

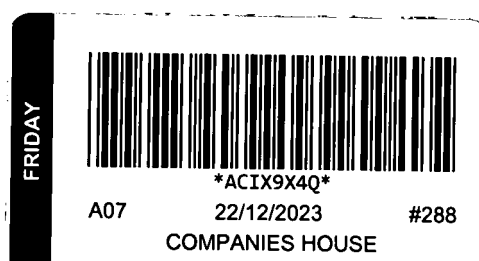


THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Company Number 02632423

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Company Information

Directors	Anthony Pitcher - Chair (from 1st January 2023, Board since 1st January 2020) Nancy Golding, TEP - Chair (left 31st December 2022) Mark Walley, - CEO Muhammad Abdullatiff Alan Milgate Rodney Luker Paolo Panico Amanda Simmonds (left 31st December 2022) Kelly Greig (from 1st January 2023) Michael Olesnický (from 1st January 2023)
Company Secretary	Jim Walkinshaw
Company Number	02632423
Registered Head Office	Artillery House North 11-19 Artillery Row London England SW1P 1RT
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU
Principal Bankers	Barclays Bank 1 Churchill Place London E14 5HP

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Annual Report and Financial Statements for the year ended 31 March 2023

Contents

Page	
3	Strategic Report
5	Directors' Report
7	Independent Auditor's Report
11	Principal Accounting Policies
14	Group Statement of Comprehensive Income
15	Group Statement of Financial Position
16	Company Statement of Financial Position
17	Statement of Changes in Equity
18	Group Statement of Cash Flows
19	Notes to Financial Statements

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Strategic Report

Results

The profit for the year after taxation amounted to £572,756 (2022: £540,047) on a turnover of £12,946,917 (2022: £9,053,342).

Review of Operations

Total group reserves across Head Office and Branches now stand at £8,378,736 (2022: £7,446,355).

Given the prevailing economic conditions we have remained competitive against other membership organisations and have seen a rise in membership of 0.55% in 2022/23.

Future developments

We have changed how we work, collaborate, facilitate learning and networking. Face to face is making a big comeback and while income rises so do cost. We are currently reviewing our operating model between volunteers and staff to ensure we serve all our members best.

Our underlying business plan assumptions have remained conservative, particularly future non-membership subscription revenues. We have though noted an improvement of membership retention rates in 2023.

The assumptions that support the plan are:

Revenue

- For subscriptions renewals, we are assuming some improvement in retention levels over the next 2-3 years based on our experiences in 2022 and 2023 and latest feedback in our member survey.
- Commercial income is expected to grow modestly for the next 2-3 years.

Costs

- Costs will remain tightly controlled throughout the next 12 months, though will increase as our governance related meetings return, at least in part, to in-person.
- There will be inflation linked challenges, though budgeting is prudent.
- Strategic investments will continue on key projects, including digital delivery.

Reserves policy

Our reserves policy of maintaining reserves to be one years value of fixed costs (£5million) was "live" tested through the unprecedented years of Covid and we are comfortable with our current policy.

Using the assumptions stated above and stress testing each assumption by using a robust forecasting model, the directors are confident that the group can continue as a going concern for at least 12 months from the date of approval of the financial statements.

Risk Management (Financial)

The Group maintains a treasury function which operates under Board approved policies and guidelines.

Given the size of the Group, the Directors do not currently delegate the responsibility of monitoring financial risk management to a separate sub committee of the Board. This policy is however under review. The policies set by the Board of Directors are implemented by the Group's executive management team and finance department.

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness. The systems are designed to provide reasonable control over the activities of the Group and to enable the Board to comply with the Directors' responsibilities.

Principal financial risks are:

- Loss of major supplier - contracts and performance reviewed on a monthly basis.
- Loss of advertising and/or sponsorship revenues - reviewed on a monthly basis with Think Publishing Limited.
- Loss of membership - reviewed on a monthly basis for any trends or jurisdictional variants
- Exchange gains/losses on foreign branch reserves - monitored and reviewed periodically
- Conferences and Events - reviewed periodically for delegates, costs and sponsorship by the Conference Committee.
- Major loss of revenue due to collapse in confidence in our Brand.

Financial key performance indicators

The Group relies on different KPIs at an operational level. Such KPIs are used by the executive management team to monitor performance on a regular basis and are reported to the Board.

