600	106,900	2,228,300
Additions	0	0	60,500	200	900	61,600
Disposals	0	(130,000)	(6,600)	0	(42,000)	(178,600)
Revaluations	205,500	55,000	0	0	0	260,500
As at 5 April 2001	<u>1,705,000</u>	<u>389,600</u>	<u>203,600</u>	<u>7,800</u>	<u>65,800</u>	<u>2,371,800</u>
Depreciation						
As at 5 April 2000	0	0	66,500	7,600	85,800	159,900
Charge for the year	0	0	28,300	0	900	29,200
Disposals	0	0	(4,500)	0	(37,500)	(42,000)
As at 5 April 2001	<u>0</u>	<u>0</u>	<u>90,300</u>	<u>7,600</u>	<u>49,200</u>	<u>147,100</u>
Net Book Values:						
As at 5 April 2001	<u>£1,705,000</u>	<u>£389,600</u>	<u>£113,300</u>	<u>£200</u>	<u>£16,600</u>	<u>£2,224,700</u>
As at 5 April 2000	<u>£1,499,500</u>	<u>£464,600</u>	<u>£83,200</u>	<u>£0</u>	<u>£21,100</u>	<u>£2,068,400</u>

Freehold property, accounted for on an unmodified historic cost basis, would have a cost / net book value at 5 April 2001 of £214,100 (2000: £286,800).

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

Freehold property is periodically revalued as follows:

(a) Internally, by a member of the Trust's staff on the basis of a rate per square foot of internal usable space in each property. The rate is agreed by the Trustees from time to time. A revaluation of all properties is carried out on this basis every 5 years unless an external valuation has been carried out on a particular property within the previous 5 years. The last internal valuation was carried out as at 5 April 2001.

(b) Externally, on a property by property basis, by a professional valuer where the expense of obtaining such a valuation is justified by the Trust's need for such a valuation. Properties within this asset class have been revalued at various dates within the last 5 years. One property was revalued during the year by M.A. Nulty BSc MRICS, chartered surveyor on the basis of the existing tenancy.

The freehold properties consist of 48 buildings currently in use as places of worship. Most of the properties have been in the ownership of the Trust for many years and are occupied by church congregations, as part of the direct charitable purposes of the Trust.

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

NOTES TO ACCOUNTS

FOR YEAR ENDED 5TH APRIL 2001

3. INVESTMENTS OTHER THAN LOANS

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

	<u>2001</u>	<u>2000</u>
Historic cost - Unrestricted funds	154,500	154,500
- Restricted funds	<u>626,900</u>	<u>50,000</u>
	<u>£781,400</u>	<u>£204,500</u>
Market value - Unrestricted funds	227,100	254,400
- Restricted funds	<u>677,500</u>	<u>154,700</u>
	<u>£904,600</u>	<u>£409,100</u>
UK	741,800	317,300
Overseas	114,700	76,600
Cash	<u>48,100</u>	<u>15,200</u>
	<u>£904,600</u>	<u>£409,100</u>

At the above dates, 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 request of the donor of the funds.

4. PRIOR YEAR ADJUSTMENTS

- (a) Following a change of accounting policy, gifts paid out of annual surpluses are recognised as paid rather than accrued. As a result reserves at 6 April 1999 have increased by £53,000.
- (b) Following a review of the operation of the Personal Trust Account service, creditor balances at 6th April 1999 totalling £72,500 were reclassified as restricted funds.

5. GRANTS

The Trustees both apply funds in making grants to a wide range of Christian charitable causes in accordance with donor wishes, and make grants out of annual surpluses made by the Trust. During the year, approximately 150,700 grants were made. Because of the volume, it is impractical, and of limited value, to include a list of grants in these accounts. However, larger grants can be summarised as follows:

		<u>Number</u>	<u>Total Value</u>
Grants of over £1,000	- to organisations	729	£2,209,800
	- to individuals	187	£531,400

Further detail of grants made are available, on request, from the Registered Office.

