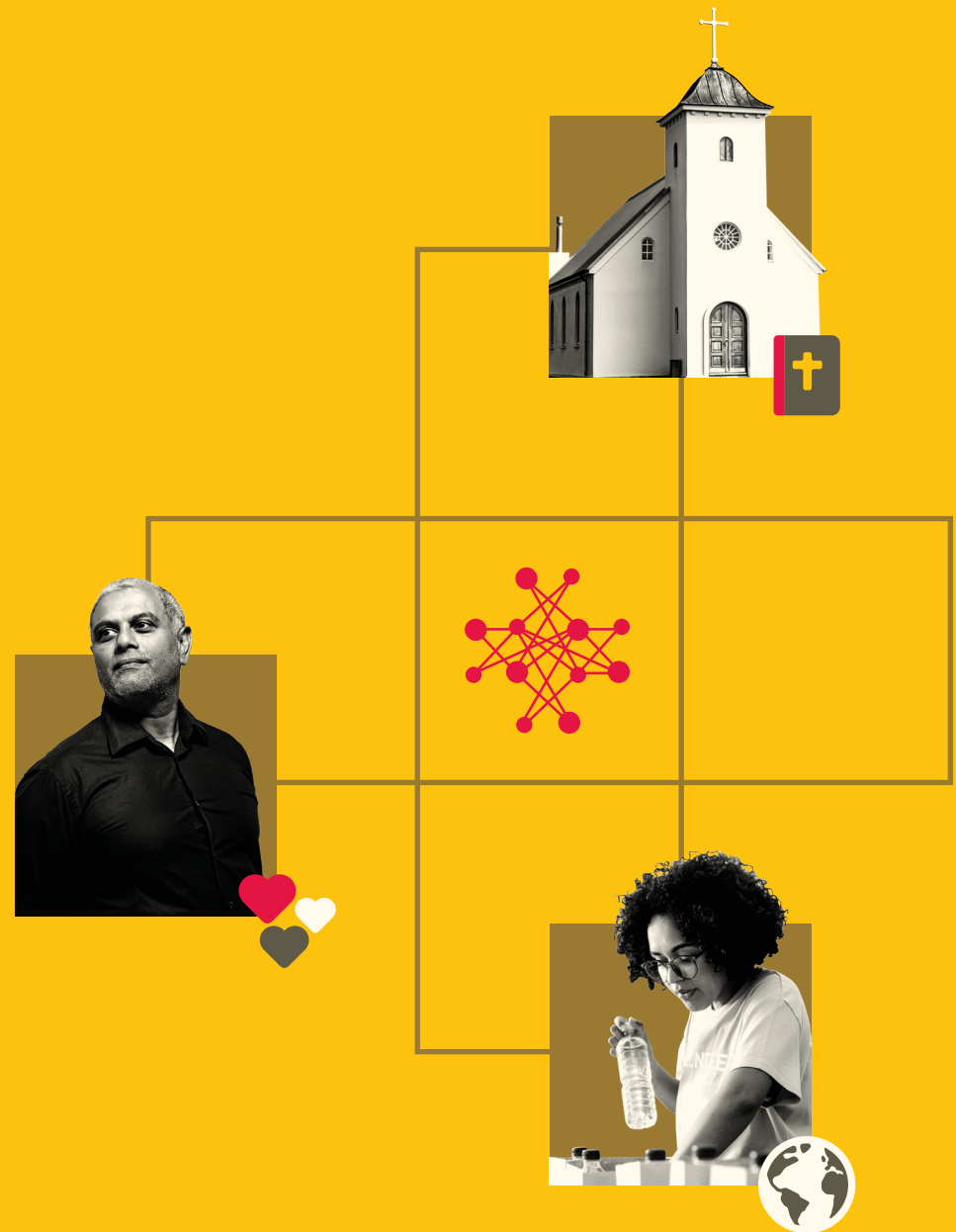


Annual Trustee Report and Financial Statements

For the year ended 31 December 2022



Stewardship is all about 'active generosity'



Who we are

Founded over a century ago by a small group of Christians who partnered to release generous gifts and financial support to Christian ministries, today we help over 30,000 Christians experience the joy of being 'actively generous', supporting over 4,000 churches, 2,300 Christian workers and 6,000 charities.

Our vision

For the world to encounter Jesus through the generosity of His Church

Our values



Our charitable purposes

- to advance the evangelical Christian faith, including by preaching the gospel and holding religious services and meetings
- to promote the publication and distribution of the Bible and other Christian literature
- to advance the education of children and adults in accordance with the doctrines and principles of evangelical Christianity
- to relieve need, hardship and distress, especially amongst evangelists, teachers and others who have given service to the Trust or helped promote its object
- otherwise to promote the charitable work of evangelical Christian churches, societies and charities
- to advance such purposes as may be charitable according to the law of England and Wales and are not, in the opinion of the Council, inconsistent with the attainment of the above objects, including by means of making donations to further such charitable purposes.

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Scan to view our full Annual Report



Letter from our Chair of Trustees

“Great is the LORD and most worthy of praise; his greatness no one can fathom. One generation commends your works to another; they tell of your mighty acts. They speak of the glorious splendour of your majesty - and I will meditate on your wonderful works. They tell of the power of your awesome works - and I will proclaim your great deeds. They celebrate your abundant goodness and joyfully sing of your righteousness.”

PSALM 145:3-7 (NIV)

This is my first Annual Report as the Chair of Stewardship. I joined the Trustee Board in December 2021 and took over the role of Chair from Simon Blake in June 2022. I am so grateful to Simon for his many years of faithful service and for the strong foundations he facilitated, on which we are now building.

In a year of challenge, change and growth, we want to acknowledge up front that nothing you read about here could have been achieved without God. It is because of God’s abundant goodness towards us and His amazing grace that we are inspired to live generously; His generosity is at the heart of everything we do.

Reflections on 2022 and our response

During 2022, we saw war break out in Ukraine, rising fuel costs, consecutive leadership changes in UK government causing a domestic economic crisis, multiple increases in interest rates, higher inflation and industrial strike action. Against this backdrop, we had to change in several critical dimensions to ensure that our organisation had the firm foundations to withstand these headwinds.

Given these external pressures it was crucial to improve our understanding of the customer groups we serve and to develop clearer propositions for our church and charity partners as well as for our different donor segments. This work has been underpinned by a thorough refresh of [our values](#), with input from everyone in Stewardship, which is now further strengthening our internal culture, another key cornerstone for tackling a challenging external environment. Finally, having invested in renewing our technology infrastructure in recent years, it is time to push towards a scale that is both sustainable and ambitious. It is very encouraging to see these activities begin to bear fruit, which is reflected in a growth for 2022 that is significantly better than results reported by the charity sector as a whole.

The tough external environment also meant that we had to manage our cost base differently to remain sustainable over the longer term. While such exercises are never easy, we acted decisively to restructure with great care taken to support everyone during this difficult time.

These developments and the current market environment brought into sharp focus the need to refresh our strategy, a key activity for the board and leadership for 2023 that is now underway.

Trustees and governance

We are blessed with a very talented group of trustees. In 2022, we created an action plan to further elevate our standards by looking at the attributes and characteristics of high performing boards. In December 2022, we asked our trustees and Leadership team to assess Council’s performance against the Charity Governance Code, our refreshed values, and our strategic goals. The results were presented and discussed in March 2023. I am delighted to report that they confirmed that we are operating effectively while also highlighting some areas where we can raise our standards even further.

Antony Barnes, Simon Blake and Jeremy Marshall stepped down during 2022 - we thank God for their valuable contributions. We welcomed Katherine Tait as a new trustee during 2022, while Angie Rusbridge and Edward Mishambi joined us in the first part of 2023.

Thank you for your interest in Stewardship. I hope that you will be inspired by the stories, insights and reports that follow.



Chris Gillies
CHAIR OF STEWARDSHIP'S
COUNCIL OF TRUSTEES

Letter from our Chief Executive Officer

“In the midst of a very severe trial, their overflowing joy and their extreme poverty welled up in rich generosity. For I testify that they gave as much as they were able, and even beyond their ability.”

2 CORINTHIANS 8:2-3A (NIV)

We began 2022 full of hope for a ‘new normal’ as Covid had become endemic in the UK. Yet with the Russian invasion of Ukraine, the global economy moved from a long period of low inflation to a new high inflation state in a matter of weeks, with profound consequences across the globe. Sadly, there is an established trend of fewer people giving in the UK. The cost of living crisis is now also having an impact on the amount people are able to give; encouragingly most of those giving are proving resilient and holding their giving steady. That said, the continued economic pressure is now causing some to need to reduce their giving. There are some signs that philanthropy is faring better; possibly as those with wealth have done relatively well from the continued growth in asset values. In this context our results bear witness to the resilience and generosity of the Christian community as it responds to the growing need in our society for practical help and the hope of the gospel.