The main KPIs are as follows:

- Progress with Strategic Projects (including time/budget/value metrics)
- Membership Statistics - monthly monitoring of the membership mix including growth/wastage rates .
- Student enrolments - monitoring course sign ups .
- Conference and Event performance - delegate numbers, cost reviews, sponsorship income.
- Cash flow from operations of the Group after capital expenditure and tax.
- Membership satisfaction - monitoring of satisfaction levels from survey responses.
- Stakeholder engagement - monitoring who is engaging with us on what topics.

This report was approved by the board and signed on its behalf



Anthony Pitcher
Chair

19-Dec-23

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 March 2023 for The Society of Trust and Estate Practitioners Limited, which is incorporated in the United Kingdom.

Principal Activity

The principal activity of the company and its subsidiaries continues to be the provision of education programmes and support services to trust and estate practitioners.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors 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 company will continue in business.

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

Directors

The Directors who held office during the year are listed on page 1.

The organisation has taken out third party liability insurance in respect of the Directors.

Matters covered by the Strategic Report

The business review and principal risks and uncertainties sections are not shown in the Directors' report because they are shown in the strategic report instead in accordance with S414C (11) of the Companies Act 2006.

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Going Concern

In considering going concern, the Directors have reviewed the future cash requirements and earnings projections of both the company and the group for the next 3 years and have concluded that both the company and group as a whole will be able to operate without requiring any external funding and therefore believe it is appropriate to prepare the financial statements of the company and of the group on a going concern basis. This is supported by the liquidity position of both the company (£4.36million) and the group (£10.02million) at the year end.

Due to the unprecedented years of Covid the Directors have had to review both its revenue and costs base. These include stress testing our main revenue stream, membership subscription incomes, a 10% loss in membership would equate to a loss in revenue of £400K, which in turn the directors feel would not have detrimental impact on reserves both at company (£3.22million) and group level (£8.38million). Also a reduction in revenue could be offset by a change in the structure of governance meetings, leading to significant cost savings.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all reasonable steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since year end.

Auditor

In accordance with S489 of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditor will be proposed at the Annual General Meeting.

On behalf of the board



Anthony Pitcher

Chair

Date: 19 December 2023

Independent auditor's report to the Members of The Society of Trust and Estate Practitioners Limited

Opinion

We have audited the financial statements of The Society of Trust and Estate Practitioners Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group Statement of Cash Flows 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 Group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group and the parent company in accordance with the ethical requirements that are 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 relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group and the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and parent Company's business model including effects arising from macro-economic uncertainties such as inflation and increased interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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.

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 themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors 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 directors determine 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and parent company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Group and parent Company operate.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We enquired of management and those charged with governance, concerning the group's and of the parent Company's policies and procedures relating to:

- o the identification, evaluation and compliance with laws and regulations; and
- o the detection and response to the risks of fraud

We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We corroborated the results of our enquires to relevant supporting documentation.

We assessed the susceptibility of the group's and the parent Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:

- o evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
- o testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
- o identifying and testing related party transactions.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagements team's:

- o understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- o knowledge of the industry in which the client operates;
- o understanding of the legal and regulatory requirements specific to the company including:
 - the provisions of the applicable legislation;
 - the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions.

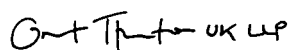
In assessing the potential risks of material misstatement, we obtained an understanding of:

- o the groups' and the parent Company's operations, including the nature of its revenue sources and of the objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- o the applicable statutory provisions;
- o the group's and the parent Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the group's and the parent company's compliance and regulatory requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James E Bird
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 19 December 2023

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Principal Accounting Policies

Basis of preparation of financial statements

The Society of Trust and Estate Practitioners ("STEP") is a company limited by guarantee, formed on 25 July 1991 otherwise than for profit. The liability of each member is restricted to £1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries and other entities disclosed in note 10. The foreign associations controlled by local members for the Society are consolidated due to the dominant influence exercised by the Company. The dominant influence is exercised by the binding terms of the Society's branch regulations.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the company's accounting policies (see note 1).

No Statement of Comprehensive Income is presented for the holding company as permitted by s.408 of the Companies Act 2006. The loss attributable to the parent company is £119,678 (2022 profit £334,366).

