



ANNUAL REPORT OF THE USPG TRUSTEES

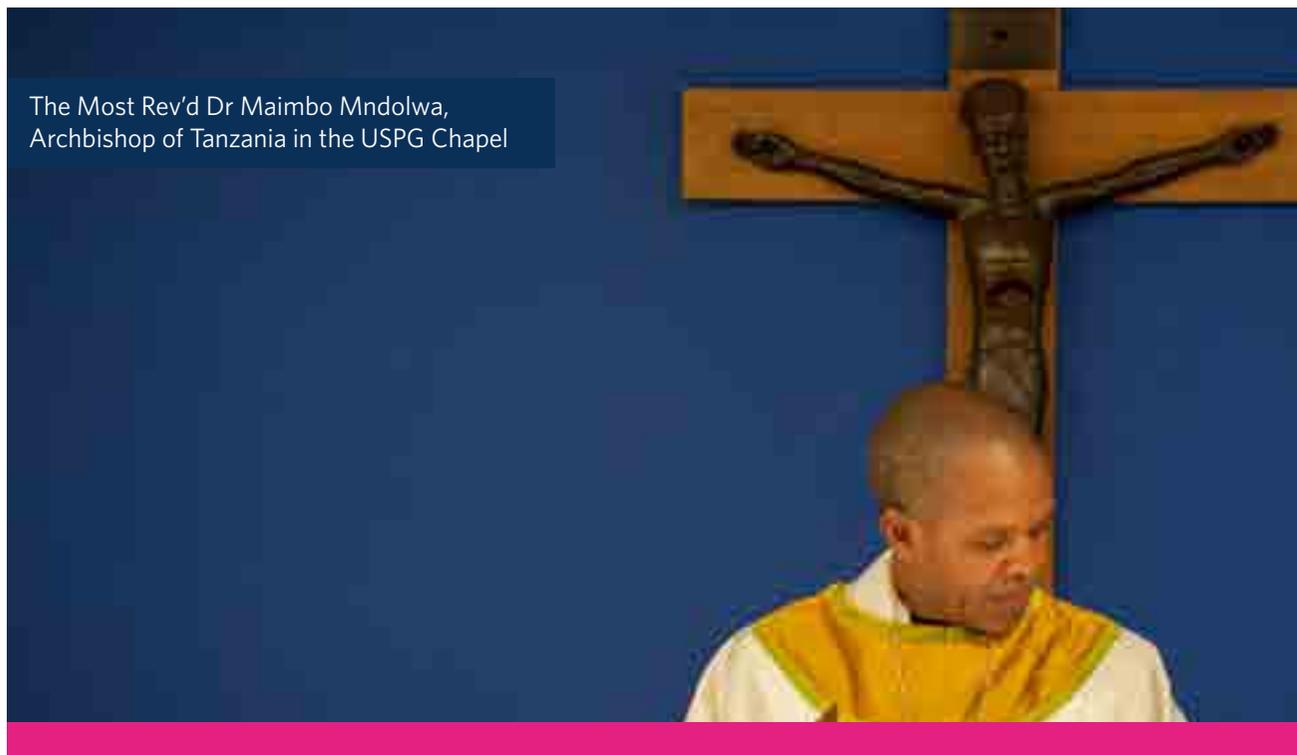
Trustees' Report and Financial Statements for the year ended 31 December 2019.
The United Society, registered charity number 234518. Incorporated under Royal Charter, 1701.

USPG⁺ PARTNERS IN
GLOBAL MISSION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The United Society
Registered charity number 234518
Incorporated under Royal Charter, 1701
www.uspg.org.uk

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Head of Media and Communications
(From October 2019)

