



Stewardship American Donor Fund UK Limited

Trustees' Report and Financial Statements
for the period ended 31 December 2020

Registered charity number 1180678

Company registration number 11532453

Charity Information, Trustees and Advisors

Stewardship American Donor Fund UK Limited is a Private Limited Company registered in England and Wales as a company (number 11532453) and registered with the Charity Commission for England and Wales (number 1180678).

The Charity operates under the name of Stewardship America.

Registered Office

1 Lamb's Passage, London EC1Y 8AB

Trustees

The following served as directors (collectively referred to as trustees) for the period ended 31 December 2020, and up to the date of approval of the accounts, except where stated otherwise:

Lewis John Jackson

Gareth Eoin Burns

David Vardy (resigned 1 June 2020)

Paul Anton Imbaraj Nicholas (appointed 1 June 2020)

John Stephen Riches (appointed 1 June 2020)

Company Secretary

Juliet Maggs (resigned 5 October 2020)

Janie Oliver (appointed 4 March 2021)

Auditor

BDO LLP

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

Banker

Lloyds Bank Plc

Black Horse House, Progression Centre, 42 Mark Road, Hemel Hempstead HP2 7DW

Investment Manager

JP Morgan

3 Lochside View, Edinburgh EH12 9DH

Solicitor

Withers LLP

20 Old Bailey, London EC4M 7AN

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Trustees' Report for the period ended 31 December 2020 including the Strategic Report (incorporating The Directors' Report)

Stewardship American Donor Fund UK Limited (the Charity), is registered with the Charity Commission in England and Wales (number 1180678) and is a Private Limited Company, with share capital, registered in England and Wales as a company (number 11532453). It is governed by its Memorandum and Articles of Association and operates under the name of Stewardship America. The directors are collectively referred to as the Trustees in this report.

The Trustees present their report, incorporating the strategic report, together with the audited financial statements of the Charity for the period from 1 October 2019 to 31 December 2020.

Structure, governance and management

The Charity is a wholly-owned subsidiary of Stewardship American Donor Fund US, Inc, (SADF-US) a corporation registered in the US State of Delaware with file number 6991071 and a US 501(c)(3) public charity with Employer Identification Number (EIN) 83-2161455.

The Charity has made a US tax election to be treated as a part of SADF-US so that a donation to the Charity is treated as a gift to SADF-US for US tax purposes. Given the Charity's UK charitable status, a donation to it may also be eligible for relief under UK tax legislation relating to gifts to charities.

Stewardship America is part of a family of charities alongside Stewardship Services (UKET) Limited, who provides the charity with administrative and managerial services. The trustees also gratefully acknowledge the financial support provided by Stewardship Services (UKET) during this start-up phase of their operations. Details of related party transactions are included in note 6 and explanation of parent entity note 15.

Strategic report

Objectives and Activities

The charitable objects of Stewardship America are to advance the Christian faith and to advance other charitable purposes.

Stewardship America carries out its objectives by encouraging and providing effective charitable giving solutions for those exposed to both the US and the UK tax systems, primarily US citizens who live in the UK. The Charity operates a dual-qualified donor advised fund, which allows some donors to give with the benefit of both UK and US tax reliefs and then request donations to Christian and other charitable causes in the UK, the US and overseas.

Stewardship America provides public benefit by making charitable grants.

Achievements and Performance

Stewardship America experienced a significant deceleration of incoming gifts in its second year of operation, which was partly anticipated given the exceptional one off gifts received in its start-up year but was also exacerbated by the Covid-19 pandemic. The sudden halt of our publicising and networking plans at such an early start-up stage, coupled with the fact that many US citizens working in the UK returned to the US as a result of the pandemic, meant that we were not able to

Trustees' report (continued)

build our client base in the way we had hoped and hence significantly impacted our service. Despite this, we still achieved gifts of £3.8m into Stewardship America.

This unusual period did enable us to focus more clearly on our product offering, including the introduction of a mechanism for donors to gift shares, develop our presence within the Stewardship website and brand offering, review how we resource the service and revise our fee structure.