Going Concern

In considering going concern, the Directors have reviewed the future cash requirements and earnings projections of both the company and the group for the next 3 years and have concluded that both the company and group as a whole will be able to operate without requiring any external funding and therefore believe it is appropriate to prepare the financial statements of the company and of the group on a going concern basis. This is supported by the liquidity position of both the company (£4.36million) and the group (£10.02million) at the year end.

Due to the unprecedented years of Covid the Directors have had to review both its revenue and costs base. These include stress testing our main revenue stream, membership subscription incomes, a 10% loss in membership would equate to a loss in revenue of £400K, which in turn the directors feel would not have detrimental impact on reserves both at company (£3.22million) and group level (£8.38million). Also a reduction in revenue could be offset by a change in the structure of governance meetings, leading to significant cost savings.

Revenues

Revenue from fees and subscriptions is recognised in the accounting period to which the services covered by those subscriptions relate and is stated net of VAT where applicable. The total number of members at the end of the year was 21,693 (2022: 21,577).

All other income including course and lecture income, exam fees, publications and income relating to the provision of events including sponsorship of the events is recognised in the period in which the services are provided.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Principal Accounting Policies

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange as at the balance sheet date.

Transactions in foreign currencies are recorded at the rate at the date of transaction. Exchange differences are dealt with through the Statement of Comprehensive Income.

Exchange differences arising on the translation of foreign subsidiaries are dealt with through Other Comprehensive Income.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Tangible & Intangible fixed assets and depreciation

Tangible & Intangible fixed assets are shown at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on a straight-line basis to allocate the cost of each asset less its estimated residual value over its estimated useful life on the following basis:

Tangible Fixed Assets	
Office Equipment	10% on cost per annum
Computer Equipment	33.33% on cost per annum
Video Conferencing Equipment	20% on cost per annum
Leasehold Improvements	10% on cost per annum
Intangible Fixed Assets	
Computer Software	20% on cost per annum

Current Taxation

Tax is recognised in the Statement of Comprehensive Income. The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Pension Costs

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Principal Accounting Policies

Financial instruments

The company only enters into basic financial instruments transactions that result in recognition of financial assets and liabilities like trade and other accounts receivable and payable. The company has no bank loans.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Group Statement of Comprehensive Income

for the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	2	12,946,917	9,053,342
Operational expenses		<u>(12,408,390)</u>	<u>(8,527,028)</u>
Operating profit	3	538,527	526,314
Interest receivable	5	<u>38,827</u>	<u>18,299</u>
Profit on ordinary activities before taxation		577,354	544,613
Tax on profit on ordinary activities	6	(4,598)	(4,566)
Profit for the financial period		<u>572,756</u>	<u>540,047</u>
Other comprehensive income for the year:			
Foreign exchange differences on translation of subsidiaries		359,625	47,710
Total comprehensive income/(loss) for the year		<u>932,381</u>	<u>587,757</u>

All amounts relate to continuing activities.

The notes on pages 19 to 27 form part of these financial statements.

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

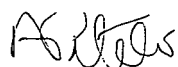
Group Statement of Financial Position

as at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	8	8,000	13,900
Tangible assets	9	<u>477,507</u>	<u>499,349</u>
		485,507	513,249
Current Assets			
Debtors: amounts falling due within one year	11	3,049,751	2,717,812
Cash at bank and in hand	12	<u>10,024,139</u>	<u>9,058,259</u>
		13,073,890	11,776,071
Current Liabilities			
Creditors: amounts falling due within one year	13	<u>(5,180,661)</u>	<u>(4,842,965)</u>
Net current assets		7,893,229	6,933,106
Total assets less liabilities		<u>8,378,736</u>	<u>7,446,355</u>
Equity			
Branch Educational Funds		23,399	23,399
Surplus of Unincorporated Branches		1,962,108	1,825,970
Surplus of Subsidiaries		5,158,881	4,217,135
Surplus of the Worldwide Office		<u>834,348</u>	<u>979,851</u>
Total accumulated funds	16	7,978,736	7,046,355
Strategic funds	16	400,000	400,000
Total Equity		<u>8,378,736</u>	<u>7,446,355</u>

The notes on pages 19 to 27 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 20 October 2023



19/12/2023

Anthony Pitcher
Chair

Registered Company Number 02632423

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Company Statement of Financial Position