Growth and impact

Against this backdrop, we can take a unique perspective relative to our secular peers; there has been talk of an ‘omni-crisis’, but God is not in crisis, His work continues and His people are steadfast in their intent to see ‘His Kingdom come’. Christian giving through Stewardship grew by 10% to just under £110m in 2022, praise be to our Lord! This is a clear sign that the Christian community is increasing its giving at a time of great need and in answer to the prayers of churches, charities and those that benefit from their work across the country.

Stronger operations to deliver greater value

In 2022, we responded to these changing conditions by dramatically upgrading our technology base so that we can be more lean and agile in responding to the fast-changing needs of those whom we serve. We have also cut our costs, which regrettably included making twelve roles redundant, to break even without having to increase our fees. Great care was taken to support everyone during this difficult time. We are thankful that everyone whose roles were made redundant and who wanted to remain in employment were able to find new jobs, either through redeployment or with other organisations.

We have looked to find ways of making our services even better value for our partners. We restructured our balance sheet and moved to more active treasury management tools to fully respond to the higher interest rate environment. As a result, we are robust and ready for the challenges that lie ahead in 2023.

Our Philanthropy team continues to innovate in offering a service that is a genuinely better alternative for many Christians blessed with significant resources than having their own charity or family office. Our services

to churches and charities are also taking a step forward with a new payroll system. We are also establishing a new subsidiary charity to gather our accounting, payroll and technical services into an integrated solutions provider for churches and charities needing help with their stewardship. So, we press on to help those we serve meet the challenges of this season.

Much has changed in the world since I joined Stewardship in 2018 and we have changed as well, including the appointment of our new Chair, Chris Gillies, last year, a renewed trustee body, and a strengthened Leadership team (with that strength in depth in their own teams). Peter Wilson also joined us in 2022 to lead and transform our relationships with churches and charities. Peter was previously Director of Innovation for Legal & General.

Looking forward

I am filled with hope for 2023. The work we have done on our technology base has now opened the way to our first ‘app’, which is in ‘beta test’ phase. We are also taking large steps forward in a process to dramatically upgrade our interface with churches, charities and festivals to help make giving to them much easier.

We are now focused on a robust strategy review in 2023 to ensure we are fully prepared and optimally positioned to fulfil our mission in the years ahead for ‘the world to encounter Jesus through the generosity of His Church’.



Stewart McCulloch
CHIEF EXECUTIVE OFFICER

Letter from our Chief Financial Officer

“Now all glory to God, who is able, through his mighty power at work within us, to accomplish infinitely more than we might ask or think.”

EPHESIANS 3:20 (NIV)

In a year quite unlike those in recent times, full of challenges and hardships for so many, we once again witnessed an outpouring of generosity from the community of givers that we serve.

A season of growth



see the fruits of a period of carefully planned investment into the infrastructure of Stewardship. 2022 marked the fourth and final planned year of utilising surplus

Income growth experienced over the last few years continued into 2022, with Gifts In for the period totalling £110m. We give thanks to God for this 10% increase on the prior year.

This is not only testament to the incredible generosity of the community of givers we serve, but we continued to

unrestricted reserves to invest in Stewardship, with plans to move back to a break-even position in 2023.

This sustained period of investment has seen us emerge as a stronger organisation – within Generosity Services, for the first time in our history, we saw Gifts In exceed £4.2m every month. Within the Philanthropy Fund, we grew our client base by 29% and significantly scaled our Donor Advisory Board service; and within Partner Services, grants to churches and charities increased by 14% to £82.6m, unlocking Kingdom impact and supporting those most in need.

What is also encouraging is that while unrestricted income grew by 14% over the period, unrestricted expenditure increased by only 1%. We are beginning to see positive results from the implementation of divisional growth plans, a focus on cost across the organisation, and a move to more active treasury management tools to be able to fully respond to the higher interest rate environment.

Investing for impact

During 2022, we made exciting strides in implementing our new investment policy, agreed in late 2021. The policy sets out a tiered approach to how we consider our investments and at its core is an attitude to invest in a way that achieves our financial goals, coupled with maximising Kingdom impact. During the year, we invested an additional £6.5m in initiatives to achieve Kingdom impact by enabling churches and Christian charities to build their ministries and to address social and environmental issues.

This included investments in innovative new impact investment vehicles, providing access to a diversified range of private investments, aligned with the UN

Sustainable Development Goals (SDGs), as well as loans to a Christian charity that helps Christian workers access affordable homes in London.

For our Donor Advised and Philanthropy Fund donors, we have introduced a third Pooled Investment Portfolio option, the Stewardship Responsible Portfolio, managed by Cazenove Capital. The portfolio aims to achieve a positive impact for people and planet, with 34% of its investments directly contributing to the UN SDGs. We have also worked with the asset managers of the other two pooled investment portfolios (the Balanced and Growth portfolios) to significantly enhance the ethical investment exclusions and the ESG criteria applied.

We have put our considerable cash balances to work after a major refresh of our liquidity policy by introducing the use of short-term money market funds to enhance the management of cash in a rising interest environment, improving liquidity, diversification and yields on the cash balance. In addition, cash deposits at ethical banks were further increased to £5.5m (from £4m in 2021), enabling lending to charities and social enterprises to achieve positive social impact.

We are grateful for a period of growth during a difficult year and are hopeful for the year ahead as we continue to evolve and seek to achieve even greater Kingdom impact, with God’s help.



Janie Oliver
CHIEF FINANCIAL OFFICER



£4.2m in Gifts In every month



63,000 people made a charitable gift



In 2022, 63,000 individuals used our giving platform to make a charitable gift, with those making regular use of their Stewardship Giving Account rising to over 31,000 (2021: 30,000).

Total Gifts In was £55.9m, with Gifts In exceeding £4.2m every month versus £4m in 2021. This represented a growth of 4%, which is contrary to reported fears that the cost of living crisis would significantly impact charitable giving in the latter half of the year. The impact these gifts have for our partners and ultimately for the growth of His Kingdom is reflected within our [overall Financial Review](#).



I think it is so important to take giving seriously. Using Stewardship has been such a joy for me ... I have seen first-hand how Stewardship supports individuals and helps ministries gain financial support smoothly, which they miss out on without the platform.”

STEWARDSHIP GIVING ACCOUNT USER

Generation generous

2022 saw growing numbers of young Christian adults coming to us to support their friends in mission, providing us with a fantastic opportunity to listen to, learn and collaborate with this important group as we help to shape the future of Christian giving in the UK.

Over 350 young adults contributed to our research, sharing with passion, conviction and bravery their experiences of faith and financial giving. Over 95% surveyed identified as Christian, crediting their parents, church leaders and Christian Unions as early influencers on their giving.

Insights from this research led us to author and publish a [‘Guide for Giving’](#) for 18- to 30-year-olds and extend the conversation in person at events like **Big Church Festival** and **UCCF’s Forum** event for Christian Union leaders. Our findings continue to inform our strategic plans.



UCCF'S FORUM

Rapid Response – Giving safely at times of crisis

As our church and charity partners responded to the war in Ukraine, our Stewardship community quickly mobilised with financial support to equip and enable them. Ukraine-related giving spiked in April and May, with an extra £2m given to churches and charities committed to continuing or increasing their work in Ukraine and its surrounding countries, and to investing in new responses to support those displaced by conflict. Our [Ukraine Rapid Response Fund](#) raised and distributed £365,000 through 47 grants to charities and churches offering practical help and gospel hope in the face of the war and helping those fleeing the conflict to take refuge in the UK.

Closer to home, with energy prices and inflation rising, we have been blessed to see our givers step up once more, this time to support others through the cost of living crisis. Our **Cost of Living Response Fund** raised £100,000 to support churches and charities on the frontline of the crisis and generous gifts from givers large and small resourced the Warm Welcome campaign.

War rages, the cost of living surges and yet we continue to bear witness to the remarkable generosity of Christians across the country, who choose to increase their giving in the face of adversity and to be a blessing to the churches, ministries and workers bringing hope on the frontlines of their communities, towns and cities.

IMPACT STORY

We love to help people elevate their giving from their day-to-day finances, grow closer to God and experience the blessing of giving. One of our givers, James, tells his story:

“I volunteer with Christian Adventure Holidays. I opened my Giving Account to support them and help them to keep down the cost of the holidays that they offer.

