

 UNITED SOCIETY
PARTNERS IN THE GOSPEL

ANNUAL REPORT OF THE USPG TRUSTEES

Trustees' Report and Financial Statements for the year ended 31 December 2018.
The United Society. Registered charity number 234518. Incorporated under Royal Charter, 1701.

USPG⁺

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Cover: Marsepo Motoko, wife of the village elder and Mamolete Nkena, members of the CCMP consultation group living near St James' Hospital, Mantsonyane, Lesotho.

Credit: USPG/Leah Gordon

Top: Revd Rose Hudson Wilkin speaking at USPG's *Rethinking Mission* conference held on Saturday 16 March 2019 in the Lady Chapel of Liverpool Cathedral.

Credit: USPG/Leah Gordon

TRUSTEES, DIRECTORS AND ADVISERS

President

The Most Revd and Rt Hon Justin Welby
Archbishop of Canterbury

General Secretary

The Revd Duncan Dormor

Directors

The Revd Duncan Dormor
General Secretary and Chief Executive

Mr Ben Kuevidjen
Director: Finance and Resources, Company Secretary and Deputy General Secretary

Ms Naomi Herbert
Director: International Programmes
Left in July 2018

Mrs Rachel Parry
Director: Global Relations

The Revd Timothy Harford
Director: Fundraising and Communications
Left in May 2018

The Revd Canon Richard Bartlett
Director: Mission Engagement

Trustees

Mr John Neilson*
Chair, appointed 3 July 2018

The Revd Canon Dr Daphne Green*
Vice Chair

The Revd Canon Christopher Chivers
End of term 2 July 2018

Mrs Rosemary Kempzell
End of term 2 July 2018

Mr Richard Barrett*
Chair of the Finance and Audit Committee

Mr Martin Canning*
The Revd Canon Joabe Cavalcanti
End of term 2 July 2018

Mr John Chilver*
End of term 2 July 2018

The Revd Canon Prof Patrick Comerford
Ms Sheila Cook
Appointed 3 July 2018

Mr Martin Uden*
Appointed 3 July 2018

The Rt Revd Joanna Penberthy
Appointed 3 July 2018

The Revd Dr Carlton Turner
Appointed 3 July 2018

Mr David Friswell

The Rt Revd Jonathan Frost*

The Revd Christopher Rogers*

Mrs Jane Watkeys*
End of term 2 July 2018

** Members of the Finance and Audit Committee*

+ Members of Remuneration and Personnel Policy Committee

Address

5 Trinity Street
London SE1 1DB

Charity registration
234518

Auditors

Knox Cropper Chartered Accountants
65 Leadenhall Street
London EC3A 2AD

Solicitors

Royds Withy King LLP
65 Carter Lane
London EC4V 5HF

Principal bankers

Barclays Bank Plc
1 Churchill Place
London E14 5HP

Investment managers

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London EC2V 6DZ

Rathbone Investment Management
8 Finsbury Circus
London EC2M 7AZ

Savills Investment Management LLP
33 Margaret Street
London W1G 0JD

Property Advisors

Ingleby Trice
10 Foster Lane
London EC2V 6HR

A MESSAGE FROM THE CHAIR OF TRUSTEES



MR JOHN NEILSON
Chair of the Trustees

I was delighted to have been asked to serve as USPG's Chair and started doing so at USPG's annual conference in July 2018. During 2018 USPG has made several significant strides forward. It has set out a clear strategy for the future, endorsed by its Trustees and its Communion Wide Advisory Group.

The Trustees have set a clear path to achieving financial sustainability over the next two years. Governance responsibilities have been taken seriously, and we have welcomed several excellent new Trustees. In particular, USPG has benefited from the strategic and energetic leadership of its new General Secretary, the Revd Duncan Dormor, who took up the post in January 2018.

The need for a proactive Anglican mission agency remains very clear. We wish to stand closely alongside our partners around the world, many of whom witness to the Gospel in conditions of great challenge, not least in facing poverty and risks to personal security. It has been heartening to hear the brave testimony of several of those partners during the year, especially at USPG's annual

conference, which encouragingly attracted 180 of our supporters.

2018 has also been a time of significant change for USPG. At conference we expressed our considerable thanks to the Trustees who retired during the year, to the Revd Canon Joabe Cavalcanti, John Chilver, the Revd Dr Olubunmi Fagbemi, Rosemary Kempzell (Vice Chair), the Rt Revd John McDowell, Leah Skouby and Jane Watkeys, and particularly to the Revd Canon Chris Chivers, who had served as Chair for six years. We welcomed as new Trustees Sheila Cook, the Rt Revd Jo Penberthy, the Revd Dr Carlton Turner and Martin Uden.

During the year the Trustees also agreed to the purchase of a suitable office for USPG in Southwark. We hope this will be the Society's base for many years to come, and it therefore also constitutes an important sign of commitment to the long term ministry of USPG. It should represent a better use of resource overall for USPG, compared to continuing to rent offices, but it also represents a wonderful resource for many to use, not least with its beautiful chapel which



was filled for its service of commissioning on 21 March 2019. I would particularly like to thank USPG's staff for their support and dedication through the challenges of moving, first to temporary offices during 2018 and then to the new building.

Looking ahead USPG recognises that its greatest current challenge is to enthuse many more churches and individuals, across Great Britain and Ireland, to share in the exciting work it does, in practical ways as well as with prayer and financial support. That is what we

need to enable USPG to be a strong partner to all those we seek to work with around the world. ■

Top: The cutting of an appropriately USPG pink ribbon by Archbishop Dr Josiah Idowu-Fearon, Secretary General of the Anglican Communion, at the dedication of USPG's new chapel and offices in Borough.

Credit: USPG/Leah Gordon

A MESSAGE FROM THE GENERAL SECRETARY



THE REVD DUNCAN DORMOR
General Secretary, USPG

USPG lives out its mission in the midst of the world's challenges. As I write the full horror of the attacks on churches in Sri Lanka is still emerging and in Southern Africa, an unprecedented second cyclone follows fast on the heels of cyclone Idai bringing devastation to countries already struck with extensive flooding and a cholera outbreak.

These events bring home in stark terms the crucial importance of USPG's engagement with the issues of climate justice and inter-religious living, as well as other key challenges, like migration and gender justice. All of these challenges are truly global in nature and remind us of the fundamental interdependence of the world, and the deep sense of connection between the churches of the Anglican Communion including those of the British Isles. They shape the mission priorities of our partner churches.

During 2018 we developed a strategic vision for the coming years which was launched at the USPG conference in July and communicated in early 2019 through a short document, *Open to Encounter: Mission in the*

21st Century. The process of reflection on what it means to be a mission agency in the 21st century has deepened our commitment to addressing the common challenges that face us all through our three new strategic aims – rethink mission, energise church and community and champion justice.

Our *Rethinking Mission* conference in Birmingham Cathedral brought together speakers from across the world-wide church to focus on the challenges of inter-religious living. USPG also contributed to mission thinking through participation in a range of global gatherings including the *WCC World Mission* conference in Arusha, Tanzania and through our engagement with the Asian Theological Academy, whose refresher course in 2018 focussed on *Creating Communities of Resistance and Hope*.

For many of our partner churches, strengthening leadership, investing in the training of lay people and priests and encouraging and equipping church communities for the mission has been a major priority, with programmes being undertaken within the churches of Malawi,

South India and Bangladesh, renewing and energising their collective life.

In September, I was invited to address the Council of Churches of East Asia. It was a great privilege to be able to share some ideas on leadership and reconciliation in ministry with primates and bishops gathered from across the region including the Philippines, Myanmar, Hong Kong, Korea, Malaysia and Australia.

One of the central themes of 2018 was a focus on the contribution that the churches make to the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). This found clear expression in our study course, *All Things Are Possible*, and in our Annual Conference. USPG is playing a key role in a variety of policy forums both nationally and internationally promoting engagement with SDGs. Many of the programmes of our partner churches address these key UN goals, like gender justice, very directly - including the work of the Women's Helpline

project in the slums of Delhi and that of the Anglican Council of Zambia.

USPG has supported work with people on the move, including refugees in many contexts over the years. In 2018 this involved a new development in which we worked with the Diocese of Canterbury and the Diocese in Europe to create a new post of Chaplain and Refugee Projects Officer in Pas-de-Calais.

The following pages seek to give a flavour of the mission activities of our partner churches, and of the work of USPG. I hope that as you read this Annual Report, you will find it a blessing and an encouragement. Thank you for all your support in prayer and action, and in generosity of giving as together we seek to follow the example of our Saviour Jesus Christ. ■

Pictured: Village leader and his grandson, Diocese of Durgapur, North India.

Credit: USPG/Leah Gordon





FUTURE PLANS

During the first half of 2018, a consultation process took place that sought the views of USPG's Communion Wide Advisory Group (CWAG)* Trustees, staff and members of Council at the annual conference in High Leigh in July 2018.

As a result of that consultation, the identity of USPG as an Anglican mission agency that engages in a spirit of deep and attentive partnership with churches across the Communion to strengthen the mission capacity of provinces and dioceses – and indeed the whole Communion – was reaffirmed in the following statement:

USPG is the Anglican mission agency, founded in 1701, that partners' churches and communities worldwide in God's mission to enliven faith, strengthen relationships, unlock potential and champion justice.

Opposite: Shelling the fresh bean crop produced as part of the Episcopal Church of the Philippines' Receivers to Givers scheme in Ur-urtuut field, near Basao, Tinglayan municipality, Kalinga Province, the Philippines.

Credit: USPG/Leah Gordon

In addition, three high level strategic priorities were identified: to **Rethink Mission**, to **Energise Church and Community**, and to **Champion Justice**. These three overarching aims are realised through six strategic programmes, the delivery of which are the responsibility of all within the organisation.