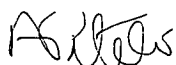
as at 31 March 2023

	Notes	2023	2022
		£	£
Fixed assets			
Intangible assets	8	8,000	13,900
Tangible assets	9	448,756	479,556
Investments	10	<u>125,757</u>	<u>125,757</u>
		582,513	619,213
Current Assets			
Debtors: amounts falling due within one year	11	1,885,422	1,607,263
Cash at bank and in hand	12	<u>4,358,903</u>	<u>4,303,616</u>
		6,244,325	5,910,879
Current Liabilities			
Creditors: amounts falling due within one year	13	<u>(3,606,983)</u>	<u>(3,300,872)</u>
Net current assets		2,637,342	2,610,007
Total assets less liabilities		<u>3,219,855</u>	<u>3,229,220</u>
Equity			
Branch Educational Funds		23,399	23,399
Surplus of Unincorporated Branches		1,962,108	1,825,970
Surplus of the Worldwide Office		<u>834,348</u>	<u>979,851</u>
Total accumulated funds	16	2,819,855	2,829,220
Strategic funds	16	400,000	400,000
Total Equity		<u>3,219,855</u>	<u>3,229,220</u>

The Company generated a loss for the year of £119,678 (2022: Profit £334,366)

The notes on pages 19 to 27 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 20 October 2023



19/12/2023

Anthony Pitcher
Chair

Registered Company Number 02632423

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

**Statement of changes in equity
for the year ended 31 March 2023**

	Group Equity £	Company Equity £
At 1st April 2021	6,858,598	2,892,970
Comprehensive income for the year		
Profit for the financial year	540,047	334,366
Other comprehensive loss	47,710	1,884
Total comprehensive (loss)/income for the year	<u>587,757</u>	<u>336,250</u>
At 31st March 2022	<u><u>7,446,355</u></u>	<u><u>3,229,220</u></u>
At 1st April 2022	7,446,355	3,229,220
Comprehensive income for the year		
Profit for the financial year	572,756	(119,678)
Other comprehensive income	359,625	110,313
Total comprehensive income for the year	<u>932,381</u>	<u>(9,365)</u>
At 31st March 2023	<u><u>8,378,736</u></u>	<u><u>3,219,855</u></u>

The notes on pages 19 to 27 form part of these financial statements.

THE SOCIETY OF TRUST AND ESTATE PRACTITIONERS LIMITED

Group Statement of Cash Flows

for the year ended 31 March 2023

	2023	2022
	£	£
Cash flow from operating activities		
Profit for financial year	572,756	540,047
Adjustments for:		
Depreciation of tangible assets	127,348	105,388
Amortisation of intangible assets	15,900	13,900
Loss on disposal of tangible assets	5,566	-
Interest Income	(38,827)	(18,299)
Taxation charge	4,598	4,566
Decrease/(increase) in debtors	(331,939)	(332,512)
(Decrease)/increase in creditors	333,098	399,673
Net cash generated from operating activities	<u>688,500</u>	<u>712,763</u>
Cash flows from investing activities		
Purchase of tangible assets	(111,072)	(26,832)
Purchase of intangible assets	(10,000)	-
Interest received	38,827	18,299
Net cash used in investing activities	<u>(82,245)</u>	<u>(8,533)</u>
Net increase in cash and cash equivalents	606,255	704,230
Effect of exchange rates on cash and cash equivalents	359,625	47,710
Cash and cash equivalents at beginning of the year	9,058,259	8,306,319
Cash and cash equivalents at the end of the year	<u>10,024,139</u>	<u>9,058,259</u>
Net debt reconciliation	2022	2021
	£	£
Cash and cash equivalents at beginning of the year	9,058,259	8,306,319
Cash flows	965,880	751,940
Cash and cash equivalents at the end of the year	<u>10,024,139</u>	<u>9,058,259</u>

The notes on pages 19 to 27 form part of these financial statements.

Notes to the Financial Statements
for the year ended 31 March 2023

1 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

1.1 Critical management judgement in applying accounting policies

In the process of applying the company's accounting policies, management have made the following judgements, apart from those involving estimation, which have the most significant effect on the amounts recognised in the financial statements.

Determine whether leases entered into by the Company as a lessor are operating or lease or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

1.2 Key sources of estimation

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

Tangibles fixed assets (see note 9)

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. On re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Bad Debt Provision

The recoverability of trade receivables has been assessed as at the period end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all the available information and their experience of the specific nature of the trade receivable in question.