Recently I have come to appreciate more the importance of Stewardship in helping me with the discipline and joy of giving.

My Stewardship Giving Account and its ease of use means that I am much less likely to be hindered from giving because of the admin involved; I can be more spontaneous as well as carefully planned.

Along with my spouse, we are now managing all our giving through Stewardship, so that makes it easy to understand how much we are giving and provides a prompt for questioning whether we are being sufficiently generous, and whether we could do a bit (or a lot!) more. We appreciate the articles and blogs that come my way from Stewardship to help with our thinking and praying in this area.

There is a huge range of causes that can be accessed through Stewardship, so it is easy to find and select the one you are interested in, and you do not have to keep entering bank details. It is easy to get the information you need for filling in a tax return rather than trawling through bank statements. Plus, the fees are reasonable and I am confident in Stewardship as an organisation - that they are guided by Christian values and prayer and will do their utmost to ensure money is not wasted.

The Stewardship website is pinned to my favourites bar in my browser, so I do not forget that giving is a part of following Jesus.”

JAMES



CHRISTIAN ADVENTURE HOLIDAYS

Philanthropy Services

£44m grants out on behalf of Philanthropy Services donors



27% increase in the average Gift In



NEXT-GEN EVENT

2022 in review

We have seen on many occasions in Stewardship's history that Christian charitable giving often paints a very different economic picture to that of the wider world. 2022 has been an incredible example of just that.

In 2022 we saw giving into our Donor Advised Fund (DAF) increase 9% on the prior year, with the average Gift In increasing by a staggering 27%. In a world where the headlines tell us that philanthropic giving in the UK is falling dramatically, in 2022 we saw our Philanthropy Fund donors give an incredible 26% more than in 2021.

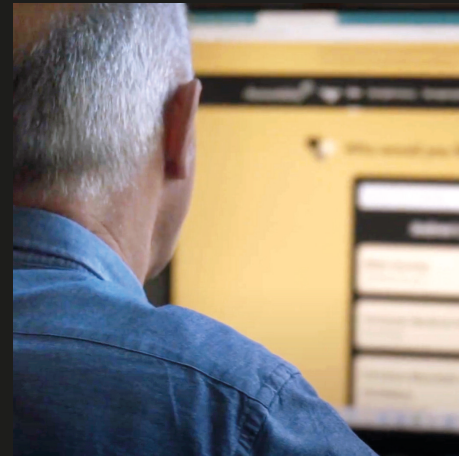
It is not just gifts into our DAF and Philanthropy Fund accounts that are worth celebrating; in 2022 we made grants out of over £44m on behalf of our Philanthropy Services donors, an average donation of approximately £52,000 per donor. Now that is an example of Kingdom economics!

Donor Advised Fund

We believe that enabling giving at all levels is critical in shaping, impacting and changing the world around us. We have spent time listening to our donors to understand how we can continue to add value to them in their philanthropic journey. In 2022, we added the **Stewardship Responsible Investment Portfolio** as

an option for DAF donors to invest all or part of their DAF balance. We have also enjoyed speaking with our Donor Advised Fund donors to understand how and why the DAF account is important to them. One example is Kathy and Andrew and you can watch their story below.

Scan to watch



Philanthropy Fund

For those wanting to give at even greater scale and pace, our Philanthropy Fund is set up to meet this need. One notable example is a couple we have been working with who, in less than four years, have been able to give away over £50m to more than 100 different partners and we have had the privilege of seeing some of the life-changing impact that this incredible generosity has had.



NEXT-GEN EVENT

Expansion of the Donor Advisory Board service

Our Donor Advisory Board, which is part of the Philanthropy Fund service, has also continued to grow. As we layer strategy and joy into the process of active generosity and tailor our offering to our donors' needs, we are seeing donors being refreshed, released and brought into partnership with others in their sphere. We have helped donors collaborate in their giving to encourage and empower others to give more. One example was matched funding between two donor families that enabled a church congregation to give over £100,000.

The addition of more people into the team in 2023 means that we are able to continue to scale this service.

We want to continue to see donors released into the joy of the resource they have been blessed with, to see partners resourced to impact the lives of those around them, and most importantly to see a world transformed by the generosity of the Church.

IMPACT STORY

Working with the next generation of philanthropists



NEXT-GEN DINNER

2022 marked the start of the Philanthropy team engaging with next-generation philanthropists to help them create a firm foundation for lifelong philanthropy.

We are building a community of young people who are passionate about using their wealth to create transformational change in society, pushing the boundaries of traditional philanthropy with a greater use of impact investing and social entrepreneurship.

A key strength of next-gen philanthropists is their appetite for collaboration, with a willingness to tackle big social issues together to increase impact.

We are developing a highly tailored service for these donors, which is focused on relationship building and community formation. We launched the first in a series of small-scale events with a dinner where we shared our vision for partnering with them on their philanthropic journey. We also hosted a 'Journey of Generosity' retreat for a handful of donors; these create a safe space for them to share their struggles in stewarding wealth well.

Our attendees often come away with a transformed approach to their wealth and giving. One attendee said, "I wish I had this teaching in my 20s. It really would have enabled a greater freedom in living. It has been so freeing to make space and allow this to go down deep. I had some wildly holy moments during this retreat. What a gift."

The learning is two-way, as we take time to understand how we can serve this next generation of philanthropists well. They are on a mission to realise social impact on a grand scale, an exhilarating challenge that we are excited to help them achieve.

Partner Services

14% growth in grants out to church and charity partners



£82.6m in grants out to church and charity partners

£200k Welcome Energy Fund grants distributed so far



SPRING HARVEST, SKEGNESS

In 2022, we made £82.6m grants out to our church and charity partners – growth of 14% compared to the prior year. In a year that was full of challenges, we were able to partner with many churches and charities in new and more meaningful ways; where crisis struck, partnership followed.

We saw the average gift to churches and Christian charities increase by 4% and 13% compared to the prior year. This should be encouraging for both sectors given the challenging economic climate. By delivering new tools and methods to help increase regular giving, we are making it easier for people to give, releasing a steady flow of generosity for the Kingdom. We also automatically add Gift Aid onto eligible gifts, which reduces administration and supports cash flow for our partner recipients.

Equipping our partners in times of crisis

Stewardship helped launch the **Warm Welcome** campaign, a movement of over 3,300 churches and community groups hosting free, warm, welcoming and safe spaces for their neighbours throughout the winter. To help Warm Welcome support spaces most in need, Stewardship distributed Welcome Energy Fund grants from the £200,000 the campaign has raised so far to help cover the increased costs of running the spaces. As the key fundraising partner in the coalition delivering the Warm Welcome campaign, we provided



I cannot express adequately how blessed we are by this generous grant. It is our intention to continue with our Warm Welcome space for the foreseeable future as we are proving to be very popular with the residents and for some who are struggling with current food bills, we are a real blessing”

MEMBER OF NEW LIFE CHURCH LEIGH,
ONE WARM WELCOME PARTNER THAT HAS
RECEIVED A MICROGRANT

training and guidance on how a church or charity could fundraise for their Warm Welcome space.

The Cost of Living Response Fund, which raised approximately £100k in a matter of weeks, provided critical support for charities and churches. We have been enabling our partners to offer practical help and tangible hope through food parcels, emergency energy top-ups and community support.

Enabling generous giving to causes in need

A key focus in 2022 was enabling and equipping our partners to both inspire generosity and enable giving.

We released several digital product improvements, most notably a modernised giving process for account holders and guests, which has already resulted in an



CHURCHWORKS COMMISSION MEETING

increase in the number of gifts made to our partners. Additional features are now in development. Every product release has followed substantial consultation and testing with our partners and givers.

We relaunched our online Help & Support Centre, giving partners advice when they are in the middle of a task. We created QR code resources, enabling giving from smart phones in churches and charity offices across the UK. We also ran an extensive research piece to understand the most pressing needs for churches and charities in the areas of fundraising and finance, to ensure that the tools we provide are as useful as possible.

We piloted our partnership with **Essential Christian** at their Easter events in 2022, to help resource their year-round ministry. In preparation for their 2023 events, we worked with their senior leadership team to reflect on the importance of their work, the need for generous giving, and how best to enable generosity in the current economic climate.

IMPACT STORY

In our impact we seek to be a true partner across the years, but that is often seen best in times of trouble through such interventions as our ‘Rapid Response’ campaigns.