Stewardship America also recently entered into an agreement with TrustBridge Global Network, a global network of Christian donor advised funds which aims to provide cross-border giving. Working with TrustBridge will help us to better facilitate grants to recipients outside the UK, provide a more efficient service for our clients and ultimately, release more funds more quickly to create impact.

We had an exciting start to the service, but are yet to gain the traction we believe possible for this niche offering. We know it will take time to build market presence and a sufficient client base, but the potential to maximise donations for those who pay tax in both UK and US is considered a significant opportunity and we look forward to growth in the coming years.

Our aims for next year

In the year ahead, Stewardship America plans to recruit a Relationship Manager. This will be the first role dedicated to network and build relationships, marketing our service and bringing new clients on board.

We plan to reach out to specific groups including churches who may have proportions of US citizens in their congregations, charities who may have major donors that could benefit from this service and Christian wealth managers.

As the world begins to return to a more normal state, we intend to publicise the service more widely and increase the client base of Stewardship America to increase its charitable impact and enable our finances to stand alone without ongoing financial support from Stewardship Services (UKET) Limited.

With the plans above, we aim to double our client base in the next 12 months, meaning more donors receive the benefit of tax relief in both countries so that ultimately, we can facilitate the release of more funds into the Kingdom.

We will continue to learn and be intentional about understanding our market, so we can solidify our offering and present ourselves well in relevant spaces. We want to understand more fully the philanthropic needs of our Stewardship America clients and how we can meet those needs and serve them with excellence.

Financial Review

The financial year-end was changed from September to December, in order to align reporting dates with Stewardship Services (UKET) Limited. This change in year-end means 2019/20 figures include 15 months of actuals from 1 October 2019 – 31 December 2020 (Note that 2018/19 was the first year of accounts for the Charity and covered just over 13 months from 22 August 2018 – 31 September 19).

In this second period of financial reporting the trustees note the decline in income from £51m to £3.8m which was anticipated, as some exceptional one off gifts in 2019 were unlikely to be

Trustees' report (continued)

repeated. This resulted in a proportional decrease of 83% in unrestricted fee income to £26k (2018/19 £163k).

Restricted donations during the period £3.8m (2018/19 £50.8m) were all cash gifts, although it is expected that future gifts will continue, as for 2018/19, to include share gifts. The giving of shares and the giving in currencies other than pounds sterling to the Charity gives rise to the possibility of gains and losses on investments occurring (£6.8m loss in 2018/19). Gifts of shares are recognised at the market price and exchange rates on the day of the gift, with any gains or losses on sale being accounted for in net investment gains/losses. We keep donors fully informed throughout significant sales of gifted shares and any subsequent gain or loss when the gift is sold is reflected in the amount available for giving at the request of that specific donor. Therefore it should be noted that these types of gains and losses are a part of specific restricted funds and so do not affect Stewardship America's general reserves, the amounts in the giving accounts of other donors or its financial well being. Fees on non cash donations are also based on the market price and exchange rates of the donation on the date of the gift.

Restricted funds balances at 31 December 2020 were £767k, down from £17.0m in 2018/19 as significant grants out of £20m were made in the period, which principally relate to the prior period's exceptional gifts. Stewardship America's restricted funds represent Giving account balances where the donor has yet to express a preference on how the funds should be granted out to charities.

Unrestricted funds, which are used to manage the running costs of the charity are £31k (2018/19 £72k). This decline is as a result of the lower fee income mentioned above and unrestricted expenditure for the Charity of £67k, which included a grant of £20k to parent charity Stewardship America Donor Fund US Inc. Total unrestricted expenditure was lower than the prior period (2018/19 £91k), which included the initial start-up costs.

The Trustees have made the decision to appoint a Relationship Manager in order to grow the reach of the Charity and attract US citizens within the UK who are subject to UK and US tax regimes to pursue its services. During this continued start-up of the Charity's operations, the Trustees are thankful for Stewardship Services (UKET) Limited for ongoing financial support.