- a. **Mission theology:** To support, facilitate and encourage creative initiatives in missiological theology within the Anglican Communion and to provide opportunities for dissemination and wider discussion.
- b. **Leadership development:** To assist in the development of collaborative and mutually accountable leadership within the Anglican Communion.
- c. **Strengthening capacity:** To accompany the provinces and dioceses of the Anglican Communion as they further

develop their capacity to deliver their mission through integrated programmes that serve the needs of their churches and communities in holistic mission.

- d. **Mission Engagement in Britain and Ireland:** To strengthen and equip the churches of Britain and Ireland to engage in world-wide mission through developing USPG's engagement with dioceses and a wide range of church networks, and

providing opportunities for individuals to experience the world-wide church.

- e. **Policy development and alliance-building:** To provide high quality research about faith-based mission and development that informs best practice and influences secular and religious policy- and decision- makers.
- f. **Supporting locally prioritised initiatives:** To strengthen churches in the Anglican Communion as they seek to tackle injustice by sharing skills, experience and resources to support locally prioritised initiatives.

In support of this strategy there was a reorganization of the structure of USPG with the amalgamation of the two international teams into a single Global Relations team directed by Rachel Parry. In addition, the Communications and Fundraising functions were separated. The Trustees also approved the purchase of 5 Trinity Street from endowment and a clear three-year trajectory to financial sustainability. ■

* The members of the CWAG: The Most Revd Archbishop Dr Maimbo Mndolwa (Tanzania), the Revd Dr Michael Clarke (Barbados), Esther Kazilimani-Pale (Mozambique), the Obispo Maximo (IFI), the Revd Dr Derek Kamukwamba (Zambia), the Rt Revd Christopher Lawson (Church of England), the Ven Dr Rienzie Perera (Sri Lanka), and there are two vacancies (Oceania; Jerusalem and the Middle East).



The vision and strategy of USPG is further elucidated in the document, *USPG Strategy 2019-2021*, published in early 2019, and available at:

www.uspg.org.uk/docstore/235.pdf

OUR STRATEGIC PRIORITIES

RETHINKING MISSION

We bring people together from different parts of the global church in mutually enriching conversation and profound encounters, to increase understanding and deepen our discipleship as intercultural Christians. *Do not be conformed to this world, but be transformed by the renewing of your minds, so that you may discern what is the will of God.* (Romans 12:2)

ENERGISING CHURCH AND COMMUNITY

We make connections between the dioceses and communities of the Churches of Britain and Ireland and those of Anglican churches overseas and we seek ways in which faith and action can go hand-in-hand. We look to strengthen the unity and capacity of the Anglican church by promoting education and leadership and by learning from each other in rich exchange. *I came that they may have life, and have it abundantly.* (John 10:10)

CHAMPIONING JUSTICE

We accompany churches of the Anglican Communion in their struggles against injustices associated with gender, climate change, migration, the human rights of indigenous people and interreligious living. We support Christians across the world to form communities of hope and resistance and we strive to give a platform to the faithful among those with power in the secular world. *But strive first for the kingdom of God and his righteousness.* (Matthew 6:33)

REPORT FROM THE GLOBAL RELATIONS TEAM

Rethink Mission

USPG is committed to encourage creative initiatives in missiological theology to develop and deepen contextual and inter-cultural thinking across the Anglican Communion. We facilitate the sharing of experiences and contextual theologies through a range of engagements, conferences, events and educational opportunities. Consequently, USPG continues to be challenged by and committed to our active engagement with the **Asian Theological Academy** (ATA), a valuable and important programme, reaching people who have the greatest potential to transform how mission is carried in the 21st century. *Creating Communities of Resistance and Hope* was the title of the 2018 successful Refresher Course in Sri Lanka. There were participants from India, Malaysia, Myanmar, Pakistan, Philippines, Seychelles, South Korea, Sri Lanka and Tonga/New Zealand; and facilitators from Brazil, India, Jamaica/UK, Malaysia and Sri Lanka. The group were men and women, lay and clergy and from all kinds of different backgrounds and perspectives. This diversity added flavour and colour to the discussions and interactions. A highlight of the course was a visit to Fr Aloysius Pieris in Tulana, a remarkable wise and humble shaper of

theological thought in Asia. (There have been more than 50 dissertations on Fr. Aloysius and his work.) The group saw his collection of art, much of it Buddhist interpretations of Christian themes. For the exposure visit, the larger group was divided into three groups, visiting and interacting with a fishing community in Chilaw, a tea plantation in Ingiriya and the Chinese development of a high tech Port City in Colombo, all places and people facing serious social and economic challenges. The participants produced

insightful reports on these visits and each participant wrote a 1,500-word essay on one of 14 topics. They found time to do this and interacted with each other to discuss the issues raised in the essays.

Through USPG's Theological Advisor, the Revd Dr Evie Vernon O'Brien, USPG helped to resource the **Global Ecumenical Theological Institute** (GETI), the central event being a two-week intensive course in Arusha, Tanzania from 2-14 March 2018, alongside the ten-yearly World Conference of Churches Conference on Mission and Evangelism 2018. The GETI provides USPG with an opportunity to interact with a global forum of international theologians. USPG sponsored the two UK representatives to the GETI: The Revd Dr Evie Vernon O'Brien on faculty, with a Westcott House student as an observer.

Their group - led by an Orthodox biblical theologian from Lebanon, and a womanist Mission theologian from Jamaica and the UK (Revd Dr Evie Vernon O'Brien) - included students from Kenya, Zimbabwe, the US, Puerto Rico, Romania, Germany, Cameroon, Tanzania and the Philippines. The students were introduced to a wide array of leading thinkers on current theological issues, including among many others, Mission from the Margins, Climate Justice, Gender Justice, and African theology. They had the rare privilege of being able to interact closely with Professor John Mbiti, the acknowledged father of the discipline of African Theology, and Mercy Amba Odoyoye, the mother of the Circle of Concerned African Women Theologians.

USPG attended the first **Global South Missions Consultation** in Cairo in October and continues to be seen by Anglican provinces as an agency enabling people in mission movement and exchange. USPG appointed the Revd Fr St Obed Arist Kojo Baiden, a priest from the Diocese of Cape Coast, Ghana to serve in Diocese of The Gambia, Church of the Province of West Africa, under USPG's Exchanging Places Programme. This programme facilitates the movement and sharing of mission personnel between USPG partner churches within the same hemispheres. Revd Obed Baiden is also a lawyer. He is the second priest enabled by USPG to support the Diocese of The Gambia as they work to rebuild their own capacity for ministry where the bishop is the only clergy with a stipend.



Another demonstration of our commitment to **Theological education** in its widest sense is manifest in our two global e-courses on gender justice, presented in collaboration with the Catherine of Siena programme at the University of Roehampton. In collaboration with an international group of programme activists and theological activists, USPG developed two six-week courses, one on the intersections between gender, development and the Christian community, and another on health, gender and development in the Christian context. More than 50 people from across the globe who have so far participated in the courses have valued the opportunity to interact critically with challenging issues facing 21st century faith actors. This has proved to be an effective way for participants to engage with divergent views on problematic matters in a non-threatening way.

USPG has increasingly engaged across a number of **missiological forums** in 2018 including participation - as one of two Church of England representatives - in

Opposite: Worship at Creating Communities of Resistance of Hope at the Asian Theological Academy held in Sri Lanka in 2018.

Credit: Colombo Diocese

Right: Kanto Moi Biswas with friends from the Church of Bangladesh Golden Age Project, Chourkhuli, Bangladesh.

Credit: USPG/Leah Gordon

the joint Vatican/WCC Conference on Xenophobia and Racism; participation in the WCC Conference commemorating the 20th anniversary of the Churches' Decade in Solidarity with Women, Kingston, Jamaica; presentation of a paper at the *Belonging and Brexit* forum at Westminster Abbey (Christian Muslim Forum); presentation of a paper on *Rethinking Theological Education* at the CSI Conference on *Rethinking Ecclesia: Towards a Borderless Church*; and participating in a panel following a presentation of *King: A Filmed Record*, commemorating the 50th anniversary of the assassination of Martin Luther King.

Energise Church and Community

USPG is committed to work that contributes to the life and capacity of partner churches; that further enables the strengthening of structures and capacity, and lessens dependency on outside agencies. USPG's accompaniment of the **Anglican Council in Malawi (ACM)** has provided an opportunity for deep reflection on engaging strategically, strengthening leadership and resourcing for God's mission. The reflections have resulted into key areas, which the ACM secretariat has put forward to the House of Bishops. The ACM diocesan programmes and field staff from all the four dioceses and its secretariat leadership shared skills, experiences and interests through a five-day training and field exposure visit to other dioceses in December 2018, which enhanced their knowledge and effectiveness in mission community/church



engagements, tracking change that happens in supporting local prioritised activities.

The Institute of Pastoral Management (IPM), is one of the flagship programs in the Church of South India with which USPG engages. It aims towards building the capacities of the local congregations through equipping their Pastors on wide range of subjects pertaining to the pastoral ministry and administration in legal, administrative and finance matters including topics related to personality development. USPG was delighted that in 2018 this programme saw 120 clergy receive training enabling them to further develop their ministry and the work of the church.

USPG accompanied the **Church of Bangladesh (COB)** throughout 2018 in

their synod level strategic planning and has committed to accompanying COB in its journey towards becoming a self-supporting church, reducing dependency on external support.

USPG runs a top-up loan scheme called the **Festina Revolving Loan Scheme** which operates at a low-interest rate for feasible and proven income generating schemes. The purpose is to strengthen the base from which a diocese or province operates by enabling the maximising of land assets for future sustainability.