2 Income and expenditure

Turnover by geographical location is as follows:

	2023	2022
	£	£
UK	8,107,803	6,340,178
Rest of the world	4,839,114	2,713,164
	<u>12,946,917</u>	<u>9,053,342</u>

Notes to the Financial Statements
for the year ended 31 March 2023

3 Operating profit	2023	2022	2023	2022
	Group	Group	Company	Company
	£	£	£	£
This is stated after charging				
Depreciation of owned fixed assets	127,348	105,388	117,087	94,389
Amortisation of intangible assets	15,900	13,900	15,900	13,900
Auditor's remuneration				
- audit of company	45,000	29,500	45,000	29,500
- for non-audit services: taxation	5,102	5,050	5,102	5,050
- audit of subsidiaries	14,345	15,596		-
4 Employees	2023	2022	2023	2022
	Group	Group	Company	Company
	£	£	£	£
Wages & Salaries	3,414,516	3,054,765	2,730,183	2,435,126
Social security costs	385,403	316,039	299,803	260,960
Other pension costs	173,830	155,795	173,830	155,795
	3,973,749	3,526,599	3,203,816	2,851,881
Staff training	47,034	51,134	47,034	51,134
Other staff costs	213,083	195,564	213,083	195,564
	4,233,866	3,773,297	3,463,933	3,098,579
Average number of employees during the year	2023	2022	2023	2022
	Group	Group	Company	Company
	No.	No.	No.	No.
Administration	63.5	60.8	52.5	57.5

Directors' Remuneration

Total remuneration paid to Directors for the year was £233,886 (2022 £225,810).

The highest paid Director received remuneration of £233,886 (2022 £225,810) and contributions to a defined pension scheme of £nil (2022 £nil).

Key management personnel are the members of the senior leadership team. Total employment benefits including employer pension and national insurance contributions, of the key management personnel were £813,243 (2022 £762,283).

5 Interest receivable and similar income	2023	2022
	£	£
Bank deposit interest	38,827	18,299
	38,827	18,299

Notes to the Financial Statements
for the year ended 31 March 2023

6 Taxation

	2023	2022
	£	£
UK corporation tax	-	-
Overseas local taxes current year	4,598	6,457
Adjustment relating to prior years	-	(1,891)
	<u>4,598</u>	<u>4,566</u>

7 Reconciliation of tax charge

The tax assessed for the year is lower than (2022: lower than) the Standard rate of corporation tax in the UK of 19% (2022: 19%). The difference is explained below:

	2023	2022
	£	£
Factors affecting the tax charge for the year		
Surplus on ordinary activities before taxation	577,354	544,613
Tax on profit on ordinary activities at standard CT rate	109,697	103,476
Rate adjustments relating to overseas profits	(86,257)	(117,359)
Other permanent differences	-	(20)
Foreign tax credits	-	107
Fixed asset differences	743	55
Deferred tax not recognised	(19,585)	20,198
Adjustments to previous periods	-	(1,891)
	<u>4,598</u>	<u>4,566</u>

8 Intangible assets

	Computer Software £	Total £
Group and company		
Cost		
At 1 April 2022	69,500	69,500
Additions	10,000	10,000
Disposals	-	-
At 31 March 2023	<u>79,500</u>	<u>79,500</u>
Depreciation		
At 1 April 2022	(55,600)	(55,600)
Charge for the year	(15,900)	(15,900)
On disposals	-	-
At 31 March 2023	<u>(71,500)</u>	<u>(71,500)</u>
Net book value		
At 31 March 2023	<u>8,000</u>	<u>8,000</u>
At 31 March 2022	<u>13,900</u>	<u>13,900</u>

Notes to the Financial Statements
for the year ended 31 March 2023

9 Tangible assets

	Office Equipment	Leasehold Improvements	Computer Equipment	Total
Group	£	£	£	£
Cost				
At 1 April 2022	493,077	486,089	104,063	1,083,229
Additions	25,222	-	85,850	111,072
Disposals	(5,500)	-	-	(5,500)
At 31 March 2023	512,799	486,089	189,913	1,188,801
Depreciation				
At 1 April 2022	(303,972)	(194,429)	(85,479)	(583,880)
Charge for the year	(37,914)	(48,608)	(40,826)	(127,348)
On disposals	(66)	-	-	(66)
At 31 March 2023	(341,952)	(243,037)	(126,305)	(711,294)
Net book value				
At 31 March 2023	170,847	243,052	63,608	477,507
At 31 March 2022	189,105	291,660	18,584	499,349