Risk management

The Charity's risks are managed through a risk register which is reviewed by Trustees at their board meetings. The principal risks faced by the Charity have been identified as:

Risk Title	Risk Description	Management
Investment and Liquidity Risk	Volatile economic conditions have the potential to adversely impact the value of the investments, particularly gifts in shares.	Liquidity is managed by the Trustees and Executive Finance team who monitor cash flow and risk, ensuring we use highly credit rated organisations. Any losses in gifted shares or the impact of foreign exchange, are borne by specific restricted funds and are therefore segregated from the general funds of the Charity. We keep donors fully informed throughout significant sales of gifted shares and any subsequent gain or loss when the gift is sold is reflected in the amount available for giving at the request of that specific donor.
Reputation Risk	Protecting our standing and reputation by being a sound and trusted organisation, ensuring a	We continue to build and protect our standing by ensuring our values are embedded in our staff and external communications. We listen and act

Trustees' report (continued)

	<p>positive client experience whilst complying with all legal and regulatory requirements.</p> <p>Reputational risk is the risk of an adverse event resulting in damage to our reputation, leading to lost revenue or increased operating, capital or regulatory costs.</p>	<p>on feedback, including complaints, to ensure we strive to deliver the best possible service to our customers.</p> <p>Develop capacity and operational abilities of the Charity, to efficiently manage and facilitate the grant making of the organisation.</p> <p>Grants are made only after adequate scrutiny of the recipients. Extensive risk based due diligence procedures are in place, which seek to mitigate the risk of grants being misapplied.</p> <p>Use of ethical screening seeks to mitigate any concerns over the investments we make in place to help manage our reputational risk.</p>
Maintain public charity status in the US	<p>The USA requires the charity to achieve a broad spread of givers within five years of operation to ensure it meets US public charity status. The Covid Pandemic has negatively impacted the Charity's performance, resulting in a time constraint to achieve the required results and ensure the public charity status is maintained.</p>	<p>Embedding and monitoring of an active strategy to promote the service with an aim to enhance awareness through appropriate networks, relational connections and media content.</p> <p>Recruitment of a Relationship Manager dedicated to the marketing of this service will increase our customer reach which should enable us to meet our US public status requirement within 5 years.</p> <p>Fee structures have been adjusted to maximise the attraction of the service to a donation profile that will assist meeting the US public status requirement.</p>
IT and Cyber Security Risk	<p>In common with other organisations, cyber attacks remain a constant threat to the integrity and availability of our systems and data.</p>	<p>Ongoing security and resilience enhancements in strengthening the IT systems and infrastructure within the Charity's service partner, together with the continued awareness, controls and training provided to relevant individuals.</p>

Recruitment of Trustees

Under the articles of the Charity, the Trustees of Stewardship America have the power to appoint new or additional trustees to its board subject to approval by Stewardship Services (UKET) Limited. Trustees are required to subscribe to the Charity's Statement of Christian Beliefs. The induction and training programme for new trustees covers the vision, mission and values of the Charity, and the roles and responsibilities of trustees under charity law.

Operations and decision making

Stewardship America does not have any employees of its own. Administrative services are provided by Stewardship Services (UKET) Limited on the terms of a tripartite agreement and under the supervision of the Trustees of Stewardship America and SADF-US.

Stewardship America and SADF-US are permitted to use the 'Stewardship' brand under the terms of the tripartite agreement.

Trustees' report (continued)

Stewardship America and SADF-US each have a majority of Trustees who are independent of Stewardship Services (UKET) Limited, so that any conflicts of interest can be properly managed.

None of the Trustees has an interest in the shares of the company or in any associated entity.

The Trustees have taken out indemnity insurance cover.

Share capital

The Charity's authorised share capital of one ordinary share of £1 was issued at par upon incorporation and is held by SADF-US.

Public benefit

The aim of the Charity is to encourage, support and develop the work of charities in the UK, the USA and elsewhere in the world by providing a range of services which ensure the most effective handling and distribution of charity funds.

When reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy, the Trustees paid due regard to the guidance issued by the Charity Commission, HM Revenue & Customs and the US Internal Revenue Services.