A MESSAGE FROM THE CHAIR OF TRUSTEES



MR JOHN NEILSON
Chair of the Trustees

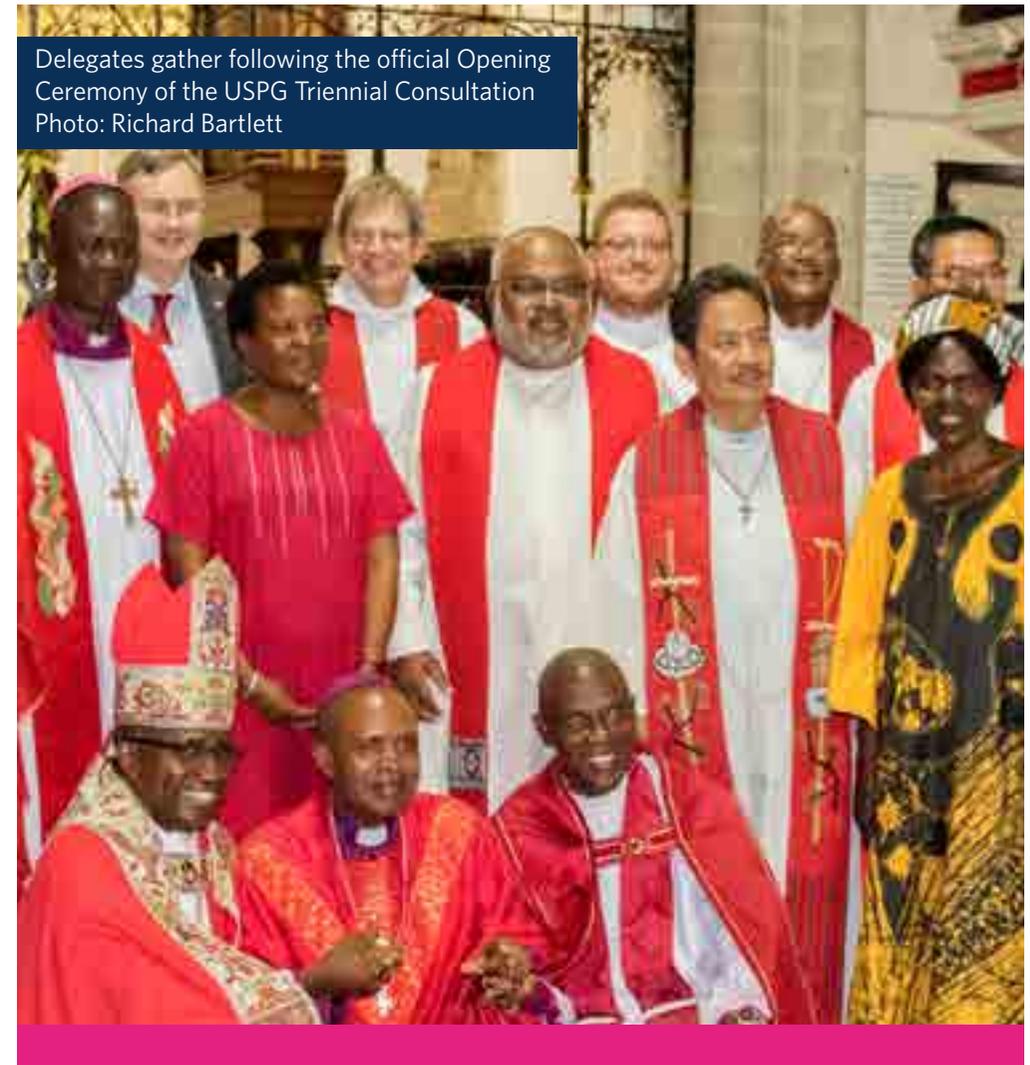
USPG celebrated some great moments in 2019. Senior representatives of 14 Anglican Provinces gathered for USPG's International Consultation in June, and it was inspirational to hear directly of the Church's response to the tragedy on Easter Day in Sri Lanka, of its concern for the people of Hong Kong, and of closer working together of Churches in West Africa and the Caribbean in response to the evil of slavery. Through worshipping together, and intensive discussions, there was a great sense of what it means for the Provinces to work in partnership through USPG. We were encouraged, in particular, to develop USPG's partnerships with different regions in the world, making a greater reality of sharing in mission together.

Other highlights of 2019 included moving USPG into its permanent new London office in Trinity Street, seeing Duncan Dormor, our General Secretary being commissioned by the Archbishop of Canterbury at Lambeth Palace, and welcoming so many supporters, new and old, including more ordinands than ever before, to our Annual Conference in the summer. We also had a memorable Rethinking Mission conference at Liverpool

Cathedral in March, where many supporters gathered to hear some compelling presentations from our international speakers, who focused on how dynamic 21st century mission can develop from churches born in the heritage of the transatlantic slave trade.

It is important to recognise the hard work and commitment of our staff and trustees throughout the year. We welcomed two new trustees, Catriona Duffy and Catherine Wickens, who have already started to help us widen USPG's reach to a broader range of generations. Towards the end of 2019 Linda Mackenzie joined our staff to lead work on media and communications. I hope you will find our new website more informative; this is part of our commitment to improve how we share the exciting work in which USPG is involved.