	Office Equipment	Leasehold Improvements	Computer Equipment	Total
Company	£	£	£	£
Cost				
At 1 April 2022	292,426	486,080	104,063	882,569
Additions	437	-	85,850	86,287
Disposals	-	-	-	-
At 31 March 2023	292,863	486,080	189,913	968,856
Depreciation				
At 1 April 2022	(123,105)	(194,429)	(85,479)	(403,013)
Charge for the year	(27,653)	(48,608)	(40,826)	(117,087)
Disposals	-	-	-	-
At 31 March 2023	(150,758)	(243,037)	(126,305)	(520,100)
Net book value				
At 31 March 2023	142,105	243,043	63,608	448,756
At 31 March 2022	169,321	291,651	18,584	479,556

**Notes to the Financial Statements
for the year ended 31 March 2023**

10 Investments

The Company

	Shares in Subsidiary undertakings £
Cost	
At 1 April 2022	125,757
Additions	-
At 31 March 2023	<u>125,757</u>

Additional information on principal subsidiary undertakings

Name	Country of Incorporation	Class of Shares	Percentage of Shares
Companies with a share capital:			
STEP Business Services Ltd.	England	Ordinary	100%
STEP Caribbean Conference Ltd.	Turks & Caicos	Fully Paid	100%
STEP LatAm Conference Ltd.	Belize	Ordinary	100%

The above subsidiaries organise conferences on behalf of STEP.
STEP Business Services Ltd did not trade during the year.

Name	Country of Incorporation	Class of Shares	Percentage of Shares
The Society of Trust and Estate Practitioners (Cayman Is)	Cayman Is.	CI\$1.00	100%
STEP Cayman Events II Limited	Cayman Is.	CI\$1.00	100%
The Society of Trust and Estate Practitioners (Cyprus)	Cyprus	Ordinary	100%
The Society of Trust and Estate Practitioners (Isle of Man) Ltd	Isle of Man	Ordinary	100%
The Society of Trust and Estate Practitioners (Israel) Ltd	Israel	Ordinary	100%
The Society of Trust and Estate Practitioners (Victoria)	Australia	Ordinary	100%
The Society of Trust and Estate Practitioners (Miami)	USA	Ordinary	100%
The Society of Trust and Estate Practitioners (Mauritius)	Mauritius	Ordinary	200%
The Society of Trust and Estate Practitioners Australia Ltd	Australia	Ordinary	100%
STEP Estate Planning India Private Ltd	India	Ordinary	100%
The Society of Trust and Estate Practitioners (Hong Kong) Ltd	Hong Kong	Ordinary	0%*
STEP (China) Limited	China	Ordinary	100%

The above subsidiaries carry on STEP branch activities.

* The company is controlled by the local members of STEP that adhere to both the branch regulations and the rules of professional conduct.

Notes to the Financial Statements
for the year ended 31 March 2023

10 Investments (continued)

Non-Share Corporations incorporated in Canada with the Society as Sole Special Member:

Name	Country of Incorporation	Percentage Owned
STEP Canada	Canada	100%

Companies limited by guarantee and not having a share capital:

The Society of Trust and Estate Practitioners, Nassau, Bahamas Limited	Bahamas	100%
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	Country of Incorporation
Foreign Associations controlled by local members for the Society:	
STEP Basel	Switzerland
STEP Geneva	Switzerland
Verein STEP	Switzerland
Swiss & Liechtenstein STEP Federation	Switzerland
STEP USA	USA
The Society of Trust and Estate Practitioners (Italy)	Italy
The Society of Trust and Estate Practitioners (Monaco)	Monaco
The Society of Trust and Estate Practitioners (France)	France
STEP Deutschland e.v.	Germany
Society of Trust and Estate Practitioners (Arabia) NPIO	Dubai, UAE
Society of Trust and Estate Practitioners - Vereinigung Österreichischer Berater des Erb-, Stiftungs- und Trustrechtes (STEP Austria)	Austria
Step Benelux A.s.b.l	Luxembourg
Associacao Step Do Brasil	Brazil
Asociacion Step Colombia	Colombia
The Society Of Trust And Estate Practitioners Curacao	Curacao
Society Of Trust And Estate Practitioners Guernsey Branch	Guernsey
Step Hungary - Magyarorszagi Bizalmi Vagyonkezelok	Hungary
Association Step Lausanne	Switzerland
Persatuan Pengurus Amanah Dan Pentadbir Aset Pusaka Malaysia (Step Malaysia)	Malaysia
Step Capitulo Mexico A.C.	Mexico
STEP-Panama (Society Of Trust And Estates Practitioners-Panama)	Panama
The Society Of Trust And Estate Practitioners Western Australia Inc.	Australia

The above associations carry on STEP branch activities and are consolidated on the basis that STEP exercises dominant influence over them through its Branch Regulations.