Some examples of successful Festina projects around the Communion include:

- **Zambia Anglican Council:** The property development project completed in 2017 has started repayments. →

- Diocese of Harare, Zimbabwe: The final tranche of the FRLS loan for their hotel project was remitted as a 'top-up' to the financing. A video of the entire construction process has been put out on YouTube by the Diocese, and the hotel opened in 2018. It is an excellent example of good collaboration.
- Diocese of Asante-Mampong, Ghana: The grand opening of this nurses' hostel took place on 6 April 2018. USPG's contribution has been clearly acknowledged. This is another excellent example of good collaboration with a partner church.

In the **Journey With Us** (JWU) programme, 21 (24 in 2017) people took part in the Discernment Weekends out of which 8 (7 in 2017) decided to go overseas. USPG subsequently held a Summer Training for the

programme in July with eight participants – covering a broad age range – preparing for placements in the world church.

Placements for these trainees included Diocese of Lusaka, Zambia; Diocese of Central Tanganyika, Tanzania; Diocese of Tanga, Tanzania; Diocese of Accra, Ghana; Diocese of Ho, Ghana; Diocese of the Windward Islands, Province of the West Indies. Returned JWU volunteers played a crucial role in our presence at Greenbelt. In the autumn, USPG hosted the annual JWU Reflections Weekend in Birmingham with ten participants: four recently returned people reflecting for the first time; two other returnees and four ordinands/clergy who had been awarded grants through the Expanding Horizons programme. **Expanding Horizons Programme** – Out of over 37 enquiries and 18 applications, 20 (14 in 2017) were awarded

grants: eight clergy and 12 lay/ordinands for placements across the Anglican Communion.

Champion Justice

We continue to work with **UK Stakeholders for Sustainable Development** (UKSSD) to encourage greater domestic engagement with the United Nations Sustainable Development Goals in our role as coordinator of an informal UK interfaith group. In this capacity, we wrote a letter to the Prime Minister in 2018 signed by representatives of all major faiths in the UK calling on the government to take the domestic implementation of the SDGs seriously. We also submitted a case study to the UK Stakeholders for Sustainable Development (UKSSD) to present at the UN High Level Political Forum (HLPF) which reviews each country's progress towards the Sustainable Development Goals. UKSSD is the first civil society organisation to present in this way, and the case study represents the first occasion on which the work of faith actors has been explicitly mentioned at the HLPF.

Partnership for Religion and Sustainable Development (PaRD) Together with Islamic Relief, USPG conducted a governance survey to inform discussion at the first governance meeting of the International Partnership for Religion and Sustainable Development (PaRD). The survey results informed the discussion and aided the drafting of a preliminary governance structure. USPG continue to advise on this in preparation for the annual meeting in Geneva.

An Australian priest, Canon Kirrilee Reid,

was appointed as the first joint Chaplain and Refugee Projects Officer in Pas-de-Calais (France). This is a new post, the outcome of a joint partnership between the **Diocese in Europe**, the **Diocese of Canterbury** and USPG responding to the growing challenge of rising numbers of migrants around the Channel ports in Northern France. This area is served by the Church of England's Pas-de-Calais Chaplaincy, and this appointment reflects the need for a more co-ordinated approach to care and support for migrants and their families – on both sides of the English Channel.

The **Delhi Brotherhood Society** (DBS) addresses issues of gender-based violence in the slums of Delhi, North India through its Women Helpline programme with USPG support. It empowers women through training on legal aid, protection, justice and livelihoods. In 2018, an end-of-project evaluation was conducted for the first phase (2015–2017). Key outcomes included: 1,102 women were rehabilitated, 69 women were provided legal aid, 203 women were mobilised through Women Council, 12 women were provided with shelter, 900 children were enrolled in school, and 179 men were counselled. The DBS will continue the programme into its next phase to help, protect and empower more women in the slums of Delhi, at the same time as engaging more with men and youth.

In the **Diocese of Colombo's** Plantation Community Development programme, with USPG support, during 2018, education support and nutritious food were provided to



153 children through four pre-schools; 203 students received non-formal education, and seven youth were supported for higher education.

The mid-term review in **Zimbabwe** of the HIV Stigma and Discrimination programme which USPG supports evidenced the success of its aims to contribute to the overall reduction of stigma and discrimination of PLWHIV (people living with HIV) in Zimbabwe. The project was launched in November 2016 and is implemented by the Anglican Church of Zimbabwe in five dioceses – Matabeleland, Masvingo, Central Zimbabwe, Harare and Manicaland. The review in 2018 highlighted a number of emerging benefits, including:

- Reduced levels of HIV related stigma and discrimination among the community members and within the church, which points to the effectiveness of the intervention;
- Increased proportion of people who can openly disclose their status compared to before the project;
- PLWHIV participating in public forums; the church is playing a leading role in encouraging HIV pandemic discourse;
- Wellness (support) groups have emerged in churches;
- Improved access to HIV information, products and services;
- The establishment of expanding livelihood options such as business skills, peanut butter machines, and modern farming practices for vulnerable people living with HIV.

People living with HIV now felt they had greater acceptance and 'hope in life'. PLWHIV can now freely take part in community life, whereas before they were shunned and gossiped about with expressions such as 'so and so has stepped on the red ribbon' inferring they were HIV positive and therefore more likely to be stigmatised and live in isolation.

The **Anglican Council of Zambia** Gender Justice work continues to be implemented in two districts of Mansa, Luapula Diocese reaching 238 gender-based violence survivors with 3,488 women and 571 adolescent girls through counselling centres and having livelihoods training, peer to peer activities, police action and protection. The annual *16 Days of Activism Against Gender-Based Violence* is an international campaign to challenge violence against women and girls. *Orange the World #Hear me too, end violence against women and girls* was the key theme for discussion and reflection during the 16 days, which culminated in a four-day radio program conducted by the church in Mansa District, Luapula Diocese, Zambia. The church engaged communities in key messages aimed at raising awareness on gender-based violence (GBV) to the populace, interpreting gender issues in line with policy and calling for civil society to work together in order to mitigate gender-based violence in Luapula. A series of interactive weekly radio sessions and 16 Days of Activism events provided an opportunity for many people to be made aware of the consequences of perpetuating GBV, where they can go for



help, the importance of reporting cases of GBV and available policies on gender issues. The church's visibility and engagement in gender-based violence issues have been raised, and it is now more actively involved with other stakeholders working on GBV. People in project sites are more aware of the consequences of this violence and where to report such instances. Traditional leaders are also more aware of GBV and discussing ways of addressing the problem.

USPG responded over the year with prayer, sharing of news and contributing to the resourcing of the local church response in a number of disasters, including sending emergency grants from our **Rapid Response Fund** to: the Church of South India (CSI) as they reached out to those impacted by the most damaging floods in Kerala state for over a decade by providing food rations in four dioceses; the Al Ahli Hospital in Gaza as they responded to emergency medical needs

following sudden escalating conflict; and to the local church response following the cyclone in Madagascar; the earthquake and tsunami in Indonesia; the migration situation in Mexico and following an earthquake in Korea.

2018 has been a full year in the life of USPG, with a new General Secretary bringing energy and a strategic review as we continue to seek to fulfil our charitable objectives and participate in life-giving mission across the Communion. ■

Opposite: Students playing netball at Chinthche Msompa School, Malawi

Credit: USPG/Carrie Myers

Pictured: Flooding in Mozambique after Cyclone Idai.

Credit: Church of Mozambique

REPORT FROM THE MISSION ENGAGEMENT TEAM

Rethinking Mission

The second **Rethinking Mission** day conference, *Living in a Religiously Diverse World* was held on Saturday 17 March 2018 in Birmingham Cathedral, who warmly welcomed us, the theme of religious diversity resonating strongly with the local context. Despite unseasonably snowy weather there were 130 participants, almost double the previous year. We were especially pleased that 55 of these were Ordinands/Lay Ministers in training or first three years of ministry, a key audience for engaging with USPG's *Rethinking Mission* initiative, and that for 17 individuals this was their first USPG event. We were delighted to have a line-up of first class global speakers: the Revd Christine Benoit, first woman priest in the Diocese of the Seychelles; Richard Reddie, the recently appointed the Director of Justice and Inclusion at the CTBI and author of *Black Muslims in Britain*; Yit Ching Li, Deaconess in the Diocese of West Malaysia; and the Dean of Jerusalem, the Very Revd Hosam Naoum.

Engaging with Dioceses

In 2018 we had a stall and/or sent resources to 27 Diocesan Conferences/events (21 in 2017). These were operated by 18 volunteers and 4 staff. We are extremely

grateful to a growing pool of volunteers who enthusiastically staff these stands, disseminating information, providing USPG resources and engaging with clergy and lay leaders at events in half of the dioceses of the Church of England and Church in Wales.

Our engagement with **Ministerial Education** and Development involved a mixture of Initial Ministerial Education (IME), and Continuing Ministerial Education with training events in the Dioceses of Bristol, Portsmouth, Lichfield, St Edmundsbury and Ipswich, and Sodor and Man. These training sessions, bespoke for each situation, enable new and upcoming leaders of the church here to engage in a range of media and learning styles with the riches of the global church through USPG: using the lenses of the five marks of mission, USPG's strategic aims and the work of our partners across the communion.