We came into 2022 full of hope; but at the end of February, Russia invaded Ukraine and the world changed. We immediately signposted the great work of Christian organisations helping those in Ukraine by giving donors clear options – this simple programme helped raise over £2m in additional funds to the partners we highlighted, and we also raised a fund of £365,000 that we distributed through 47 highly targeted grants.

We also directly enabled Dr Krish Kandiah OBE to launch **Sanctuary Foundation** in a single day, then supported their trustees to register this new charity in less than two weeks and open a bank account equally swiftly.

This helped galvanise large scale national support that directly influenced the creation of the government’s Homes for Ukraine Scheme, which has helped to house over 112,000 refugees in people’s homes, more than at any time in the UK’s history.

Sanctuary Foundation has also written, produced and distributed over 27,000 welcome books for Ukrainian refugee children and trained over 2,000 hosts in how to safeguard and support Ukrainian families.

These are only a few examples of how we partner with churches and charities. A key focus is informing more donors about our partners’ amazing work on the frontline of the significant issues our world faces. Increasingly, we also come alongside these organisations as they launch, in times of trouble and when transformation is needed. Our aim is to be that helping hand we all need at such times.



DR KRISH KANDIAH OBE

Individual Partners

£15.2m granted to our Individual Partners

6% growth in grants out to Christian workers and Bible College Students

£300 increase in monthly support following Support Raising Training

“It is incredible that your organisation exists at all, but even more heart-warming to know that you care so deeply about people in ministry and their flourishing. From the bottom of my heart, thank you. When Jo called, I was on the verge of quitting, but since then God has used you and people like you to encourage me to continue and to pray for breakthrough in the areas where the ministry is struggling.”

SARAH



In 2022, we saw grants out to Christian workers and Bible College students increase by £1.0m from £14.2m in 2021 to £15.2m in 2022.

Connecting with organisations

During 2022, we worked with a mission agency, WEC UK, to transfer the giving of more than 70 of their Christian workers over to Stewardship. This relieved WEC UK's central team of the burden of increasingly complex and costly administration and the specialist Individual Partner team within Stewardship were able to help them with their needs. We are exploring other partnerships with similar organisations to see how else we might be able to help in the future.

Enabling longevity in Kingdom work

We estimate that the average amount a Christian worker should raise per year is in excess of £20,000, taking into



account any other income they may have. However, in reality, most raise approximately only a quarter of that. By helping our Individual Partners to tackle low levels of financial support, we see those called to ministry better resourced, as well as released from financial worry and burnout as they move from surviving to thriving.

Revamping our Support Raising Training

In 2022, we re-recorded and relaunched our training course, making permanent many of the positive adaptations made during the Covid lockdowns. On average, delegates who attended this specialised training saw an increase in monthly support of approximately £300 in the months following the training. The number of Individual Partners attending the training more than doubled from 19 in 2019 to 41 in 2022, with a waiting list of organisations wanting their workers to benefit from this training.

New Support Raising Surgery

While training is effective, those with a coach to encourage and challenge them as they continue after the training make much better progress. As many lack access to a suitable coach, we set up our monthly Support Raising Surgery at the end of 2022: an hour on Zoom for those who have completed their Stewardship Support Raising Training to receive ongoing advice and support from us, receive refreshers from the training, share challenges, set goals and be accountable.



CARL AND VIV, INDIVIDUAL PARTNERS

IMPACT STORY

In 2020, **Hannah** was due to join YWAM in Ukraine, but as Covid spread around the world, she remained waiting in the UK. Although this was frustrating, God used it for good as she had time to lay solid foundations, building a great partner team for her work. She has ultimately joined the YWAM base in Norway.

Hannah opened a Stewardship Partner Account for Individuals as a way for her to grow a partner team and provide an easy way for them to give to support her in her work.

“Nervous and anxious” is how she describes feeling about support raising before she came across Stewardship. Looking at raising financial support for her role with YWAM “...was a big mountain to climb, and it seemed like a huge obstacle. I felt quite alone in it all.”

After attending the Stewardship Support Raising Training, Hannah says that one of the best things about the training was being with other people who were going through the support raising process.

“It was great to be able to ask questions of those with more experience and even to role play what I might say to a potential supporter. It was all incredibly helpful.”

Now that Hannah is on her base and her partner team has grown significantly, she realises the necessity for good quality training as many of those who work alongside her live on very little. She is exploring how she can help her colleagues invest in building a partner team, passing on what she has learnt from the Stewardship Support Raising Training.



HANNAH, INDIVIDUAL PARTNER

Professional Services

11% increase in Accounts Examination clients

800 employers served by our Payroll Bureau

60 charities helped to register with the Charity Commission

600 matters resolved by our Consultancy Helpline

We provide churches and Christian charities with invaluable expertise in relation to governance, administration and financial processes to support the work they do.

We believe that promoting excellence in these areas is not merely supportive or enabling of ‘front line’ work, but that we bring glory to God through good stewardship of the resources, including people, money and buildings, that He has given to our partners.

Our services have continued to show welcome growth, despite challenging economic circumstances following the Covid pandemic.

Payroll Bureau

Our Payroll Bureau served almost 800 employers paying nearly 3,400 employees, an increase of 4% compared to 2021. We are investing significant resources in implementing a new payroll bureau software system to strengthen our ability to serve more clients in future. We provide a full service, including payments to employees and HMRC on behalf of employers, which significantly relieves the burden on volunteer treasurers who are not payroll professionals.

Accounts Examination

Similarly, our Accounts Examination team served over 400 clients at the end of 2022, an increase of 11% compared to 2021. We continue to see strong demand for the expertise of our dedicated team, who help treasurers, trustees and church leaders meet their financial regulatory obligations and come alongside them with personal experience of the demands these roles bring.

Charity Formation and Consultancy Helpline

In addition, we helped 60 charities register with the Charity Commission, presented trustee training to 240 people and served hundreds of attendees at our popular lunch-time webinars for treasurers and trustees. Our consultancy helpline provided invaluable advice in almost 600 different matters across governance, employment, accounting, gift aid, payroll and property to churches and charities during the year.



IMPACT STORY

Mercy Outreach is a small charity with a big heart and is committed to be light, bring hope and share love. Most of our energy and focus is on developing our programmes and supporting our teams on the ground. Last year we were struggling to find help with our accounts examination and charity compliance guidance but then we discovered that Stewardship offered these services. From our first contact, we were so thankful for their care and dedication.

They took the time to hear about our work, speak words of encouragement to us and provide a thorough and professional service that has taken such a weight off our shoulders, prayerfully taking us through each step with patience and commitment.

We are so thankful for the Stewardship team and look forward to many years of collaboration.

Mercy Outreach shines the light and love of Jesus into some of the darkest and most poverty-stricken communities of South-East Asia, particularly Myanmar, where in the last two years there has been a significant increase in the number of individuals needing humanitarian assistance. Our teams run programmes in major human trafficking hubs to reach trafficking

survivors. 1,800 survivors have been rescued, who are now resilient to traffickers through trauma counselling and empowerment programmes. Family empowerment programmes are offered at 12 community centres in areas of extreme poverty, crime, unemployment, and debt bondage, to facilitate an increase in resilience whilst lowering poverty and vulnerability.



Church and Charity Lending

15

new loans provided to churches and Christian charities

£26.3m

loans to churches and Christian charities made up of 107 loans



2022 was a year where we continued to lend significantly to churches and charities throughout the UK.

Demand for lending remained buoyant and during the year we supported churches and Christian charities with finance for projects driving Kingdom impact, by advancing 15 loans (2021: 11) totalling £6.0m (2021: £9.7m). We continue to balance our appetite to grow lending while managing risk.

We were able to lend for a variety of purposes including refinancing, capital expenditure, building refurbishment, building development and building purchases and were excited to see these various projects take shape and start to impact the causes represented by them.

This included the first tranche of a loan to **Soul Church** to help them with the initial stages of the development of a new building in the north of Norwich. This new building will house a 1,200-seater auditorium, a nursery,

youth facilities, administration, children’s facilities and facilities to serve the poor and marginalised. We are excited to see this significant building for Norwich be developed and completed in the second half of 2023.

We were also thrilled to see **The Tab Church** complete the second phase of works on their church in Lewisham, London. Since we helped the church with the construction phase of their building, the church has moved into the building and experienced significant growth in their membership, with their impact continuing to grow. Their influence in the community is growing as numbers swell, and they have baptised over 100 people in 2022 in their new baptism pool, built as part of the re-development.



We continued to see the generosity of the Church in action throughout much of last year, with capital repayments totalling £6.7m, a much-increased number from £3.7m in 2021. This generosity tells the story of a sector that more than ever needs assistance with projects to help grow their mission, but in turn is eager to repay their debt through gift days and other one-off giving.