As I write this the world is facing up to the massive implications of Covid-19, and we are all very conscious of the impact which it is having on individuals globally and in the shorter term of its consequences for the work of USPG. Our immediate response has included seeing how funds in



Delegates gather following the official Opening Ceremony of the USPG Triennial Consultation
Photo: Richard Bartlett

our Rapid Response Fund can be used by partner churches most affected. We also launched a 'Focus on the Future' fund as a flexible response to the current situation and beyond. The trustees remain committed to strengthening our capabilities and processes in key areas by 2021, including achieving financial sustainability. This,

combined with the clear strategic path which has been set, provides a strong basis for USPG to flourish in the coming years, both in terms of the strength of its global mission relationships with partners and in enthusing many more churches and individuals across Great Britain and Ireland to share in our work of global mission. ■

A MESSAGE FROM THE GENERAL SECRETARY



THE REV'D DUNCAN DORMOR
General Secretary, USPG

As I write, statues in the UK and around the world are being pulled from their plinths in the wake of the brutal murder of George Floyd and the subsequent Black Lives Matter protests. At the same time, many of us in the UK have been spending our waking hours in front of a screen with 'flat people', keen to catch up with family and friends when circumstances allow.

To reflect back to 2019 at this stage is a real challenge and yet there are many points of connection. The enduring legacies of the Transatlantic trade in enslaved persons were explored in our Rethinking Mission conference in March held in Liverpool Cathedral. 'Barbados built Liverpool' – as the Principal of Codrington College, the Rev'd Dr Michael Clarke, rather memorably expressed the nature and extent of the economic benefit derived from the appalling exploitation of enslaved persons.

Some of these themes were explored further in the international context when Anglican leaders gathered in Barbados in June for USPG's triennial International Consultation: In God's Name? The

Gospel and the authority of the State. The consultation was also a great opportunity to hear from our partners.

Further to this a USPG panel, including the current Bishop of Dover, the Rt Rev'd Rose Hudson-Wilkin, explored the theme of the 'White Saviour Complex' in front of a large gathering at Greenbelt.

In light of these concerns, we have sought to find ways to support initiatives that assist in the strengthening of relationships between the churches of West Africa and the Caribbean. We were delighted that through our 'Exchanging Places' programme a priest from the Diocese of Accra (Ghana) will be serving in the Windward Isles, in the Church of the Province of the West Indies.

Covid-19 has affected us all across the globe: There have been the direct impacts on health and health systems, devastating consequences on livelihoods and in some countries, extensive human rights abuses under the 'cover' of lockdown. Throughout, USPG staff have been in close contact with partners and witnessed the inspiring and self-sacrificial responses of so many

churches. Since the pandemic started USPG has also responded to a range of requests for support from partner churches in Bangladesh, Cameroon, Guinea, Jamaica & the Cayman Islands, Malawi, Mozambique, Sierra Leone, Sri Lanka and Tanzania.

Equally, the pandemic has highlighted the importance of so many of the programmes of our partner churches. One very direct example is the work of the Church in Myanmar increasing access to clean water and improving hygiene in rural communities, yet by strengthening church and community cohesion and resilience and leadership development, a great number of other programmes have increased the capacity of churches to respond to this crisis. In addition, in 2019, USPG's Rapid Response Fund provided families with shelter, food and water through the churches in Mozambique, Malawi and Zimbabwe following Cyclone Idai as well as support for the relief efforts of the Diocese of the Bahamas & the Turks and Caicos Islands following Hurricane Dorian.

One of the most important dimensions to the work of USPG in the last year is the way in which we are able to join with partners in facilitating the spread of peer-to-peer learning and the dissemination of good practice. One excellent example of this was the opportunity for representatives from Sri Lanka, Bangladesh, Myanmar and North India to gather and see how self-sufficiency lies at the heart of the asset-based approach to community development in the work of the Episcopal Church in the Philippines, through its Receivers to Givers programme.

USPG was also delighted to be able to work alongside the Council of Anglican Provinces in Africa in its work of accompaniment and provision of peer-to-peer learning for newly elected bishops. Such opportunities to share good practice and learning cross-provincially also help to build fellowship across the life of the Anglican Communion.

None of this would be possible without the prayers and commitment of volunteers, staff and trustees and the generosity of supporters and supporting churches. So - thank you. I hope you enjoy reading this Annual Report and find it an encouragement as we all seek to respond to God's call on our life together. ■



The Rt Rev'd Rose Hudson-Wilkin

GLOBAL RELATIONS REPORT

The Covid-19 pandemic has swept across the globe since December 2019 when this report was originally commissioned. It now seems appropriate to recognise the catastrophic impact of the virus in 2020, whilst remembering that this report addresses 2019 - a year when Covid-19 went largely unreported.