Grant making policy

The Charity supports cross-border tax effective giving by enabling donors liable for tax in both the UK and the USA to obtain tax relief in both countries on their charitable giving. Donors suggest, but they may not direct, how the Trustees might distribute their donation. This may be to organisations carrying out charitable activities anywhere in the world.

Each grant suggestion is reviewed having regard for grant making guidance issued by the Charity Commission, HM Revenue & Customs and the US Department of the Treasury and Internal Revenue Service. If it is considered that a donor's suggestion is not in accordance with issued guidance, then steps are taken to ensure that the funds are paid to an organisation with similar charitable objects.

The Trustees seek feedback from the beneficiary charities on the actual use of grants given, and the achievements made, to monitor the effective use of grants made.

Funds received to support grant making are held as restricted funds pending distribution to beneficiary charities. Grants are only awarded up to a level equal to the funds already contributed and received from donors. No grants are awarded in anticipation of future income.

Going concern and Reserves

The Charity's activities, together with its financial position and plans for its future development and performance have been described in this report.

We are grateful for the ongoing financial support from Stewardship Services UKET Limited during this start-up phase of the Charity. Stewardship Services (UKET) Limited has agreed, if required, to financially support Stewardship America Donor Fund UK Limited during its start-up phase, via an unsecured loan with no repayments due prior to 31 July 2022. This would cover 2

Trustees' report (continued)

years of expenditure, assuming nil income is received. The trustees are therefore comfortable that this enables the Charity to continue in operation for the foreseeable future, managing the challenging economic circumstances brought about by the Covid pandemic and therefore are able to prepare the accounts on going concern basis.

The Charity's aims and objectives, can therefore continue to be developed and the Trustees have a reasonable expectation that the Charity should have sufficient resources to continue its operations and meet its liabilities as they fall due for at least twelve months from the date of signing of this report. They have therefore continued to adopt the going concern basis in preparing the financial statements.

Fundraising statement

Stewardship America is now registered with the Fundraising Regulator. However, there was no active engagement in any public fundraising and no third party professional was employed to engage in such fundraising activities during the period. It is anticipated that this will change during 2021 as the Trustees seek to recruit a Stewardship America Relationship Manager to expand the network it can offer services to.

While Stewardship America does provide marketing information, the aim of these documents is not to raise funds for its purposes but to promote its services in order to fulfil its objective.

Stewardship America did not receive any formal complaints during the year in respect of any fundraising activities.

Investment powers and policy

The Trustees have the power to invest in such investments, securities, or property as they see fit after obtaining any necessary advice from investment experts, and having regard to the suitability of investments and the need for diversification.

The investment policy relating to funds held is to provide a high degree of security and liquidity. Financial assets are generally held in bank deposits or money market deposits with maturities between three months and one year. We expect to see an increase in the gift of shares from clients, which will be assessed for ethical and risk consideration prior to gifting and usually sold immediately. Any subsequent gain or loss when the shares are sold is reflected in the amount available for giving at the request of that specific donor and held within unrestricted funds.

Related parties

Stewardship Services (UKET) Limited provides the Charity with administrative and managerial services. Details of the related parties and the transactions with these entities during the year are included in note 6 to the accounts.

Post balance sheet events

There have been no significant post balance sheet events.

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Trustees' report (continued)

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees 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 Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the Trustees 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Stewardship Services (UKET) Limited website, www.stewardship.org.uk in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Trustees are responsible for the maintenance and integrity of the corporate and financial information relating to the Charitable Company included on that website. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditor

Each person who is a Trustee at the date of approval of this report confirms that:

1. so far as the Trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
2. the Trustees have taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint auditors of the Charity and authorising the board to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

Trustees' report (continued)

Approved by the Trustees on 10 June 2021 and signed on their behalf

LJ Jackson

LJJackson (Jul 27, 2021 09:27 GMT+1)

Lewis John Jackson
Trustee
Date 27/07/2021

Auditor's report

Independent Auditor's report to the Members of Stewardship American Donor Fund UK Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Stewardship American Donor Fund UK Limited ("the Charitable Company") for the 15 month period ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2020 and of its incoming resources and application of resources for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Auditor's report (continued)