With the significant rise in the Bank of England base rate in 2022, we made our first change to the Stewardship Standard Lending Rate in seven years. We refreshed our interest rate policy, ensuring that it reflected our value of generosity, balanced with the cost of lending funds. During 2022, Stewardship has increased the Stewardship Standard Lending Rate by 1.25%, which is a significant 2% less than the Bank of England Base Rate increase over the same period.

We continue to see growing demand from churches and Christian charities for specialist assistance in this area. Our ability to understand their needs and the way they work means we are uniquely positioned to help them, and we have a strong pipeline of lending for the year ahead.

We also work with Philanthropy Fund donors who wish to use their donated funds to lend to specific causes. In 2022, we made five such loans (2021: one) totalling £1.4m (2021: £50,000), which are included in the figures shown in the financial statements.



IMPACT STORY

In 2022, we were blessed to support ministries by providing loans to grow the Kingdom and live out God’s love in their communities. From the smallest (£50,000) to the largest (£1.1m), these loans enable the churches and charities which receive them to have an even greater impact in the local area they serve.

One of the churches we were able to help was **Ferniehill Evangelical Church**, who borrowed £150,000. Based in a residential area in south-east Edinburgh, when they approached Stewardship for a loan they explained,

“The church opened fifty years ago and, while the fellowship was in a good place, the building needed to be upgraded and extended to increase the size of the sanctuary and add additional secondary space. The loan from Stewardship has helped make this possible and we were glad to re-open in December with a real sense of new purpose as we worshipped together, and with opportunities to serve the community in our new accommodation such as a warm space for coffee, soup and a chat.”

We are also delighted to be partnering with **Soul Church, Norwich** to help fund their new church building, due for completion in 2023. In 2022, we advanced £1.1m as they broke ground and began their ambitious building project to realise their vision - an all-purpose space to support their local community and house their growing community.

Soul Church said, “Stewardship’s timely loan offer enabled us to instruct the final phase of our building works for a new 1200-seater church with cafe, nursery and social supermarket.

This will impact our community and shine the hope of Jesus and give us lots of space to bless our church family and continue to grow.”

Stewardship has been lending to churches and charities for over 30 years and we are excited to be able to continue building on this amazing Kingdom impact in the years to come.

Our People



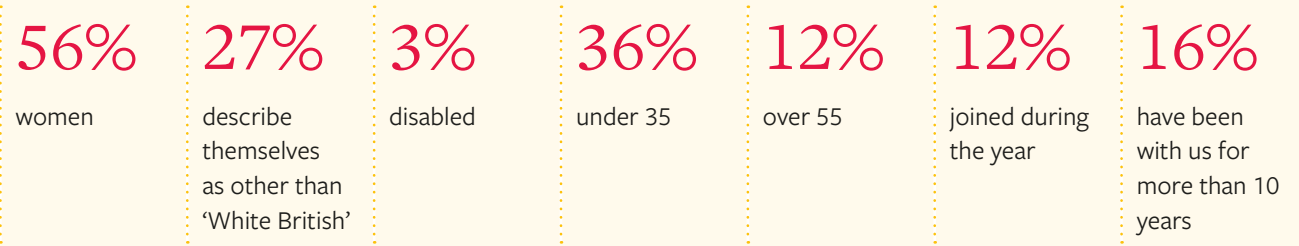
In 2022, we sought to strengthen our culture by revising how we express our values and integrate them in our work. The process was grounded in our faith and was highly collaborative, with care taken to honour our history.

Reward was a huge topic for many organisations in 2022 as we went from a long period of low inflation to a new high inflation reality, giving rise to increased living costs. Following an extensive salary benchmarking exercise in 2021, which gave us great confidence in our overall pay structures and strategies, we decided to award a 7% pay increase across the board in January 2023. We will return to our benchmark-based approach for the 2024 pay round.

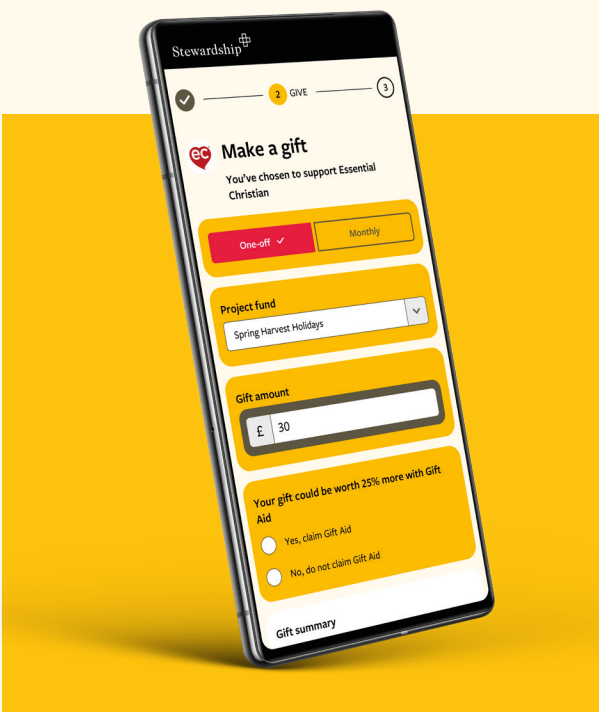
It was a very challenging moment for both leadership and team when we made 12 roles redundant in December 2022 as a necessary response to reduce our costs in order to meet our financial commitments. Thankfully we were able to redeploy five staff in new roles within Stewardship and we were grateful to be able to help all of those who wished to find new employment opportunities. We have fully embraced hybrid working post-Covid while retaining a strong culture based on our Christian roots, which is reinforced through regular in-person interactions. Our joy is that we can retain our culture while enjoying the increased flexibility and improved work-life balance that hybrid working offers.

We are in the process of developing and implementing the People, Place and Culture strategy, which includes flexible working, reward, training and development, health and wellbeing, performance and talent management, employee engagement and diversity and inclusion.

STAFF TEAM OF 88



Technology



2022 saw significant technological progress for Stewardship to ensure we are equipped to keep pace with the rapid rate of change in this area.

We also examined our staff structures and role requirements and decided to bring some activities in-house. We created an important new Product Manager role to oversee the delivery of our strategic product changes and resourced our product design to give us greater flexibility and agility to deliver against increased demand.

In response to customer feedback, at the start of the year we hired our first Mobile Application Developer, who has transformed how we undertake user research and carefully considered how a mobile application might transform generosity in the future.

We moved our web hosting to a cloud computing service in the late summer. This has moved us to the cutting edge of technological capability, enabling us to respond to customers' product needs quicker than ever before, without lengthy down times to our product service. We are now able to embrace more agile ways of working, delivering customer-facing features every couple of weeks rather than being restricted to a few times per year.

Towards the end of the year, we delivered improvements to our digital product, including quicker and simpler one-off giving. We are encouraged by the progress we made last year and look forward to continued innovation and futureproofing in 2023.

What is coming next?

In 2023...

Working with our donors

- We want to continue to innovate by listening carefully to our donors, asking them what tools they need and changes we can make to help facilitate their generosity. This will inform our product developments, including our new giving app.
- We will continue our important work with next generation philanthropists, where we are already seeing some encouraging early results.

Working with our partners

- We continue to increase the depth and breadth of our relationships with existing and potential partners. This includes listening to the needs of our church and charity partner account holders across our work on their public giving, lending, consultancy, accounts examination and payroll to gather valuable insights and test new ideas to meet their needs.
- We continue to work towards creating a ring-fenced subsidiary charity within the Stewardship family, to bring together our professional service teams, capabilities and expertise to provide an even better service to our clients.
- We are thrilled to be working alongside Essential Christian - home to Spring Harvest - to inspire generosity and enable giving. We will cement our partnership with them as their giving platform provider at their 2023 Easter events and will continue to partner with them in their fundraising throughout the year.

Working with our people

- We will continue to focus on developing our relational culture, leadership and people practices to further develop our people and to be a great place to grow as a professional, leader and Christian.

And beyond...

- We have started a significant process to refresh our strategy to ensure that we continue to effectively serve our donors, partners, colleagues and the church as a whole given the huge changes that are underway in all aspects of our lives.
- We are working with colleagues across the organisation, the Leadership team, trustees and in collaboration with an external learning partner, Curiosity Society, to produce a strategy that will see Stewardship thrive.
- Above all, we seek to determine God's will for Stewardship in the years that lie ahead, and we pray for wisdom as we undertake this journey.