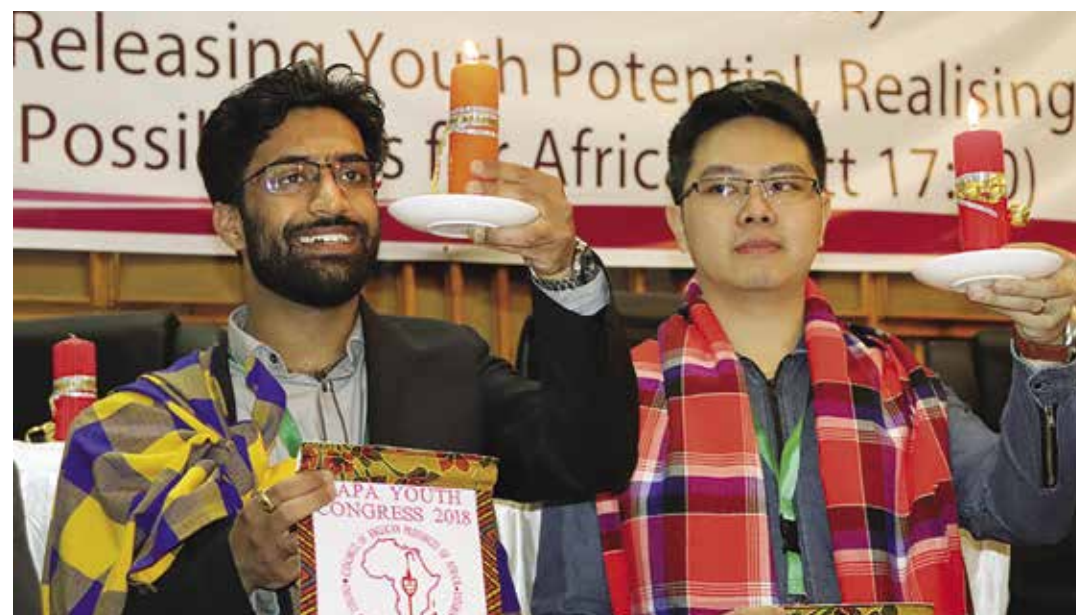
Energising Church and Community

The **Council of Anglican Provinces of Africa** (CAPA) invited USPG to send and accompany two youth participants to the CAPA Youth Congress *Releasing Youth Potential, Realising Possibilities for Africa* in Nairobi, Kenya. Shakeel Nurmahi and Ed Cox,

Chair and Intern, respectively of the Church of England Youth Council were selected and accompanied by USPG's Director of Mission Engagement, Richard Bartlett. They represented USPG very well amongst the 270 participants from 13 provinces across Africa; they learned, participated wholeheartedly, and enjoyed the Congress a great deal, returning enthused and inspired by both the first class presenters at the conference and the fellowship with other participants which they shared. Afterwards, Ed and Shakeel presented to USPG staff, at a USPG General Synod of the Church of England Fringe event in July 2018, and at the USPG Conference. Shakeel reflected: 'the vibrant atmosphere offered an expression of Anglican identity I've never seen in the UK and this challenged my understanding of what it means to be an Anglican. Indeed, I loved seeing how African culture is central to the African expression of faith. As a British-

Asian, this reassured me that being Anglican is not about being white and British, culturally speaking, but that God welcomes all of my authentic self.' We are delighted that Shakeel has subsequently been selected for ordination training in the Church of England.

Regional Days were held both at the beginning and the end of 2018 in nine locations across England and Wales, attended by 172 people (165 in 2017). Participants were updated on USPG resources; inspired by a member of the Global Relations team sharing about one or more of our world church partners' ministry; networked regionally; and were encouraged to raise awareness and fundraise locally. Also in 2018 a group of volunteers from the North East held the first **volunteer-led Regional Gathering** on 29 September, at which Duncan Dormor was a key speaker. This model of clusters of volunteers working together on a specific event in other areas of



the country is expanding.

The number of **speaker engagements** continues to increase reaching exactly 100 in 2018 (80 in 2017) - 76 of these are delivered by our volunteers, 19 by staff and five by international guests. This was a significant rise in the percentage of volunteer speakers, which continues to be a priority.

The annual **Bray Day** and **USPG Reunion/Celebration** Services took place on 15 February and 22 October respectively. These events provided opportunities for staff and supporters to engage, and the Celebration provided an opportunity for Duncan Dormor to share the USPG new strategy.

During 2018 we also promoted liturgical resources for **Creationtide** via our website and through Social Media, along with resources for **Lent** and **Advent**.

Champion Justice

USPG was once again an Associate Partner with the **Greenbelt Festival** in 2018, an event which attracts over 10,000 people over the August bank holiday weekend. USPG encouraged festival-goers to re-think what modern day mission looks like with a panel debate on *White Saviour Complex Narratives*. This featured USPG's Revd Dr Evie Vernon O'Brien, Rebecca Boardman and Prof. Anthony Reddie (one of the foremost black theologians in the UK). In addition, the Revd Chris Ablon from the Iglesia Filipina Independiente (IFI) spoke powerfully about the IFI's ministry of standing in solidarity with the most oppressed in their communities, a courageous commitment to human rights



that has led to the imprisonment of one Filipino Bishop. After hearing about this work, reading our document *Struck down but not destroyed* and watching a film, many Greenbelters wrote letters and prayers to show their solidarity. Finally, the Revd Dr Evie Vernon O'Brien took a very prominent and creative role in the festival's Communion service, which focussed on the Windrush.

The radical ministry of the IFI also provided a focus for our stand at the Salvation Army Event **Choose Peace** marking the 100 year anniversary since the end of World War One; raising awareness of those who are actively working to build peace across the world today.

All Things Are Possible, the five-session study guide written for use from Lent 2018 was based on the Sustainable Development Goals, and the crucial role that churches

have to play in helping to deliver these. The five sessions, based on the five *P*'s: *Prosperity, People, Planet, Peace and Partnership* with bible studies and case studies from around the world enabled participants to connect their local situation with these global goals and reflect on their connectedness with the wider church in addressing these vital goals. *All Things Are Possible* was also the theme of USPG's residential conference in July, which was extremely well-attended with 181 participants who were highly appreciative of a wide range of international speakers including Jessica Prakash-Richard from the Church of South India, James Corah from CCLA, Archbishop Albert Chama from the Province of Central Africa, Bishop Donald Jute, from the Province of South East Asia, Dr Pervez Sultan from the Church of Pakistan, with Bible Studies led by the Revd

Bonnie Evans-Hills from the Church of England. ■

Opposite: Shakeel Nurmahi, represents USPG at the CAPA (Council of Anglican Provinces of Africa) Youth Congress *Releasing Youth Potential, Realising Possibilities for Africa* in Nairobi, Kenya.

Credit: USPG/Leah Gordon

Pictured: Revd Dr Evie Vernon O'Brien, USPG theological adviser, speaking on the *White Saviour Complex Narratives* panel with Prof. Anthony Reddie, Rebecca Boardman (USPG programme manager), and Revd Richard Bartlett (USPG Director of Mission Engagement) at Greenbelt 2018.

Credit: USPG/Leah Gordon

REPORT FROM THE FUNDRAISING AND COMMUNICATIONS TEAM

Communications

The year 2018 began with the *Church Times* running a three-part series on rethinking mission and exploring justice in a global context, with 14 contributions from around the world church organised by USPG. The *Church of England Newspaper* devoted a double page spread to interviewing the new General Secretary, and in addition staff contributed monthly pieces on various aspects of USPG's work.

Our supporter magazine, *Transmission*, was published three times, offering our supporters news and updates on our engagement with the mission of the world church. Our prayer diary offers weekly reflections from different global partners and prayer intentions for each day of the week. A total of 51,445 copies of *Transmission* and the prayer diary were mailed to 11,100 recipients. In addition, the publications were distributed at events attended and organised

by our Mission Engagement Team.

Our Lent course in 2018 was *All Things Are Possible*, which explored the essential role of faith and faith communities in delivering the United Nations' Sustainable Development Goals that aim to bring an end to extreme poverty, fight inequality and injustice, and fix climate change. A total of 6,739 copies were ordered by churches and individuals. The study course was also downloaded by 797 people – more than double the number in 2017. Users of the course reported being challenged and inspired. The SDGs also formed the basis for the excellent residential conference in the summer of 2018.

Preparations began for the 2019 Lent course, *The Prophetic Voice of the Church*, which explores what the prophetic voice of the world church might mean today with a particular focus on the church in India. Videos were introduced to accompany the course.

During 2018 changes were made to the Communications team at USPG in preparation for a new media and communications strategy, which will be developed during 2019 by a new Head of Media and Communications.

Fundraising approach and performance

USPG undertakes fundraising activity with churches and individuals via staff and volunteer presentations to church communities and through direct mail and email in line with the Fundraising Code of

Practice set by Fundraising Regulator. Our fundraising promise (which is available on our website to reassure supporters of our approach) reads as follows - when you support you can be sure of the following:

- We will never sell your contact details to anyone;
- We will only contact you if you have expressed an interest in our work;
- If we phone you, we will always check you are happy to take the call;
- If you ask us to change how we communicate with you, or stop, we will respect that;
- We do not engage in cold-calling, door to door or street fundraising;
- We try hard to ensure no-one ever feels pressurised to support our work;
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice;
- All our activities are open, fair, honest and legal.

USPG is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. Just three complaints about our fundraising activity were received in the year, and all were promptly resolved without the need for escalation to the regulator.

Fundraising report

Income from donations in 2018 was £80,000 behind 2017's results. Whilst there was a modest increase in donations from churches and trusts compared with the previous year, fundraising income declined



FUNDRAISING INCOME	2018 £'000	2017 £'000	2016 £'000
From individuals	268	405	526
Gift Aid claimed	62	73	63
From churches and other organisations	477	458	501
From Trusts	95	46	232
Total	902	982	1,322

FIRST-TIME GIFT IN 2018	TOTAL VALUE	NO OF GIFTS	AVG.
Individuals	£16,669	521	£32
Churches and other organisations	£5,855	34	£172
Trust	£1,000	1	£1,000
School/College/Uni	£420	3	£140
Total	£23,944	559	£43

in 2018 as a result of a significant drop in donations from individuals. During the year USPG's fundraising was reviewed and a new strategy developed. This strategy will be implemented in 2019. We also received first-time financial support from a significant number of individuals and churches.

We are extremely grateful to Dioceses who have partnered with us for seasonal campaigns in 2018. For Harvest 2018 we received just over £2,074.57 from the

Diocese of Sodor and Man for Sri Lanka, £15,000 from the Diocese of Carlisle for the Church of North India, £11,929.70 from the Diocese of Carlisle for the Diocese of Zululand in South Africa, and £6,000 from the Diocese of Rochester for Zimbabwe.