Perhaps the pandemic serves to highlight individual areas of mission with a heightened sense of relevance, for example, USPG's focus on ecological justice and the theme of the 2019 Asian Theological Academy Annual Refresher Course, 'Awake, Discern and Act'. The world watches the impact of climate change on countries like Bangladesh, battling with the destruction caused by cyclones in the context of managing the impact of Covid-19. Countries in Asia, Oceania, Africa and the Caribbean have shown a resilience and capacity to respond to the virus far beyond many approaches in Europe and North America.



Awake, Discern
and Act



Reading the Bible with new eyes

Rethinking Mission

USPG held the triennial International Consultation in the Diocese of Barbados, Church in the Province of the West Indies in 2019. This significant global consultation focused on the theme of 'Church and State', in the context of the Caribbean, which continues to wrestle with the challenge of the multiple legacies of the transatlantic slave trade. Conference delegates from around the Anglican global Communion shared ideas to help the Church express its mission amidst a variety of relationships with the State. The consultation included worship with liturgies from across the Communion and bible study reflections focused on the Nazareth manifesto - Luke 4: 14-21. Keynote addresses included the Hon. Kay McConney, Barbados' Minister of Innovation, Science and Smart Technology and Dr Agnes Abuom, Moderator of the Central Committee of the World Council of Churches, representative of the Anglican Church of Kenya, and from many primates, bishops, clergy and lay members of the Communion.

USPG continues to strengthen its contribution towards enabling partners to 'send and receive' people in mission via its 'Exchanging Places' programme. USPG arranged for the Rev'd Justice Apo Tetteh from the Diocese of Accra, Ghana (Church of the Province of West Africa) to serve in the Diocese of the Windward Islands (Church in the Province of the West Indies) for three years via this scheme.

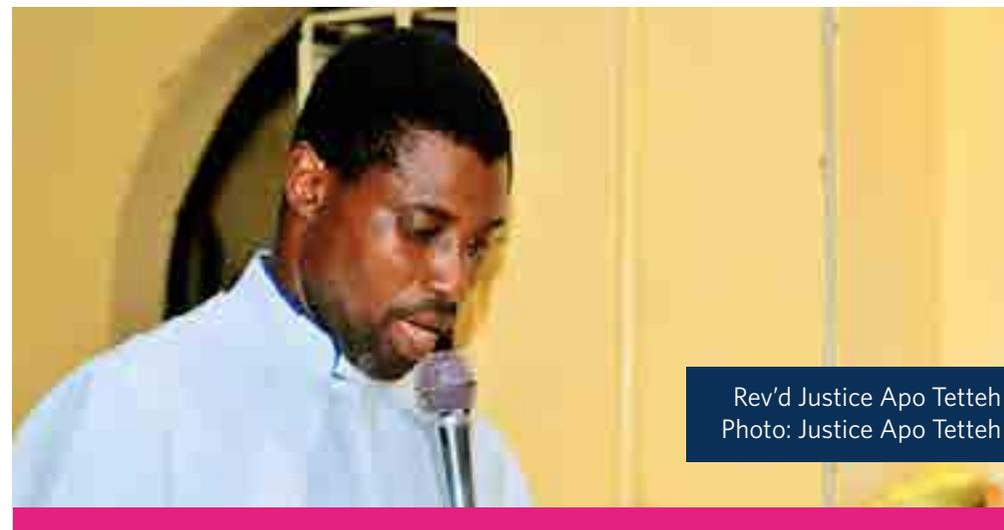
Many people from the islands that form the Diocese of The Windwards trace their heritage to Ghana. The hope is that this appointment (which should be reciprocated with a priest from the West Indies going to West Africa) will enhance relationships between these two historic USPG partner churches. Other appointments under the scheme which have continued include The Rev'd Obed Baiden in Banjul, The Gambia and the Rev'd Dennis Obidiegwu in Tangiers, Morocco.

USPG enabled a 'capacity-building' theological workshop at St Andrew's Theological Seminary in Manila, to raise the confidence and capacity of the faculty in publishing for academic journals. The workshop included clergy from both the Episcopal Church in the Philippines and the *Iglesia Filipina Independiente* and it connected remotely every day with the Rev'd Dr Marjorie Lewis from the Atlantic School of Theology, Canada. This workshop

was requested by the Dean with the aim of strengthening the faculty and helping it to raise its standards and focus its distinct voice among other national, regional and international seminaries.

The Asian Theological Academy (ATA) continues to develop positively. Their March 2019 programme, 'Reading the Bible with New Eyes' held in Manila was a well-appreciated programme with some 60 delegates including participants from India, Indonesia, Taiwan, Pakistan and Sri Lanka. The purpose of this programme was to help delegates develop new insights into biblical stories, with the help of sound exegesis and biblical scholarship.