Financial review

and an extract from our Financial Statements

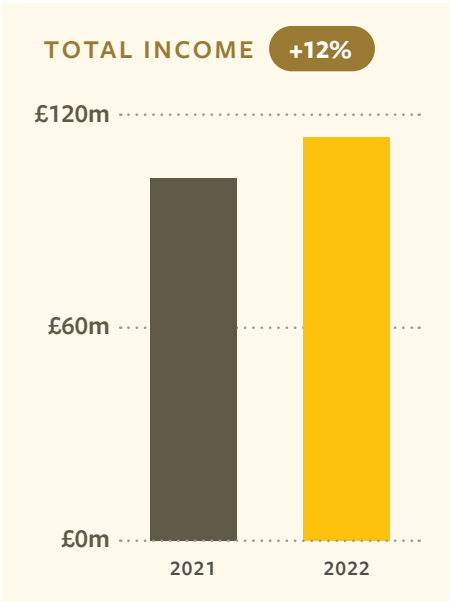


Financial review

Income

Total income was £114.5m, a 12% increase compared to the prior reporting period, with donations making up the majority of our total income.

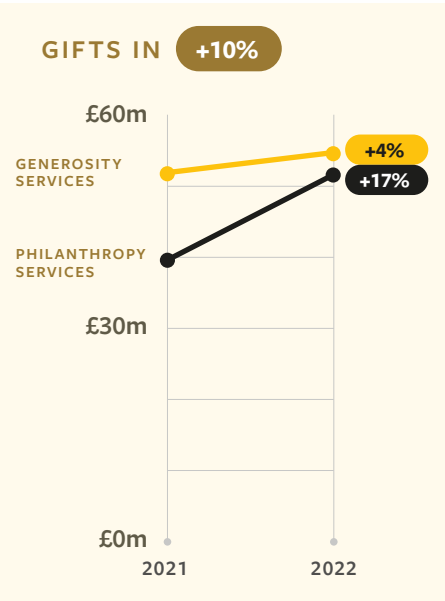
Unrestricted income for the reporting period was £6.0m, an increase of 14% from £5.2m in the prior reporting period (excluding profit from associate in the prior reporting period).



Donations (also referred to as Gifts In)

Donations reported in this financial year, including legacies, were £109.6m, an increase of 10% compared to donations in the prior reporting period.

Within Philanthropy and Generosity Services, donations have increased by 17% and 4% respectively. This increase in donations demonstrates the incredible generosity of our givers, especially at a time when household bills and living costs increased significantly.



Investments and lending

Our **investment income** for the period was £3.6m, an increase of 40% compared to £2.5m in the prior reporting period. Interest received on money market deposits increased by £0.5m (164%) compared to the prior reporting period, despite lower cash balances due to higher interest rates and active liquidity management. Income from externally managed funds increased by £0.4m (28%) due to higher dividends received from the Balanced and Growth portfolios.

Our **loan book** reached £26.3m at the end of 2022, a 3% increase compared to the prior reporting period. In combination with rising interest rates, this resulted in a 15% increase in loan interest compared to the prior reporting period.

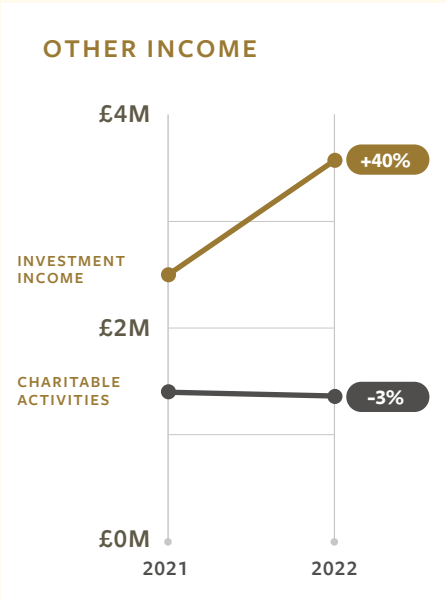
Charitable activities

Total income from **Charitable activities** was £1.3m, a decrease of 3% compared to the prior reporting period.

Income from **Professional Services** activities totalled £1.1m, a 2% decrease compared to 2021. This is largely due to Covid related factors in 2021 resulting in increased income in the prior reporting period. For example, account filing extensions were granted by Companies House and the Charities

Commission, resulting in clients filing two sets of accounts in one year and the furlough scheme continuing into 2021. Despite higher income in 2021 due to these exceptional factors, income from Professional Services for 2022 was very close to that of the previous year, which is indicative of the growth of these services and the value they bring to our clients.

Fee income from **church and charity lending** totalled £88k in 2022, an increase of 76% compared to the prior reporting period. In 2022, we updated our fee structure to more accurately reflect the time and effort associated with lending activity.

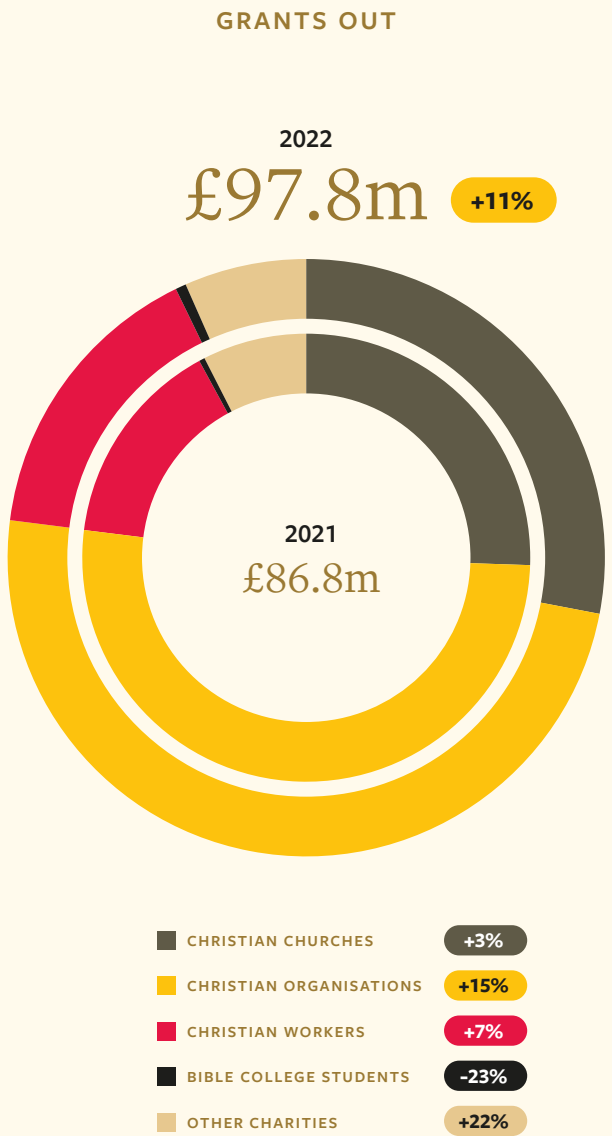


Expenditure

Total expenditure was £104.8m in 2022, an increase of 11% compared to £93.7m in the prior reporting period. This increase was largely driven by higher Grants Out. Unrestricted expenditure increased by 1%.

Grants

Grants Out were £97.8m in 2022, an increase of 11% compared to £86.8m in the prior reporting period. This represents an additional £11.0m granted out to churches, individual partners, Christian charities and other charities in the UK and abroad to further good causes and help those in greatest need.