Partners in Mission (PIM) raised £24,360.41 in 2018 from 31 supporting churches and four individuals. By the end of 2018 PIM supporters could choose to support one of seven global church partners: Bangladesh, Malawi, North India, South India, Sri Lanka, Tanzania and Zimbabwe. ■

Opposite: Tongai Mtambirwa, USPG volunteer, on the USPG stand at Greenbelt Festival August 2019.

Right: Kadam Mandal holding a sari she has decorated for income-generation, at a Self Help Group meeting in the village of Durgabati, in the 'block' of Bishnupur, Diocese of Kolkata, Church of North India.

Credit: USPG/Leah Gordon

We are grateful to all our donors for their prayerful and generous partnership in the gospel.



REPORT OF THE TRUSTEES AND MEMBERS

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees have pleasure in presenting their report for the year ended 31 December 2018. This report is prepared in accordance with the Royal Charter, the Bye-Laws and 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).

Governing documentation and constitution

USPG (formally known as the United Society) is governed by its Royal Charter of 16 June 1701 as amended by the Supplemental Charter of 6 April 1882, the Supplemental Charter of 22 August 1921, the Supplemental Charter of 21 June 1956, the Supplemental Charter of 3 March 2014, the Orders of Council of 22 December 1964 and 19 November 1996. It became a registered charity on 26 August 1964.

Supplemental Charter

In 2013, USPG petitioned for a new Supplemental Charter which was approved

on 11 December 2013. The new Supplemental Charter restates and replaces as appropriate the provisions and effects of the Original Charter of 16 June 1701 and the three Supplemental Charters as amended in order better to regulate USPG's constitutional affairs, including changing the name and its charitable objects.

Name

This Supplemental Charter officially changed USPG's name from the United Society for the Propagation of the Gospel (USPG) to The United Society.

In June 2016, the Society changed its trading name to United Society Partners in the Gospel (to be known as USPG). The Society is now known as USPG.

Objects of USPG

The objects of USPG are to advance the Christian religion in accordance with the principles and practices of the Anglican churches of Britain and Ireland amongst the churches of the Anglican Communion and the communities they serve, throughout the world, including through, but not limited to,

the following means:

1. The relief of poverty;
2. The promotion of good health;
3. The advancement of education and the development of the capacity and skills of socially and economically disadvantaged members of such communities in such a way that they are better able to identify, and help meet their needs and to participate more fully in society;
4. The training, development and other support of Church Leaders;
5. The provision of advocacy and working collaboratively with such churches and communities; and any other means aimed at improving conditions of life and prospects for the future as the Trustees shall deem fit in accordance with the principles of the Christian religion as practised in the Anglican Communion; including acting in co-operation with Partners in order to achieve such charitable outcomes.

General Secretary and Directors

The General Secretary and the Directors, who are responsible for the day-to-day management of the Society, during 2018 and at the date of this report, are shown on page 3.

Trustees

The Charity trustees of USPG, who are elected by the Council, during 2018 and at the date of this report, are shown on page 3. The search for new Trustees is carried out by the Recruitment Committee, having identified the areas of experience or knowledge required

by the Trustees. A process of advertising and/or direct approach to people suggested is adopted. The Recruitment Committee itself is elected by USPG's Council and chaired by Paul Gurnham. Once elected Trustees undergo a formal induction process. Trustees are given the opportunity to attend appropriate seminars and courses. Trustees occasionally travel overseas to see USPG's work at first hand.

The two regular sub-committees of the Board of Trustees are the Finance and Audit Committee and the Remuneration and Personnel Policy Committee. In addition to those indicated on page 3, Mr Roger Hird and Mr Nigel Wildish served on the Finance & Audit Committee. Mr Roger Hird also served as the chair of the Home Staff Pension Scheme until 28 March 2019.

Council has a membership of up to 141 persons who reflect both USPG's standing in the structures of the church and the support it receives as a voluntary organisation.

Trustees' responsibilities

Each year the Trustees are responsible for preparing accounts which give a true and fair view of USPG's state of affairs at the end of the financial year, and the income and expenditure of USPG for that period.

In preparing those accounts, the Trustees are required to:

- select suitable and applicable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);

- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the organisation will continue in operation.

The Trustees, advised by senior staff are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of USPG, and enable its financial statements to comply with charity legislation and the relevant governing instruments. They are responsible for safeguarding USPG's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The Trustees have a risk management strategy which identifies the major risks to which the charity is exposed and the possible impact of these risks. Established systems are in place through the annual risk register review and quarterly management reports to review both the risks and the effectiveness of the controls. The top 10 risks facing the charity are reviewed regularly by the Trustee Board. These include:

- **Financial risks** – reduction in income caused by decline in donations from



churches and individuals, reductions in investment returns or continuing annual deficits. These are being mitigated by the new strategy, aimed at improving communications with churches and improving fundraising, and the associated resource plan for implementing the strategy aimed at bringing continuing income and expenditure into balance within two years.

- **Operational risks** – associated with operating in developing countries where travel can be problematic, and the need to safeguard participants on the programmes we fund. These are being mitigated by having clear policies in place on safeguarding, monitoring

their compliance and requiring risk assessments to be completed before each visit.

- **Property risks** – The purchase of 5 Trinity Street and the disposal of the previous lease on Harling House have been completed. There however remain significant risks with completing issues with the previous occupant of Trinity Street as well as finding tenants quickly for the subletting areas of the building. These are being mitigated by using appropriate professional advice and regular involvement of some Trustees with relevant expertise.
- **Compliance risks** – including those associated with employing staff, HMRC

requirements, data protection legislation, fire, health & safety. These are being mitigated by reviewing policies and procedures in place, and monitoring key aspects of compliance. →

Pictured: Exterior of the new USPG office on Trinity Street, Borough.

Next page: Pulak Mandal, who is the agriculturist responsible for the CNI Black pepper nursery and training centre in the village of Vhanjra, Diocese of Kolkata, Church of North India

Credit: USPG/Leah Gordon

Public benefit

The Trustees confirm they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. Both from USPG's objectives, based on its foundation document of 1701, its history and current activities, USPG has always seen its role as part of God's mission, seeking to bring his reconciling love to all peoples and in all places. The Trustees believe the Christian faith is of benefit to individuals and society as a whole. As a church based charity with a wide range of international programmes and relationships, USPG aims to share this benefit with others. How this is done is explained throughout this Report.

Pay policy for key management personnel

The Board considers that the Trustees and the Senior Management Team as set out in note 16 of the accounts comprise the key management personnel of USPG in charge of directing and controlling, running and operating USPG on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in note 15 of the accounts.

Finance review

Trustees have approved a new strategy aimed at putting USPG on a sustainable financial footing. The strategy has involved reducing

the forecast annual budget deficit in 2019 compared to previous years, (taking account of all income and expenditure except spending down of historic balances) and by 2021 achieving a balanced budget. The aim is to achieve this through increased support from our UK supporters and funders. The strategy therefore aims at engaging our supporters in a renewed way over the coming months.

Our major transaction this year has been the sale of investments in the Expendable Endowment to fund the purchase of our new offices at 5 Trinity Street. It is our intention to rent part of the building to generate future income for the Society. The purchase of the property is reflected in the accounts partly within fixed assets and partly as an investment property within our investment portfolio.

The financial results of 2018 show an increase of 32% in donations and legacies

due to a windfall on legacy income, which came in at £1.140m (2017: £0.565m).

Donation income however was lower at £0.902m (2017: £0.982m). USPG continues to be enormously grateful to those who arrange to support its work through legacies and donations.

Investment income was £1.684m (2017: £1.791m). The decrease was mainly due to the sale of £4.3m investments to purchase 5 Trinity Street. It is expected that, over the next few months, the fall in investment income will be augmented with USPG no longer paying rent as well as rental income from excess space at Trinity Street.

Investment loss for 2018 was £1.122m (2017: £3.647m gain). There was a decrease in pension liability in 2018 of £0.593m (2017: £0.349m). The overall funds available to USPG decreased in 2018 by £0.907m (2017: £2.966m).



The financial control environment

USPG prepares a budget each year and a quarterly forecast, together with management accounts and cash flow statements. These reports are discussed by the Senior Management Team and scrutinised by the Finance and Audit Committee prior to submission to the Board of Trustees. The Finance and Audit Committee meets four times a year.

There is a strong budgetary control environment where each expenditure item is authorised by the budget holder and checked by the finance team against approved budgets. Internal control procedures are in place regarding opening of mail, purchase ledger processing, banking (including internet banking) and cheque payments. These are reviewed regularly to ensure their effectiveness and robustness.

Trustees and the senior staff of USPG are made aware of any potential conflict(s) of interest and are required to complete a related party declaration as and when a potential conflict arises and also at the end of the year as part of the annual audit process.

Investment powers, policy and performance

Under the Supplemental Charter of 21 June 1956, as amended by the Order in Council dated 19 November 1996 and the Supplemental Charter of 3 March 2015, the Trustees have full and unrestricted powers of investment in respect of USPG general funds, and the endowment funds are invested

according to the requirement of individual funds. All investments held by USPG have been acquired in accordance with the powers available to the Trustees.

Rathbones Investment Ltd manages USPG general funds as well as the Pension Scheme funds. CCLA Investment Management Ltd continues to manage about 90 per cent of trust investments through their range of pooled funds, with The Charities Property Fund managing the balance of trust investments. At December 2018, the total market value of funds managed by CCLA was £31.690m (2017: £35.75m) Rathbones, £9.840m (2017: £11.700m) and the Charities Property Fund, £4.210m (2017: £4.100m).