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Trustees' Report including the Strategic Report (incorporating The Directors' Report). The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

Auditor's report (continued)

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

- adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Jill Halford

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Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK
Date 27 July 2021

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

Stewardship American Donor Fund UK Limited

Statement of Financial Activities

(incorporating the Income and Expenditure Account)

	Notes	15 months to December 2020			12 months to September 2019		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds	Funds	Funds	Funds	Funds
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations	2	16	3,796	3,812	151	50,807	50,958
Investments	3	10	-	10	12	-	12
Total income		26	3,796	3,822	163	50,807	50,970
Expenditure on:							
Grants	4	(20)	(19,969)	(19,989)	-	(27,105)	(27,105)
Charitable activities	5	(47)	(145)	(192)	(91)	(3)	(94)
Total expenditure		(67)	(20,114)	(20,181)	(91)	(27,108)	(27,199)
Net gains/(losses) on investments	10	-	141	141	-	(6,755)	(6,755)
Net (expenditure) / income		(41)	(16,177)	(16,218)	72	16,944	17,016
Net movement in funds		(41)	(16,177)	(16,218)	72	16,944	17,016
Reconciliation of funds							
Total Funds brought forward		72	16,944	17,016	-	-	-
Total Funds carried forward		31	767	798	72	16,944	17,016

All transactions arise from continuing operations.

All gains and losses are included above.

The notes on pages 19 to 24 form part of these financial statements.

Stewardship American Donor Fund UK Limited

Balance Sheet

	Notes	31 Dec 20 £'000	30 Sept 19 £'000
Current assets			
Debtors	7	65	12
Current asset investments	8	-	7,640
Money market deposits		-	9,003
Cash at bank and in hand		767	366
Total current assets		832	17,021
Liabilities			
Creditors: amounts falling due within one year	9	(34)	(5)
Total liabilities		(34)	(5)
Net current assets		798	17,016
Total net assets		798	17,016
The funds of the Charity:			
Restricted funds	10	767	16,944
Unrestricted funds	10	31	72
Called up share capital	11	-	-
Total funds		798	17,016

Approved and authorised for issue by the Board of Trustees on 10 June 2021

and signed on its behalf



LJJackson (Jul 27, 2021 13:59 GMT+1)

Lewis John Jackson

Trustee

Date Jul 27, 2021

Company registration number 11532453

The notes on pages 19 to 24 form part of these financial statements

Stewardship American Donor Fund UK Limited

Cash flow statement

for the period 1 October 2019 to 31 December 2020 (2019: 22 August 2018 to 30 September 2019)

	2020	2019		
	£'000	£'000		
Cash flows from operating activities				
Net cash (used in)/provided by operating activities	(8,612)	9,357		
Cash flows from investing activities:				
Dividends and interest from investments	10	12		
Net cash utilised by investing activities	10	12		
Change in cash and cash equivalents in the reporting period	(8,602)	9,369		
Cash and cash equivalents at the beginning of the reporting period	9,369	-		
Cash and cash equivalents at the end of the reporting period	767	9,369		
Reconciliation of net income to net cash flows from operating activities				
Net (expenditure)/income for the reporting period	(16,218)	17,016		
Adjustments for:				
Decrease / (increase) in current asset investments	7,640	(7,640)		
Dividends and interest from investments	(10)	(12)		
(Increase) in debtors	(53)	(12)		
Increase in creditors	29	5		
Net cash (used in)/ provided by operating activities	(8,612)	9,357		
Analysis of cash and cash equivalents				
Cash at bank	767	366		
Money market deposits	-	9,003		
Total cash and cash equivalents	767	9,369		
Analysis of changes in cash and cash equivalents				
	At start of period	Cash-flows	Foreign exchange movements	At end of period
	£'000	£'000	£'000	£'000
Cash	366	527	(126)	767
Money market deposits	9,003	(8,984)	(19)	-
Total	9,369	(8,457)	(145)	767

The notes on pages 19 to 24 form part of these financial statements

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements

1) Accounting Policies

The principal accounting policies and judgements used in the preparation of the financial statements are:

a) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom law and UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, (as issued by the Financial Reporting Council), the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Companies Act 2006 and the Charities SORP 2019 (FRS 102).