Unincorporated branches not classed as separate entities are not listed within this note as these form part of the UK company.

Notes to the Financial Statements
for the year ended 31 March 2023

11 Debtors: amounts falling due within one year

	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Trade debtors	773,715	789,225	598,423	527,029
Prepayments and accrued income	1,459,785	1,192,925	1,281,688	1,071,576
Other debtors	816,251	735,662	5,311	8,658
	<u>3,049,751</u>	<u>2,717,812</u>	<u>1,885,422</u>	<u>1,607,263</u>

12 Cash at bank and in hand

	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Cash and cash equivalents	10,024,139	9,058,259	4,358,903	4,303,616
	<u>10,024,139</u>	<u>9,058,259</u>	<u>4,358,903</u>	<u>4,303,616</u>

13 Creditors: amounts falling due within one year

	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Trade Creditors	610,726	472,471	261,296	411,210
Amounts owed to group undertakings	-	-	138,448	97,033
Other taxes and social security	76,502	72,926	76,502	72,926
Other creditors	1,403,185	1,124,754	228,346	276,982
Accruals and deferred income	3,090,248	3,172,814	2,902,391	2,442,721
	<u>5,180,661</u>	<u>4,842,965</u>	<u>3,606,983</u>	<u>3,300,872</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14 Operating lease commitments

At 31 March 2023 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Operating lease which expires within one year				
Land and Buildings	372,330	372,330	372,330	372,330
Plant and Machinery	7,631	24,812	7,631	24,812
	<u>379,961</u>	<u>397,142</u>	<u>379,961</u>	<u>397,142</u>
Operating lease which expires within 2 to 5 years				
Land and Buildings	1,489,320	1,489,320	1,489,320	1,489,320
Plant and Machinery	-	7,631	-	7,631
	<u>1,489,320</u>	<u>1,496,951</u>	<u>1,489,320</u>	<u>1,496,951</u>

Notes to the Financial Statements
for the year ended 31 March 2023

14 Operating lease commitments (continued)

	2023 Group £	2022 Group £	2023 Company £	2022 Company £
Operating lease which expires greater than 5 years				
Land and Buildings	124,110	496,440	124,110	496,440
Plant and Machinery	-	-	-	-
	124,110	496,440	124,110	496,440

15 Pension commitments

The company operates a qualifying defined workplace pension scheme. Employee membership of this scheme is governed by the rules and regulations of current pension legislation and in particular the Pensions Act 2008.

By law, all employees will be auto-enrolled into the scheme after 3 months, should they be eligible to do so. The employee may however, choose to "opt-out" should they wish to do so. Employees who are not eligible may still "opt-in" to the scheme.

In the first instance, the Company will match the minimum contributions, in line with legal requirements, however, should the employee wish to increase their contribution, the Company will match the amount paid by the employee within a defined range dependent upon service.

The pension cost charge represents contributions payable by the company to the fund and amounted to £173,830 (2022: £155,795). Contributions totalling £nil (2022: £nil) were payable to the fund at the balance sheet date.

16 Reserves

Total Accumulated funds

Accumulated funds include all current and prior period retained profits and losses.

Strategic funds

Strategic Funds are in place to enable STEP to take advantage of any development opportunities that may arise or to cover any short term setback.

17 Transactions with related parties

There have been no transactions with any Board Members during 2023 (2022 Nil).

The Company has taken advantage of the exemption available under FRS 102 from disclosing transactions with wholly owned subsidiaries.

There have been transaction with any parties outside of the owned subsidiaries during the period

**Notes to the Financial Statements
for the year ended 31 March 2023**

18 Control

During the year and the previous year, the company was under the control of the directors. In common with many other professional bodies, the Society operates a branch and regional structure whereby financial control is devolved to local committees. A material proportion of the Society's financial reserves rest with the regions and branches and are used to meet local needs. These reserves would not normally be called upon by the Society's central office.