Charitable activities

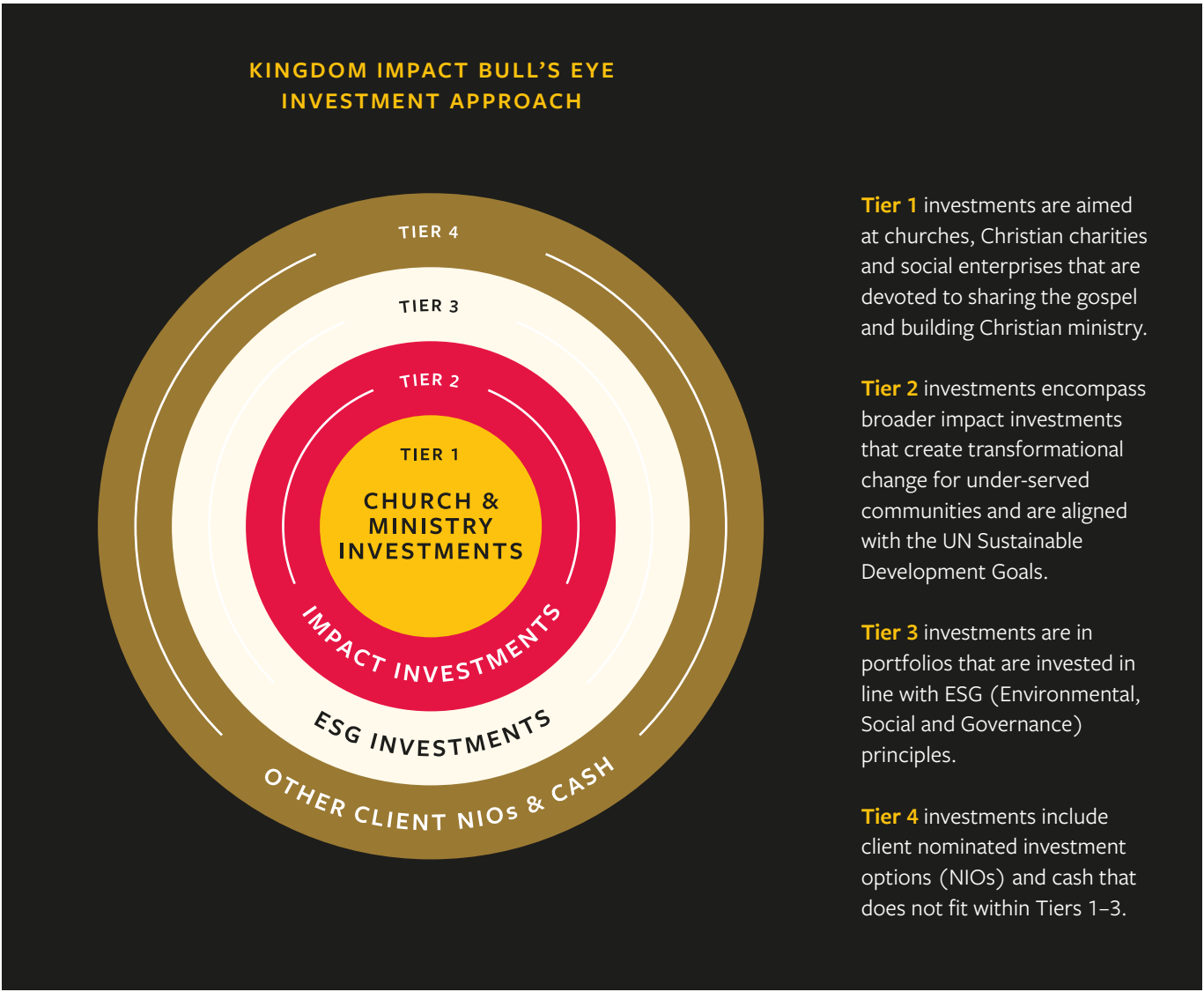
Our total running costs (direct costs and support costs) amounted to £7.0m in the period, which is in line with the prior year (2021: £7.0m). This provides an early indication that our strategy to scale is starting to deliver, as total income grew by 12% over the same period.

Our net unrestricted expenditure for the period, before transfers between funds, was £0.9m. However, it is very encouraging that unrestricted income increased by 14% (excluding profit from associate in the prior reporting period), but unrestricted expenditure (excluding loss from associate) only increased by 1%. We are beginning to see positive results from the implementation of divisional growth plans and a focus on cost across the organisation.

Share of associate's loss

We recognised a £16,000 loss from associate in line with our shareholding in Lamb's Passage Holding Ltd (LPHL), the holding company of Kingdom Bank Ltd (2021: £0.2m profit from associate).

Investment management and performance



“Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up.”

GALATIANS 6:9 (NIV)

Investment policy and objectives

2022 was a difficult year for investment performance, as political instability and economic uncertainty led to increased volatility in the markets.

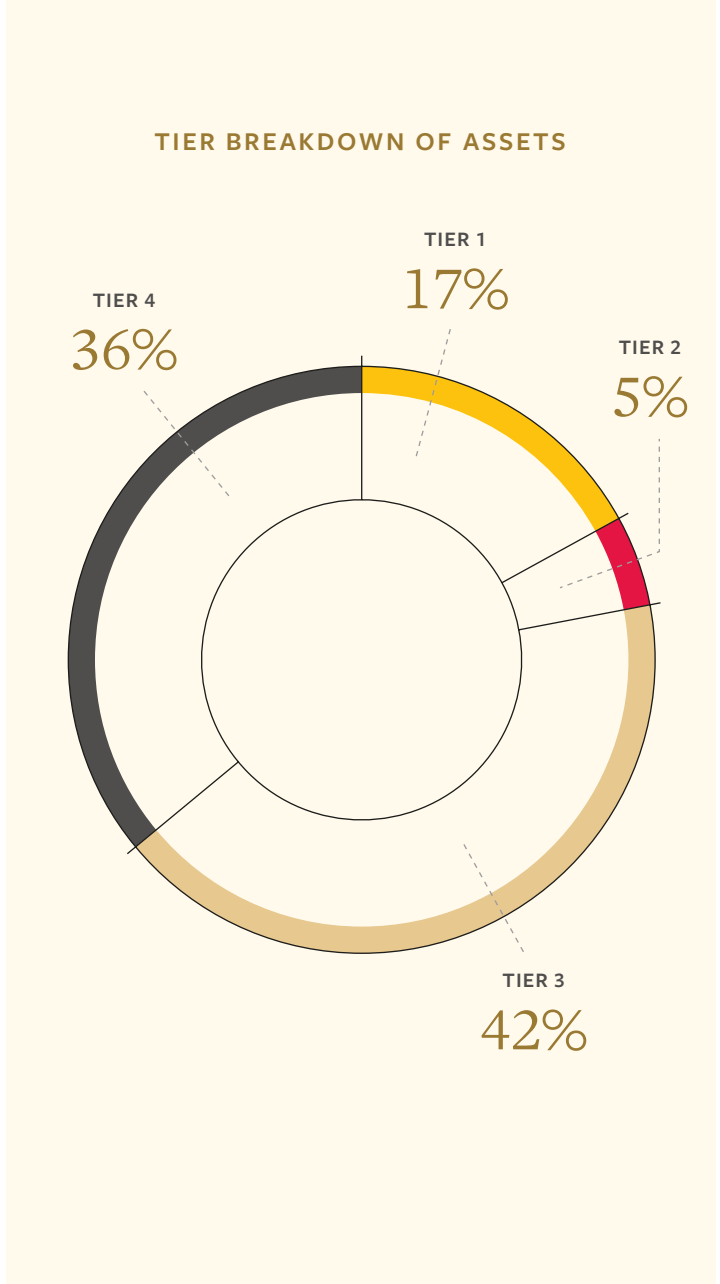
Energy price spikes, a surge in inflation, and rising interest rates leading to the cost of living crisis, created a challenging environment for investments to generate real returns, especially as we sought to allocate capital to investments that had greater impact.

Notwithstanding the challenges of 2022, £6.5m of additional investments were made in Tier 1 and Tier 2 of the Bull's Eye during the year, which increased the allocation by 5% to 22% of total assets. The investments aim to achieve Kingdom impact by enabling churches and Christian charities to build their ministry and address social and environmental issues.

This included investments in innovative new impact investment vehicles that provide access to a diversified range of private investments aligned with the UN Sustainable Development Goals, as well as loans to a Christian charity which helps Christian workers access affordable homes in London.

The cost of living crisis has only exacerbated pressures on under-served communities and vulnerable groups. While short-term investment returns on impact investments have been adversely impacted by macroeconomic factors, Stewardship continues to maintain a long-term view when evaluating investment opportunities and returns. Investment decisions aimed at effective stewardship of assets and resources are prioritised to achieve social and missional impact especially during difficult times, recognising that financial returns may experience market volatility over the investment horizon.

We receive Gifts In as restricted funds, which are designated for grant-making, as requested over time by the donors through their Giving Account and approved by the trustees at their discretion. Total assets decreased by 6% compared to the prior year to £198m from £212m. This is due to our decision to close the cash deposit service, which resulted in £13.3m of client cash balances moving outside of Stewardship. While we have seen an increase in Gifts In, particularly from Philanthropy Services donors who tend to hold a balance with us, the increase in Grants Out for these donors was 20% higher compared to the prior year, reducing balances held. Depressed investment performance and unrealised investment losses also contributed to the reduction.



We balance achieving financial, social and missional impact with these assets by prioritising investment allocation to Tier 1 and Tier 2 of the Bull's Eye.

At the end of 2022, 17% of assets were invested in Tier 1 investments, 5% in Tier 2 and 42% in Tier 3, with the remainder in Tier 4.