Ethical Investment policy

USPG has adopted the ethical investment policy of the Church of England, as recommended by the Church's Ethical Investment Advisory Group, which has three National Investing Bodies (NIBs): the Church Commissioners for England, the CBF Church of England Funds and the Church of England Pensions Board.

The NIBs are asset owners who invest on behalf of a large number of beneficiaries. The way in which they invest forms an integral part of the Church of England's witness and mission. The NIBs receive advice and support on ethical investment from the Church's Ethical Investment Advisory Group (EIAG). The purpose of the EIAG is to enable the NIBs to act as distinctively Christian – and Anglican – institutional investors. The EIAG develops ethical investment policy recommendations

which, once agreed by the NIBs, are adopted by them, communicated to the wider Church and implemented. Summary of USPG's ethical investment policy as per the EIAG's guidance are:

- **Direct investments in equities and corporate debt** – USPG do not invest in any company involved in indiscriminate weaponry or invest in companies involved in conventional weapons if their strategic military supplies exceed 10% of turnover. USPG do not invest in any company; that derives more than 3% of revenues from the production or distribution of pornography or in any company, a major part of whose business activity or focus (defined as more than 10% of group revenues) is tobacco, alcohol, gambling, non-military firearms, high interest rate lending or human embryonic cloning. The new climate change policy does not allow investments in companies that derive more than 10% of revenue from tar sands or thermal coal;
- **Indirect investments via pooled funds** – USPG invests in some assets, asset classes and investment strategies through pooled funds. Pooled funds are funds in which a number of different investors invest. The Pooled Funds apply the investment policies consistent with the ethical investment guidance of the EIAG.

The Trustees meet with the investment managers twice a year to review their performance, set annual income targets, as well as receive evidence that the ethical investment policy is being adhered to.

Grants Policy

USPG no longer works on the basis of giving grants - it funds programmes agreed with partner churches around the world through memoranda of understanding.

USPG's reserves

USPG reserves are a complex mix of unrestricted funds (free reserves), designated funds and restricted funds

Free reserves

These are reserves that are available without restriction to fund working capital, shortfalls in income, innovations, unexpected expenditure or other financial obligations. Recognising the need to maintain continuity of funding of programmes which are approved over a 2-3 year period in anticipation of income each year, Trustees assess the level of free reserves considered appropriate to ensure USPG's continued ability to carry out its objectives as well as manage risks and future liabilities. The reserves policy anticipates that the level of reserves should represent at least 12 months' operational costs.

The free reserve at 31 December 2018 was £6.688m (2017: £6.501m) which represents approximately 22 months of operational costs as per the 2019 budget. (2017: 14 months).

Designated funds

Designated funds total £3.672m (2017: £4.100m). In 2016, Trustees made a policy to designate funds each year to cover the

defined benefit pension schemes liabilities as per the FRS 102 valuation at the year end. This year, the liability reduced from £2.831m to £2.235m therefore £0.596m was re-designated back to the general reserves. £0.731m represents the net book value of fixed assets. £0.166m has been designated to represent the liability due to Festina Scheme loan holders and £0.523m to represent USPG's general funds used to help finance the Festina Scheme. £0.011m has been designated to cover the final closure costs of USPG Ireland and USPG Northern Ireland.

Restricted and Endowment funds

The restricted funds are funds earmarked for specific geographical regions or objects and cannot be spent until stable leadership and other conditions in those areas are met. Restricted income funds total £3.595m (2017: £4.572m) and endowment funds total £37.680m (2017: £37.965m). These do not form part of our free reserves as Trustees have no discretion over this. Unspent restricted funds in the year are carried forward into the subsequent year to comply with the donors' specific requirements. This includes funds received for the Europe refugee crisis appeal.

This report was approved on behalf of the Trustees by the Chair, John Neilson, on 20 June 2019. ■

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE UNITED SOCIETY (KNOWN AS USPG)

Opinion

We have audited the financial statements of The United Society for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, 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 Charities Act 2011.

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we may state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

*Knox Cropper LLP Chartered Accountants
Statutory Auditor
65 Leadenhall Street, London EC3A 2AD
20 June 2019 ■*

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTES	GENERAL UNRESTRICTED FUNDS £ '000	DESIGNATED UNRESTRICTED FUNDS £ '000	RESTRICTED INCOME FUNDS £ '000	ENDOWMENT FUNDS £ '000	TOTAL 2018 £ '000	TOTAL 2017 £ '000
Income							
Donations and Legacies	12	1,820		221		2,041	1,547
Income from charitable activities:							
Sundry income	13	126		5		131	34
Investment Income	13	589		1,095		1,684	1,791
Rental Income	13			115		115	
Total Income		2,535		1,436		3,971	3,372
Expenditure							
Cost of raising funds		550				550	571
Expenditure on Charitable Activities:							
Global Programmes and Mission Engagement	15	1,386		2,413		3,799	3,831
Total Expenditure		1,936		2,413		4,349	4,402
<i>Net expenditure before gains on investment assets</i>		599		(977)		(378)	(1,030)
(Losses)/Gains on investment assets	3	(785)			(337)	(1,122)	3,647
<i>Net income/(expenditure) after gains on investment assets</i>		(186)		(977)	(337)	(1,500)	2,617
Transfers between funds		376	(428)		52		
Actuarial gains/(losses) on pension schemes	18	593				593	349
Net movement in funds for the year		783	(428)	(977)	(285)	(907)	2,966
Reconciliation of Funds							
Total funds brought forward		3,670	4,100	4,572	37,965	50,307	47,341
Total funds carried forward		4,453	3,672	3,595	37,680	49,400	50,307

The notes on pages 26 to 38 form part of these accounts.

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derived from continuing activities.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	GENERAL UNRESTRICTED FUNDS £ '000	DESIGNATED UNRESTRICTED FUNDS £ '000	RESTRICTED INCOME FUNDS £ '000	ENDOWMENT FUNDS £ '000	TOTAL 2017 £ '000
Income						
Donations and Legacies	12	1,274		273		1,547
Income from charitable activities:						
Sundry income	13	34				34
Investment Income	13	582		1,209		1,791
Total Income		1,890		1,482		3,372
Expenditure						
Cost of raising funds		571				571
Expenditure on Charitable Activities:						
Global Programmes and Mission Engagement	15	1,536		2,295		3,831
Total Expenditure		2,107		2,295		4,402
<i>Net expenditure before gains on investment assets</i>		(217)		(813)		(1,030)
Gains on investment assets	3	821		38	2,788	3,647
<i>Net income/(expenditure) after gains on investment assets</i>		604		(775)	2,788	2,617
Transfers between funds		385	(385)			
Actuarial gain/(loss) on pension schemes	18	349				349
Net movement in funds for the year		1,338	(385)	(775)	2,788	2,966
Reconciliation of Funds						
Total funds brought forward		2,332	4,485	5,347	35,177	47,341
Total funds carried forward		3,670	4,100	4,572	37,965	50,307

BALANCE SHEET AT 31 DECEMBER 2018

	NOTES	2018 £ '000	2017 £ '000
Fixed assets			
Tangible assets	2	3,796	557
Investments	3	45,394	51,593
Property Investments	3	1,224	
Total fixed assets		50,414	52,150
Non current assets			
Loans and Debtors due after 1 year	5	821	820
Current assets			
Loans and Debtors	5	848	970
Cash at bank and in hand		540	52
Total current assets		1,388	1,022
Liabilities			
Creditors falling due within one year	6	988	854
Net current assets		400	168
Total assets less current liabilities		51,635	53,138
Creditors: Net Pension Scheme Liabilities	18	(2,235)	(2,831)
Net assets	11	49,400	50,307
The funds of The Society			
Unrestricted Funds:			
General	7	6,688	6,501
Pension Schemes	18	(2,235)	(2,831)
Designated	8	3,672	4,100
		8,125	7,770
Restricted Income Funds	9	3,595	4,572
Endowment Funds:			
Expendable		19,576	19,576
Permanent		18,104	18,389
		37,680	37,965
Total charity funds	11	49,400	50,307

John Neilson, Chair of Trustees, 20 June 2019.

The notes on pages 26-38 below form part of these accounts.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£ '000	£ '000
Cash used in operating activities	(1,654)	(2,556)
Cash flows from investing activities		
Investment income	1,684	1,791
Purchase of fixed assets	(3,315)	(2)
Purchase of investments	(3,662)	(2,234)
Sale of investments	7,515	2,839
Cash provided by (used in) investing activities	2,222	2,394
Cash flows from financing activities:		
Net increase of Festina loan debtors	(72)	(73)
Net decrease of Festina loan creditors	(6)	(274)
Cash used in financing activities	(78)	(347)
Increase (decrease) in cash and cash equivalents in the year	490	(509)
Cash and cash equivalents at the beginning of the year	50	559
Total cash and cash equivalents at the end of the year	540	50

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£ '000	£ '000
Net movement in funds	(378)	(1,030)
Add back depreciation charge	76	25
Deduct interest income shown in investing activities	(1,684)	(1,791)
Pension creditor movements	(3)	(12)
Increase (decrease) in debtors	192	100
Increase (decrease) in creditors	143	152
Net cash used in operating activities	(1,654)	(2,556)

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)). The United Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or notes.

a. Donation, legacies and fundraising income

These are recognised in the accounts when received or when the Society becomes legally entitled to them and they can be reasonably measured. Income received for general purposes of the Charity are included as unrestricted funds. Income for activities restricted by the wishes of the donor or the terms of the particular trust deed is taken to restricted income funds. Income required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restriction.

b. Investment income

Investment income is accounted for as it accrues. Investment income to be spent in accordance with the particular terms of a trust is included in restricted income funds.