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

NOTES TO ACCOUNTS
FOR YEAR ENDED 5TH APRIL 2001

6. STAFF COSTS & TRUSTEES' FEES AND EXPENSES

	<u>2001</u>	<u>2000</u>
<u>Staff costs and emoluments</u>		
Gross Wages & Salaries	436,800	365,300
Employer's National Insurance	37,700	31,800
Pensions Contributions	23,200	15,400
	<u>£497,700</u>	<u>£412,500</u>

Average number of full time equivalent employees

Stewardship Services	5	5
Beneficiary Services	2	2
Insurance Services	2	2
Legal Services	3	1
Accounting Services	5	5
	<u>17</u>	<u>15</u>

Employee emoluments exceeding £40,000 (excluding pension contributions)

£40,000 - £49,999	1	0
Contributions to money purchase pension scheme for the above employee	<u>£2,400</u>	

Trustees' fees and expenses

No fees are paid to Members of the Council for their services although travel etc expenses incurred in carrying out Trustees duties totalling £3,300 (2000 : £2,200) were reimbursed to 6 Trustees (2000 : 4 Trustees).

7. PENSION CONTRIBUTIONS

The Company contributes to a defined contribution pension scheme. Contributions for the year amounted to £23,200 (2000: £15,400).

Company pension contributions are accounted for and paid as they fall due. There are therefore no outstanding or prepaid contributions at the balance sheet date.

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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NOTES TO ACCOUNTS
FOR YEAR ENDED 5TH APRIL 2001

8. DEBTORS: DUE WITHIN ONE YEAR

	<u>2001</u>	<u>2000</u>
Trade debtors	19,100	6,000
Other debtors	12,600	99,200
Prepayments	22,700	17,000
Accrued income	<u>31,200</u>	<u>15,700</u>
	<u>£85,600</u>	<u>£137,900</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	160,000	112, 800
Other creditors	134,600	49,900
Taxation and social security	11,000	9,700
Accruals	<u>43,900</u>	<u>23,800</u>
	<u>£349,500</u>	<u>£196,200</u>

10. POOLED INVESTMENT FUNDS

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

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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NOTES TO ACCOUNTS

FOR YEAR ENDED 5TH APRIL 2001

11. FUND BALANCES

Unrestricted Funds

	As at 5 April 2000	Revaluations	Transfers	Net income for the year	As at 5 April 2001
General funds:					
General reserve	1,175,900		(259,300)	279,100	1,195,700
Revaluation reserve	99,900	(27,300)			72,600
Designated funds:					
General church planting: Property Fund capital account	1,964,100	203,200	(72,700)		2,094,600
Church Planting Initiative: Property Fund realisations account	180,400		277,300		457,700
Revenue Fund	26,600		47,000	(25,200)	48,400
	<u>£3,446,900</u>	<u>£175,900</u>	<u>£(7,700)</u>	<u>£253,900</u>	<u>£3,869,000</u>

Church Planting and 'Church Planting Initiative'

The Revenue Fund was established by the Trustees to finance the day to day expenses of the Church Planting Initiative. The Property Fund capital and realisation accounts represent the total value of the property portfolio, and net surpluses arising from property sales respectively. Income from these accounts is designated to church planting opportunities and to fund certain other discretionary grants made by the Trustees.

Restricted Funds

	As at 5 April 2000	Revaluations	Transfers	Net income for the year	As at 5 April 2001
Donor client balances	4,388,600			418,400	4,807,000
Donor Trust Fund balances:					
Trust Account balances	335,600		7,700	870,000	1,213,300
Investments revaluation reserve	104,700	(54,100)			50,600
	<u>£4,828,900</u>	<u>£(54,100)</u>	<u>£7,700</u>	<u>£1,288,400</u>	<u>£6,070,900</u>

Donor client balances

Donor client balances comprise of funds received under deed of covenant of Gift Aid where, subject to purposes consistent with the Trust's own objects, the Trustees allow donors to exercise discretion as to direct distributions to other charities.

Donor Trust Fund balances

Donor trust fund balances represent a particular form of donor client account which is funded in a variety of ways including by way of the donor gifting quoted shares and securities. The Trust Fund Account is designed to offer the donor facilities normally achieved by establishing an independent personal charitable trust, but without the legal and financial complications for the settlor.