Stewardship American Donor Fund Limited is a UK Charitable Company incorporated in the UK and registered with the Charity Commission for England and Wales.

The Charity meets the definition of a public benefit entity under FRS 102.

b) Going concern

The Trustees have reviewed the financial position, plans, reserves and risk management of the Charity and believe, given the financial support provided by Stewardship Services (UKET) Limited, it has adequate resources to continue operations for the foreseeable future and therefore support the preparation of these financial statements on a going concern basis.

Stewardship Services (UKET) Limited has agreed, if required, to financially support Stewardship America Donor Fund UK Limited during its start-up phase, via an unsecured loan of up to £260,000, at an interest rate of 4%, with no repayments due prior to 31 July 2022. This would cover 2 years of expenditure, assuming nil income is received. The trustees are therefore comfortable that this enables the Charity to continue in operation for the foreseeable future, managing the challenging economic circumstances brought about by the Covid pandemic and therefore are able to prepare the accounts on going concern basis.

c) Income recognition

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.

Non-cash gifts are recognised at their valuation on the date of the gift.

All other income is recognised on an accruals 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 the Charity.

d) Expenditure

- i. Grants to charitable causes principally represent the payments made following the expression of wishes made by our givers, from their Stewardship America accounts. These are recognised in the accounts on receipt of the givers' expression of wishes, provided that Stewardship America has completed the appropriate due diligence and financial assessment checks on the charitable cause nominated. Where Stewardship America has followed a donor's request and allocated funds to a recipient's account, Stewardship America continues to have discretion to decline to make payment, if circumstances have changed between the allocation of funds and payment date. However, the Trustees are of the view that in most cases this is unlikely to occur and therefore the accounts include amounts yet to be paid to the recipient as a liability.
- ii. 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.

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

- iii. Governance costs include the cost of the audit, Trustees' expenses and the staff costs associated with directly supporting Trustees' meetings.
- iv. Fund management charges are charged directly to the investment and reflected in closing asset valuations.

e) Current asset investments

Current asset investments are assets held pending sale and are measured at their estimated net realisable value at the balance sheet date.

f) Debtors

Trade and other debtors are measured on the basis of their recoverable amount.

g) Money market deposits

Money market deposits are held as part of Stewardship America's investment allocation of total assets. These are generally fixed term and notice deposits of up to one year but can also include instant access savings accounts which generate additional investment income and liquidity.

h) Cash at bank and in hand

Cash at bank and in hand is held to meet the day-to-day running costs of the Charity as they fall due.

i) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt or pay for services or goods received.

j) Reserves

- i. Unrestricted funds are available to cover the cost of running the Charity. The Charity's reserve policy is to maintain an unrestricted reserve to cover the next 12 months of costs. These are budgeted to be £130k per annum going forward and Stewardship Services (UKET) Limited trustees have confirmed their financial support to continue for at least twelve months from the date of signing the accounts.
- ii. Restricted funds are comprised of gifts received into the Charity'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 Stewardship America's accounts.

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

2) Donations

	15 months to December 2020			12 months to September 2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Gifts	16	3,060	3,076	53	50,807	50,860
Gift aid tax	-	717	717	-	-	-
Gift from Stewardship Services (UKET) Limited	-	19	19	98	-	98
	16	3,796	3,812	151	50,807	50,958

3) Investment income

	15 months to December 2020			12 months to September 2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Interest on money market deposits	10	-	10	12	-	12

4) Grants

	15 months to December 2020			12 months to September 2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Stewardship Services (UKET) Limited	-	19,969	19,969	-	27,105	27,105
Stewardship American Donor Fund US Inc.	20	-	20	-	-	-
	20	19,969	19,989	-	27,105	27,105
Number of grants made:						
Stewardship Services (UKET) Limited	-	25	25	-	5	5
Stewardship American Donor Fund US Inc.	1	-	1	-	-	-
	1	25	26	-	5	5

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

5) Analysis of expenditure on charitable activities

	15 months to December 2020			12 months to September 2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Governance costs	7	-	7	5	-	5
Professional costs	38	-	38	84	-	84
Other costs	2	-	2	2	3	5
Exchange rate losses	-	145	145	-	-	-
	47	145	192	91	3	94

Net income for the period is stated after charging:

Auditors remuneration: audit	6	-	6	5	-	5
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6) Related Party transactions

During the period Stewardship Services (UKET) Limited made an unrestricted grant of £18,544 to the Charity (2019 £98,000) and recharged staff and support costs of £24,302.