c. Expenditure

Resources expended are accounted for on an accruals basis. Support costs which cannot be directly apportioned are allocated between cost categories on the basis of the Trustees' estimate of the time spent on the relevant functions. Cost of generating funds comprises expenditure incurred by the Society in appealing for donations. Cost of charitable activities consist of all expenditure directly relating to the objects of the Society together with an allocation of support costs. International programmes costs: these are the costs of programmes across the Anglican Communion developed jointly with our partners. Programmes costs are approved by Trustees as part of the overall budget of the Society on an annual basis. Funding for these Programmes are formalised through a Memorandum of Understanding (MoU). Governance costs comprise expenditure on management and compliance with constitutional and statutory requirements together with an allocation of support costs.

d. Investments

Investment properties are included in investments and are stated at Trustees' valuation based on similar properties being sold in the area. Other investments are stated at market value. Gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur.

e. Depreciation of tangible fixed assets

General minor office equipment is charged to resources expended in the year that the expenditure is incurred. Fixed assets are depreciated when brought into use at the following rate: major office and computer equipment at 20 per cent on costs.

f. Property

Properties are depreciated at 2 per cent of cost less the value of land. The Property is used for partial own office use and part to earn rental income. The part for rental is classified as investment property and accounted for separately in the accounts using floor space. The property is separated out into components such as lift, machinery and Air conditioning equipment and depreciated at 20 per cent on costs.

g. Pensions

The Society operates and contributes to two defined benefit schemes and one workplace pension scheme. The amounts included within the Statement of Financial activities and Balance Sheet is in accordance with the requirements of Financial Reporting Standard 17: Retirement Benefits (FRS102).

h. Fund accounting

Details of the nature and purpose of each fund are set out in notes 7 to 10.

i. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

j. 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.

k. Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. TANGIBLE FIXED ASSETS

	FREEHOLD PROPERTY* £ '000	COMPUTERS £ '000	OFFICE EQUIPMENT £ '000	FURNITURE & FITTINGS £ '000	TOTAL £ '000
Cost:					
Balance at 1 January 2018	550	95	7	42	694
Additions	3,311	4			3,315
Balance at 31 December 2018	3,861	99	7	42	4,009
Depreciation:					
Balance at 1 January 2018	11	85	7	34	137
Charge for the year	63	5		8	76
Balance at 31 December 2018	74	90	7	42	213
Net Book Value at 31 December 2018	3,787	9		0	3,796
Net Book Value at 31 December 2017	539	10		8	557

* Freehold Property includes the portion of the purchase of the 5 Trinity Street that is not treated as an Investment Property.

3. INVESTMENTS

	RESTRICTED FUNDS £ '000	UNRESTRICTED FUNDS £ '000	ENDOWMENT FUNDS EXPENDABLE PROPERTY £ '000	ENDOWMENT FUNDS EXPENDABLE £ '000	ENDOWMENT FUNDS PERMANENT £ '000	TOTAL FUNDS £ '000
Market Value at 1 January 2018	592	13,586		19,026	18,389	51,593
Acquisitions		1,275	1,224	1,163		3,662
Disposals		(2,277)		(5,238)		(7,515)
Net losses on revaluations		(785)		(51)	(286)	(1,122)
Market Value at 31 December 2018	592	11,799	1,224	14,900	18,103	46,618
Listed investments	592	11,799		14,900	18,103	45,394
Property (This presents 27% of the Trinity Street property to be rented out)			1,224			1,224
Total Investments at 31 December 2018	592	11,799	1,224	14,900	18,103	46,618

4. FINANCIAL INSTRUMENTS

	2018 £ '000	2017 £ '000
Financial Assets		
Financial assets measured at fair value	45,394	51,593
Financial assets that are debt instruments measured at amortised cost	1,329	1,360
	46,723	52,953
Financial Liabilities	803	597

Financial assets measured at fair value comprise listed investments.

Financial assets measured at amortised cost comprise loans, trade and other debtors

Financial liabilities measured at amortised cost comprise loans, amounts due to overseas partners, trade and other creditors.

5. LOANS AND DEBTORS

	2018 £ '000	2017 £ '000
Loans and debtors due after 1 year		
Balance of the sale proceeds of UCA payable at £120k per annum until 2021	360	480
Festina loan balances	461	340
	821	820
The Society's lease hold interest in the former United College of the Ascension in Birmingham was sold to Al Mahdi Institute in 2011.		
Loans and debtors due less than 1 year		
Festina loan balances	217	267
Other debtors	291	274
Prepayments and accrued income	340	429
Financial Liabilities	848	970

At the year end the Society was due a number of legacies. The amount of these legacies could not be accurately quantified.

A reasonable estimate of the amount due would be £300,000 which is not accrued in the accounts.

6. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2018	2017
	£ '000	£ '000
Loans received from Festina Scheme holders	131	137
Pension Schemes	3	4
Taxation and Social Security	26	38
Other creditors and accruals	156	215
Diocesan Accounts	672	460
	988	854

7. UNRESTRICTED FUND

General funds are funds where both the capital and income can be spent at the discretion of the Trustees in furtherance of the objects of the Society.

8. DESIGNATED FUNDS

Designated funds are unrestricted funds which have been designated by the Trustees for particular purposes.

	2018	2017
	£ '000	£ '000
The designated funds include the following:		
To finance future pensions liabilities	2,235	2,831
Commitments to guarantee loans from Festina Loan holders	167	172
To finance the Society's loan from general funds to the Festina Loan Scheme	523	523
To finance future cost relating to the closure of Us Ireland	12	16
Amount reflecting the finance tied up in tangible fixed assets	22	18
Amount reflecting the finance tied up in Property	713	540
	3,672	4,100

9. RESTRICTED INCOME FUNDS

	BALANCE AT 1 JAN 2018 £ '000	INCOME £ '000	EXPENDITURE £ '000	BALANCE AT 31 DEC 2018 £ '000
General restricted funds	68	125	(107)	86
Medical funds	30		(3)	27
Legacies and donations received	852	73	(253)	672
Festina loans	400	5		405
Trust Invested Income	592			592
New scheme Trusts funds:				
Africa Fund	492	551	(941)	102
Central Africa Fund	3	130	(130)	3
East Asia Fund	525	85	(30)	580
Educational Fund	80	102	(180)	2
General Fund	721	79	(221)	579
Health Fund	120	48	(11)	157
Latin America and Caribbean Fund		32	(32)	
South Asia Fund	2	58	(55)	5
Maintained Trusts Funds	65	125	(85)	105
Towards Africa Fund	262		(262)	
Emergency Fund	70	6	(18)	58
Earmarked Gifts	7			7
European Refugee Appeal	283	17	(85)	215
	4,572	1,436	(2,413)	3,595

Trust funds

These funds are analysed in accordance with the purpose specified by the donor, the terms of the particular trust or the geographical areas of the world where the income should be spent.

Legacies and donations

This fund represents legacies and donations received which have to be spent in geographical areas as per the wishes of the donor.

Due to leadership challenges in some of those areas, funds have been held until those challenges are resolved.

Festina Loans

This fund provides unsecured loans at low interest rates to overseas dioceses for capital projects. The loans are repaid in sterling over an agreed period not exceeding 10 years. This scheme is also supported by loans totalling £166,126 made by external loan holders on an interest free basis. The Society has guaranteed repayment of these loans and provides further support to the scheme through a loan from unrestricted funds of £523,000.

10. ENDOWMENT FUNDS

	BALANCE AT 1 JAN 2018 £ '000	PURCHASES £ '000	SALES £ '000	INVESTMENT GAINS (LOSSES) £ '000	PROPERTY £ '000	BALANCE AT 31 DEC 2018 £ '000
Permanent Endowment Funds						
Africa Fund	2,872			(42)		2,830
Central Africa Fund	3,116			(50)		3,066
East Asia Fund	789			(21)		768
Educational Fund	903			(14)		889
General Fund	5,195			(68)		5,127
Health Fund	1,689			(27)		1,662
Latin America and Caribbean Fund	733			(17)		716
South Asia Fund	360			(5)		355
Other Funds	2,733			(42)		2,691
	18,390			(286)		18,104
Expendable Endowment Funds						
Africa Fund	12,298	1,163	(5,238)	66	4,126	12,415
Central Africa Fund	706			(11)		695
East Asia Fund	2,151			(33)		2,118
Educational Fund	2,193			(33)		2,160
General Fund	185			(3)		182
Health Fund	111			(2)		109
Latin America and Caribbean Fund	235			(4)		231
South Asia Fund	458			(6)		452
Other Funds	1,238			(24)		1,214
	19,576	1,163	(5,238)	(51)	4,126	19,576
Total Endowment Funds	37,965	1,163	(5,238)	(336)	4,126	37,680

The movement on the Africa Fund relates to the purchase of 5 Trinity Street.

Permanent Endowment funds are funds where the capital must be retained and only the income used in accordance with the terms of a trust or the wishes of the donor. These have been analysed above in accordance with how the income generated from the funds is to be spent.

Expendable Endowment funds are funds where the capital must be retained and only the income used in accordance with the terms of a trust, until such times as the Trustees elect in accordance with the terms of the trust to apply the capital as income. This is shown by way of a transfer from the endowment funds to the restricted or unrestricted funds.

11. ANALYSIS OF NET ASSETS BY FUNDS

	TANGIBLE FIXED ASSETS £ '000	INVESTMENTS £ '000	NET CURRENT ASSETS £ '000	PENSION SCHEME LIABILITIES £ '000	TOTAL £ '000
Unrestricted Funds:					
General Funds		11,799	(5,111)	(2,235)	4,453
Designated Funds	735		2,937		3,672
Restricted Funds		592	3,003		3,595
Expendable Endowment	3,061	16,124	391		19,576
Permanent Endowment		18,103	1		18,104
	3,796	46,618	1,221	(2,235)	49,400

12. DONATIONS AND LEGACIES

Donations are received from churches within Britain and Ireland, mainly from Parochial Church Councils and from other charitable trusts and individuals. Legacies are received from departed supporters within Britain and Ireland. Residuary legacies notified before the year end but for which the value was uncertain have not been accrued.