Transfers

	General funds	Designated funds	Restricted funds
Designation of surplus funds arising on property sales to the Property Fund	(204,600)	204,600	
Designation of property income to Property Fund	(47,000)	47,000	
Transfer of investment income attributable to certain Trust Fund Accounts	(7,700)		7,700
	<u>£(259,300)</u>	<u>£251,600</u>	<u>£7,700</u>

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

NOTES TO ACCOUNTS
FOR YEAR ENDED 5TH APRIL 2001

12. TOTAL RESOURCES EXPENDED

	Direct charitable expenditure	Fundraising & publicity	Management & administration	Total 2001	Total 2000
Grants to charitable causes	15,130,700			15,130,700	13,334,900
Church Planting Initiative:					
Grants to churches and Forum expenses	24,500			24,500	26,500
Research, travel and meeting expenses	5,700			5,700	6,900
Administrative expenses			6,300	6,300	3,300
Staff costs (including pensions & training)	372,400	17,700	121,500	511,600	402,600
Client services: published materials	3,300			3,300	
Sub contractor's fees	4,800			4,800	7,100
Premises costs	23,700	1,300	1,300	26,300	30,600
General office costs	92,200	8,500	8,200	108,900	84,800
Equipment depreciation & loss on sale of fixed assets	31,600	1,900	1,900	35,400	35,800
Property portfolio costs	700			700	3,700
Financial costs	205,400		800	206,200	141,900
Auditor's remuneration: Audit services			10,700	10,700	2,800
Other services			5,700	5,700	
Legal & professional advice	33,700	800	8,700	43,200	13,200
Seminar costs	5,100	300		5,400	10,900
Promotional costs	200	33,400		33,600	19,900
General expenses	3,000	100	2,200	5,300	4,900
Trustees' and meeting expenses	2,200	400	5,600	8,200	5,200
Corporate costs	7,200			7,200	
Irrecoverable VAT on above costs	8,500	400	1,200	10,100	
	<u>15,954,900</u>	<u>64,800</u>	<u>174,100</u>	<u>16,193,800</u>	<u>14,135,000</u>

13. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds	Restricted Funds	Client funds shown as liabilities	Total Funds 2001	Total Funds 2000
Fixed assets	2,224,700	-	-	2,224,700	2,068,400
Mortgage loans to churches	1,627,900	1,547,000	-	3,174,900	3,696,600
Investments		677,500	3,674,000	4,351,500	4,397,900
Money market deposits and bank balances	279,500	3,524,100	4,180,500	7,984,000	5,327,000
Other current assets	86,500	322,300	-	408,800	477,500
Current liabilities	-349,500	-	-4,407,600	-4,757,100	-3,702,800
Long term liabilities			-3,446,900	-3,446,900	-3,988,800
Total net assets	<u>3,869,100</u>	<u>6,070,900</u>		<u>9,939,900</u>	<u>8,275,800</u>

THE UNITED KINGDOM EVANGELIZATION TRUST (INC)
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NOTES TO ACCOUNTS
FOR YEAR ENDED 5TH APRIL 2001

14. INVESTMENT INCOME

	<u>2001</u>	<u>2000</u>
Rents from properties used as places of worship	43,800	46,500
Cash investments	355,500	235,200
UK listed equities	700	-
Mortgage interest	230,600	178,000
Income from UKET Common Investment Fund	<u>18,300</u>	<u>6,000</u>
	<u>£648,900</u>	<u>£465,700</u>

15. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

Except where amounts have been included in these accounts, there were no material capital commitments or contingent liabilities at 5 April 2000 or 5 April 2001

16. OPERATING LEASE COMMITMENTS

At 5 April 2000 and 2001, the Trust had operating lease commitments for rental payments on its administrative offices as follows:

	<u>2001</u>	<u>2000</u>
Amounts due within one year	-	10,100
Amounts due within 2 to 5 years	<u>-</u>	<u>-</u>
	<u>£ -</u>	<u>£10,100</u>

The leases for current office accommodation both expired in November 2000. Negotiations for their renewal are in progress.

NOTES TO ACCOUNTS
FOR YEAR ENDED 5TH APRIL 2001

17. INDEMNITY INSURANCES ETC

The Trust has effected insurance cover for the following risks: Employee Fidelity; Professional Indemnity and wrongful acts of Directors and Officers. Premiums due for the above policies during the year totalled £3,500 (2000: £3,300).

18. PROSPECTIVE GIFT OF PROPERTY

The Charity is likely to receive a gift of a redundant gospel hall, which has a value of £110,000. This is subject to final confirmation from the donor.

19. TAXATION

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