Total assets in Tier 1 and Tier 2 investments increased by 5% in the year to 22%, equivalent to £6.5m of additional investments supporting missional, social, and environmental objectives.

The trustees of Stewardship have delegated investment decisions to the Finance and Investment Committee, which reviews the investments and their performance on a quarterly basis.

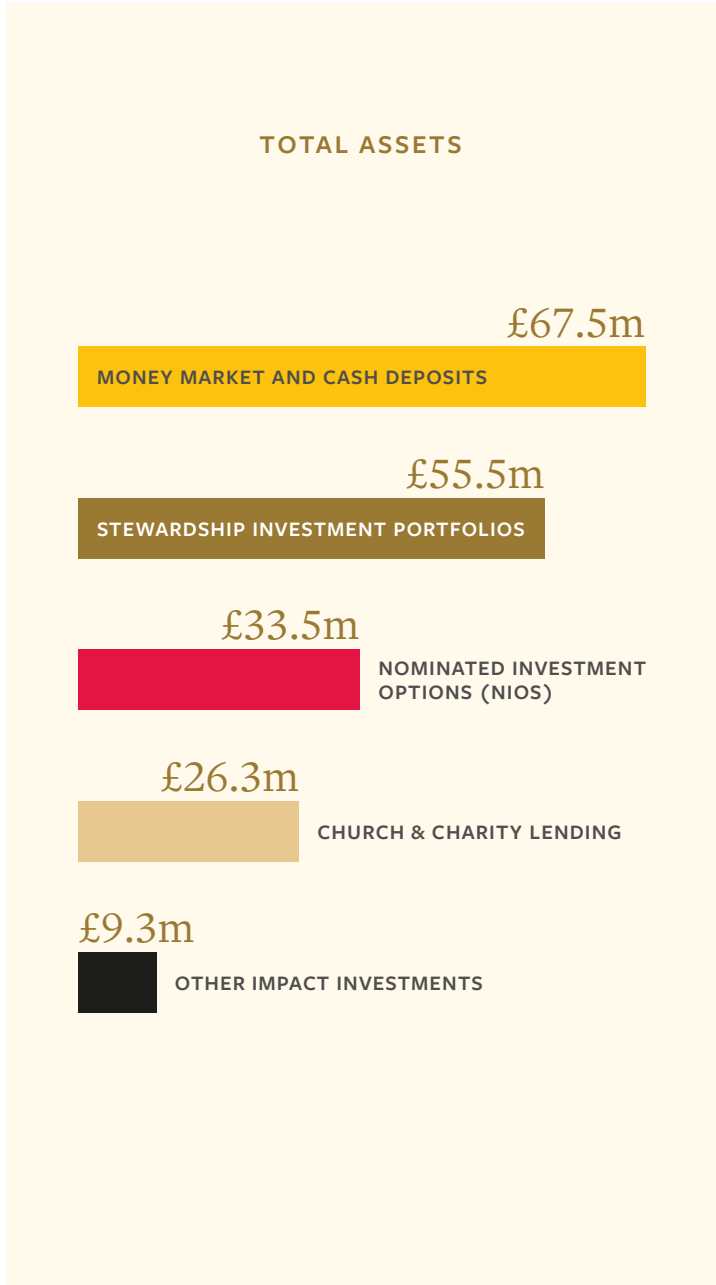
- Unrestricted funds are managed in accordance with the reserves policy to ensure reserves requirements are met. These reserves are held to provide financial security that may be required at short notice, and therefore will be retained in liquid assets and not usually considered for long-term investment.
- Liquidity management of cash reserves is governed by the liquidity policy, which ensures appropriate diversification across a range of approved counterparties, determined by their credit ratings and risk assessments. The management of liquidity requirements ensures grants can be fulfilled on a timely basis and works alongside the investment policy to determine the funds available for investment.

Investment performance

Global stock markets declined across equity and fixed income in the year.

High energy prices drove a surge in inflation, which led to sharp increases in the interest rates by central banks. Multi-asset portfolios with fixed income exposure were impacted by rising yields, while growth stocks especially in the US technology sector saw marked declines. Markets started to show signs of stabilising in Q4 2022, with equity markets rallying, as inflation data indicated signs of slowing.

Overall, this led to negative investment performance across the investment portfolio for the financial year. The total investment portfolio (excluding cash and money market deposits) reduced to £124.7m at the end of the year (2021: £128.5m). Net losses on investments for the financial year totalled £11.2m (2021: £9.7m net gain).



Consolidated Statement of Financial Activities

For the year ended 31 December 2022		31 December 2022			31 December 2021		
	Notes	Unre- stricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unre- stricted Funds £'000	Restrict- ed Funds £'000	Total Funds £'000
INCOME FROM							
Donations and legacies	2	2,745	106,893	109,638	2,467	95,670	98,137
Charitable activities	3	1,335	-	1,335	1,375	-	1,375
Investments	4	1,908	1,642	3,550	1,392	1,141	2,533
Share of associate's profit					194	-	194
Total income		5,988	108,535	114,523	5,428	96,811	102,239
EXPENDITURE ON							
Raising funds	5	(329)	-	(329)	(317)	-	(317)
Investment management fees	5	(12)	(457)	(469)	(13)	(466)	(479)
Charitable activities							
Grants and grant-making activities	8	(4,039)	(97,725)	(101,764)	(4,068)	(86,786)	(90,854)
Other charitable activities	5	(2,195)	-	(2,195)	(2,096)	-	(2,096)
Share of associate's loss		(16)	-	(16)	-	-	-
Total expenditure	5-10	(6,591)	(98,182)	(104,773)	(6,494)	(87,252)	(93,746)

	Notes	31 December 2022			31 December 2021		
		Unre- stricted Funds £'000	Restricted Funds £'000	Total Funds £'000	Unre- stricted Funds £'000	Restrict- ed Funds £'000	Total Funds £'000
Net gains / (losses) on investments	14	(338)	(10,882)	(11,220)	(125)	9,807	9,682
Net (expenditure) / income		(941)	(529)	(1,470)	(1,191)	19,366	18,175
Transfers between funds	21	1,831	(1,831)	-	(74)	74	-
Net movement in funds		890	(2,360)	(1,470)	(1,265)	19,440	18,175
RECONCILIATION OF FUNDS							
Total funds brought forward	20	8,371	184,436	192,807	9,636	164,996	174,632
Total funds carried forward	20	9,261	182,076	191,337	8,371	184,436	192,807

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

Consolidated and Charity Company Balance Sheets

Company number: 90305		Group		Charity	
	Notes	31 Dec 22 £'000	31 Dec 21 £'000	31 Dec 22 £'000	31 Dec 21 £'000
FIXED ASSETS					
Tangible assets	12	3,630	3,666	3,630	3,666
INVESTMENTS					
Church and charity loans	13	24,339	22,561	24,339	22,561
Other investments	14	98,418	102,886	98,309	102,760
Total fixed assets		126,387	129,113	126,278	128,987
CURRENT ASSETS					
Debtors	16	2,666	1,557	2,610	1,525
Church and charity loans	13	1,955	3,037	1,955	3,037
Money market deposits		60,215	62,695	60,215	62,695
Cash at bank and in hand		7,244	15,505	6,887	14,643
Total current assets		72,080	82,794	71,667	81,900
LIABILITIES					
Creditors: Amounts falling due within one year					
Church and charity deposits		-	12,995	-	12,995
Other creditors	17	7,130	6,105	7,147	6,071
Total current liabilities		7,130	19,100	7,147	19,066
Net current assets		64,950	63,694	64,520	62,834
Total net assets	19	191,337	192,807	190,798	191,821

		Group		Charity	
	Notes	31 Dec 22 £'000	31 Dec 21 £'000	31 Dec 22 £'000	31 Dec 21 £'000
THE FUNDS OF THE CHARITY					
Restricted funds	20	182,076	184,436	181,747	183,724
Unrestricted funds	20	8,651	7,415	8,441	7,141
Revaluation reserve	20	610	956	610	956
Total funds		191,337	192,807	190,798	191,821

Consolidated and Charity Company Balance Sheets

As permitted by s408 of the Companies Act 2006, the charity has not presented its own Statement of Financial Activities and related notes. The charity's deficit for the period was £1,023k (2021: surplus of £17,923k).

Approved and authorised for issue by the Council and signed on their behalf on 15 June 2023.



Chris Gillies
CHAIR OF STEWARDSHIP

Registered charity number 234714

Stewardship is a charitable company limited by guarantee, incorporated in the UK and registered in England and Wales. Its company number is 90305.

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Annual Report



Stewardship