	2018 £ '000	2017 £ '000
Donations	902	982
Legacies	1,139	565
	2,041	1,547

13. INVESTMENTS, TRUSTS & FOUNDATIONS AND OTHER INCOME

	2018 £ '000	2017 £ '000
Investments quoted on a recognised UK Stock Exchange	408	436
Common Investment Funds	1,276	1,355
Rental Income	115	
	1,799	1,791
Other income		
Sundry Income (Included in 2018 is one off compensation of £92,124 from Network Rail in relation to the Archives at the Hop Exchange)	131	34
	131	34

TRUSTS AND FOUNDATION INCOME OVER £499 RECEIVED AND INCLUDED IN THE DONATIONS FIGURE	2018 £
Guernsey Overseas Aid Commission	11,133
The Bryan Guinness Charitable Trust	1,000
Alma Jean Henry Charitable Trust	800
Tisbury Telegraph Trust	500
Open Gate Trust	2,000
Summers & May Charitable Trust	1,400
The Abba Trust	2,500
Mrs R P Tindall's Charitable Trust	1,000
The Anglican Communion Fund	15,000
Guernsey Overseas Aid Commission	11,133
The Forest Hill Charitable Trust	2,000
Women's World Day of Prayer	2,500
The Broadmead Trust Fund	1,000
Charity of Rebecca Hussey for Africans	1,800
Karima Christian Trust	500
	54,266

14. USPG IRELAND

USPG Ireland ceased operation during 2016. USPG London continues to support the programmatic work previously carried out by USPG Ireland. Supporters of USPG Ireland have been written to and most of them have transferred their support to USPG. There is Ireland representation on the Board of USPG. The Society designated £57k to cover any associated closing down costs out of which £12k is yet to be spent (see designated funds in note 8).

15. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	PROGRAMME EXPENDITURE £ '000	OTHER DIRECT EXPENDITURE £ '000	STAFF COSTS £ '000	SUPPORT COST £ '000	2018 £ '000	2017 £ '000
Cost of Generating Funds						
Fundraising		187	224	87	498	517
Investment Management		52			52	54
Charitable Activities						
International Programmes	1,846		1,027	639	3,512	3,632
Governance Costs*		180	66	41	287	199
Total Resources expended	1,846	419	1,317	767	4,349	4,402

* The 2018 figure includes £108k spent on the assignment of Harling House lease.

Analysis of Support Costs - other costs

Pension - Overseas Scheme					12	31
Accommodation and Facilities					225	166
Distribution - Postage					27	24
Pension - Home Staff Scheme					112	145
Staff & Volunteers Expenses					14	2
Archives					36	53
Telephones					34	24
Finance - Bank Charges					13	16
Depreciation					76	26
Recruitment and Training Costs					6	118
IT Support					42	33
Pension Administration Costs					89	65
Office Costs					58	61
Costs relating to Liquidation of USPG Ireland					5	1
Property Maintenance Costs					3	3
FRS102 Pension Adjustments					(3)	(12)
Festina Provision					18	
					767	757

	2018 £ '000	2017 £ '000
Allocated as follows:		
Cost of Generating Funds	87	129
Charitable Activities		
International Programmes	639	590
Governance Costs	41	38
Total Support Costs	767	757
Council meetings and Trustees' expenses	36	37
Auditors remuneration: Audit	13	21
Other Professional fees	131	36
Governance - Direct Expenditure	180	94

Trustees' expenses include overseas travel costs and reimbursed travel expenses of £10,444 (2017: £10,456) and paid to 5 (2017:5) Trustees.

16. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2018 £ '000	2017 £ '000
Salaries	1,102	1,101
Social security costs	117	114
Pension costs	98	113
	1,317	1,328

Included in the above are payments made to three staff in settlement of redundancy payments, totalling £25,943.

One employee earned between £70,000 and £80,000 during the year (2017: One between £70,000 and £80,000).

The key management personnel of the charity comprise the trustees, Chief Executive Officer and the Directors for Finance, Mission Engagement and Global Relations. Total employee benefits of the key management personnel of the charity were:

	364	378
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No charity trustee received payment for professional or other services to the charity.

The average full time equivalent employees during the year were:	26	27
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The average head count of employees during the year were:	28	29
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17. DIRECT PROGRAMMES FUNDING

	2018 £ '000	2017 £ '000
Programmes:		
Africa & Indian Ocean	1,099	1,188
Asia	408	350
Latin America and Caribbean	81	72
Emergency Response	18	25
Europe Refugee Crisis	84	110
Global relations and Advocacy	89	184
Mission Engagement	67	77
Total funding	1,846	2,006

Our Programmes assist partners in the world church to respond to their strategic needs and help enhance knowledge, skills and leadership capacity. These include programmes in Community Engagement & Health identified through the Church and Community Mobilisation Programmes (CCMP). Emergency response grants are one off payments made in solidarity with partners who have had a natural or man-made emergency situation. These costs are a combination of unrestricted and restricted funds.

	2018 £
Programmes with over £10k funding in the year	
Zimbabwe - HIV Programmes	54,199
Zambia - Gender Justice Programme	56,000
Zambia - Community Livelihood Programme	14,596
Malawi - Leadership Development Programmes	29,277
Malawi - Health Programme	20,354
Malawi - Community Livelihood Programme	118,000
Ghana - Internal Province	40,000
Ghana - Leadership Development Programme	15,000
Church of the Province of West Africa	22,857
Southern Africa - Leadership Development Programme	30,000
Zululand - Community Livelihood programme	16,000
Lesotho - Health Programme	15,000
Lesotho - Community Development Programme	16,000
Southern Africa - GBV Programme	40,000
Tanzania - Health Programme	25,400
Anglican Churches of the Indian Ocean - Leadership Development Programme	30,321
Council of Anglican Provinces of Africa - Leadership Development Programme	41,000
Myanmar - Health Programme	24,023
Philippines - IFI Livelihood Programme	28,608
Bangladesh - Health Programmes	35,900
Brazil - Community Livelihood Programme	22,000
Brazil - Urban Programme	11,750
Church of South India - Community Livelihood Programme - Focus 9/99	20,200
Church of South India - Eco Schools Programme	13,000
Church of South India - Institute of Pastoral Care	11,500
Church of South India - Diocese of Nadal	10,000
Church of Pakistan - Leadership Development Programme	10,000
Church of Pakistan - Synod Support Programme	10,000
Church of North India - Anti Trafficking Programme	15,000
Church of North India - GBV Programme	20,000
Emergency/Rapid Response	18,005
Journey with Us	19,617
Asian Theological Academy	40,436
Refugee Crisis in Europe	83,766

18. PENSION SCHEME ARRANGEMENTS

	2018	2017
	%	%

Financial Reporting Standard 102 (FRS 102) requires disclosure of the charity's assets and liabilities of the USPG Overseas and Home Pension Scheme, both of which are defined benefits schemes.

A qualified independent actuary has made the valuations based on the following assumptions

Discount rate	2.90	2.60
Inflation assumption (RPI)	3.60	3.60
Salary Increases	4.10	4.10
Statutory increases to deferred pensions (CPI)	2.60	2.60
Increases to pensions in payment:		
▪ RPI to a max of 5% (Home Scheme)	3.40	3.40
▪ RPI to a max of 2.5% (Home Scheme)	2.35	2.35
▪ CPI to a max of 5% (Overseas Scheme)	2.55	2.55

Post retirement mortality assumption:

SINXA series tables with the CMI-2016 core projections with a long term rate of improvement of 1.25% p.a. Tax free cash: 50% of members are assumed to commute the maximum cash.

	VALUE AT 31 DEC 2018	VALUE AT 31 DEC 2017
	£ '000	£ '000

Amount recognised in the Balance Sheet at 31 December 2018

Fair value of assets	10,186	10,562
Present value of funded obligations	(12,421)	(13,393)
(Deficit)	(2,235)	(2,831)
Net defined benefit liability at 31 December before deferred tax	(2,235)	(2,831)

Amount recognised in the Statement of Financial Activities account over the year

Current service cost	44	56
Interest on liabilities	346	363
Interest on assets	(274)	(276)
Past service costs	27	
Total	143	143

18. PENSION SCHEME ARRANGEMENTS (CONTINUED)

	VALUE AT 31 DEC 2018 £ '000	VALUE AT 31 DEC 2017 £ '000
Remeasurements over the year		
Loss/(gain) on scheme assets in excess of interest	596	(468)
Experience (gain)/loss on liabilities	(262)	112
(Gain) from changes to demographic assumptions		(304)
(Gain)/loss from changes to financial assumptions	(927)	311
Total remeasurements	(593)	(349)

Reconciliation of assets and Defined Benefit Obligation

The change in the assets over the period was:

Fair value of assets at the beginning of the period	10,562	9,879
Interest on assets	274	276
Employer contributions	146	155
Contribution by Scheme participants	9	12
Benefits paid	(209)	(228)
Return on plan assets less interest	(596)	468
Fair value of assets at the end of the period	10,186	10,562

The change in the Defined Benefit Obligation over the period was:

Defined Benefit Obligation at the beginning of the period	13,393	13,071
Current service cost	44	56
Contribution by Scheme participants	9	12
Past service costs	27	
Interest cost	346	363
Benefits paid	(209)	(228)
Experience (gain)/loss on defined benefit obligation	(262)	112
Changes to demographic assumptions		(304)
Changes to financial assumptions	(927)	311
Defined Benefit Obligation at the end of the period	12,421	13,393

Assets

The assets are wholly invested in funds with Rathbones Investment Management.

The actual return on the Schemes assets (net of expenses) over the period to the review date was: (322) 744

The assets do not include any investment in shares or property of the Employer.

† UNITED SOCIETY
PARTNERS IN THE GOSPEL

USPG[†]