Grants totalling £19,969,000 were made to Stewardship Services (UKET) Limited (2019 £27,105,000) and to Stewardship American Donor Fund Inc. £20,000 (2019 Nil).

During the reporting period, no Trustees received any reimbursement of expenses relating to their duties as trustees.

To ensure the Charity's going concern status, Stewardship Services (UKET) Limited has agreed to fund, as required, an amount equal to two year's worth of operating costs via an unsecured loan at an interest rate of 4% with no repayments due prior to 31 July 2022.

7) Debtors: due within one year

	31 Dec 20	30 Sept 19
	£'000	£'000
Gift aid tax receivable	60	-
Other debtors	-	5
Prepayments	5	7
	65	12

8) Current asset investments

Current asset investments held as at 30 September 2019 are all listed investments.

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

9) Creditors: amounts falling due within one year

	31 Dec 20 £'000	30 Sept 19 £'000
Accruals and deferred income	6	5
Amounts owed to Group undertakings	28	-
	34	5

10) Analysis of charitable funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Balance 1 October 2019	72	16,944	17,016
Income	26	3,796	3822
Expenditure	(67)	(20,114)	(20,181)
Net gains on investments	-	141	141
Balance 31 December 2020	31	767	798

Gifts received into Stewardship America 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 Stewardship America's Financial Statements.

Analysis of charitable funds – prior year

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income	163	50,807	50,970
Expenditure	(91)	(27,108)	(27,199)
Net (Losses) on investments	-	(6,755)	(6,755)
Balance 30 September 2019	72	16,944	17,016

11) Shareholder's funds

	31 Dec 2020 £	30 Sept 2019 £
Authorised, allotted, called up and fully paid: 1 Ordinary share of £1	1	1

Stewardship American Donor Fund UK Limited

Notes to the Financial Statements (continued)

12) Analysis of net assets by fund

	15 months to December 2020			12 months to September 2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000
Debtors	5	60	65	12	-	12
Current asset investments	-	-	-	-	7,640	7,640
Money market deposits	-	-	-	-	9,003	9,003
Cash at bank and in hand	60	707	767	65	301	366
Other creditors	(34)	-	(34)	(5)	-	(5)
Total net assets	31	767	798	72	16,944	17,016

13) Indemnity insurances

Stewardship America has taken out indemnity insurance cover for trustees. Premiums due for the policies during the period totalled £8,364 (period to 30 September 2019 £6,650).

14) Taxation

The Trustees consider that Stewardship America meets the Charity tests set out in Part 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.

15) Parent entity

All of the Charity's issued share capital is owned by Stewardship American Donor Fund US Inc.

The Charity's trustees are appointed by its existing Trustees subject to approval by Stewardship Services (UKET) Limited (UK registered charity number 234714). Stewardship American Donor Fund US Inc. is the Charity's controlling entity and the smallest group into which the Charity is consolidated.

Stewardship American Donor Fund US Inc. is a US 501(c)(3) public charity recognised by the US Internal Revenue Service. It is incorporated in the State of Delaware and its headquarters are located at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), DE 19801, USA.

Three trustees, by virtue of the office they hold for Stewardship Services (UKET) Limited, are the members of Stewardship American Donor Fund US Inc. The appointment of additional members and the removal of members can be made by Stewardship Services (UKET) Ltd at any time. The consolidated accounts of Stewardship Services (UKET) Ltd, which under accounting guide lines includes the results of Stewardship America Donor Fund UK Limited and Stewardship America Donor Fund US Inc, can be obtained from their registered address at 1 Lamb's Passage, London EC1Y 8AB.