The annual ATA August refresher course for clergy and laity held in Sri Lanka, focused on climate justice, educating and empowering church leaders to advocate more effectively in their own contexts. Nadia, a teacher in the Church of Pakistan, returned transformed and galvanised in her



Rev'd Justice Apo Tetteh
Photo: Justice Apo Tetteh

understanding of the urgency of climate justice, and went on to further empower her young school pupils in the lead up to the Global Climate Strike in September. This was based on the theme, 'Awake, discern and act' focussing on the climate crisis including so-called 'exposure visits' meeting communities directly impacted by environmental degradation. Twenty-six participants attended, representing 10 countries. As the ATA celebrated their five-year anniversary, they also invited five alumni to assist in evaluating and assessing impact of the Academy.

Dr Paulo Ueti, from Brazil joined the faculty again, jointly supported by USPG, the Anglican Communion Office and the Anglican Alliance. The ATA refresher course is aimed at both clergy and laity who have been in the ministry for five years or more. This is based on evidence that many clergy and laity stop reflecting theologically after a few years of full-time ministry. This course was established to help to renew their ministries and Christian discipleship. Refresher courses have been popular with delegates from India, Pakistan, Bangladesh, Philippines, Hong Kong, Seychelles, Malaysia, Myanmar, Zambia, Taiwan, UK, New Zealand, Korea, Japan, Indonesia and Sri Lanka. These are balanced courses and include 'exposure visits', bible studies, creative worship and inputs from local and global contextual resource persons with each student submitting a well-documented research paper. Feedback from delegates confirms that courses have helped

delegates to critically assess their ministries and to focus on particular areas. Delegates live together as a community for several weeks, which helps them to bond together and find ways to renew their vocations.

USPG believes issues of sustainability and care for creation are linked to theology and faith values, and have therefore been supporting a Global Sustainable Preaching project (<http://syskon-webdesign.de/>) This project provides sermon notes to accompany the revised common lectionary through the lens of sustainability and care for creation, the fifth mark of mission. This website enables preachers to comfortably integrate these issues into weekly sermons. Anglican organisations (USPG, Anglican Communion Environmental Network, Anglican Communion Office and A Rocha International) have committed to provide one third of all contributions. USPG's engagement has already broadened the theologies and perspectives being heard, bringing in contributions from churches in the Philippines, Barbados and Jamaica and the UK, as well as welcome youth voices.

Energise Church and Community

The 'Journey with Us' scheme offers opportunities to volunteers from Britain and Ireland to experience the world church (suspended during the Covid-19 pandemic). Attendee numbers have reduced significantly in recent times across similar Church agencies for a variety of reasons. There were eight placements in 2019 with three in different dioceses in Tanzania, two

in the Diocese of the Windward Islands, one in Ghana, one in The Gambia and one in South Africa. Although there were 35 enquirers including from Greenbelt, the majority decided to postpone applications to future dates.

USPG participated in the Diocese of Lincoln 'Moana - Water of Life Environmental Conference' hosted in partnership with Diocese of Polynesia and the University of Lincoln. This conference resulted from the Diocesan companion link between Lincoln and Polynesia, which is an outcome of the 2016 USPG International Consultation.

There were 32 'Expanding Horizons' enquiries in 2019 with 23 applications and ultimately, 18 awards. These were made to 14 ordinands and four clergy. Delegates visited partner churches or Dioceses in Fiji, South Africa, Ghana, Barbados, Russia, Belize, Greece, Netherlands, Zambia, Kenya, Zimbabwe and Hong Kong. This is an excellent way for ordinands, clergy and lay workers to refresh their ministry by enjoying a transformative experience within the wider Communion family.

An April Consultative and Learning Forum in Kenya brought together partners from the Internal Province of West Africa, the Internal Province of Ghana, the Province of Central Africa, and the Province of the Indian Ocean with The Council of Anglican Provinces of Africa: 13 countries altogether. The forum reflected on church and community processes; appreciation of participatory methodologies, utilisation



USPG believes issues of sustainability ... are linked to Theology and Faith values



USPG aims to provide high quality research about faith-based mission

of learning and church mission and programme management. Partners shared knowledge, developed common ground and strengthened relationships across some Anglican Provinces in Africa. The Asset-based Community Development (ABCD) study programme in the Episcopal Church in the Philippines (ECP) took place during May and June. Eleven representatives from Churches in Sri Lanka, Bangladesh, Myanmar and North India participated in the study and visit programme. This focused on an asset-based approach to church and community development, and examined how this was applied in the ECP which ultimately resulted in its full financial autonomy. The ECP's 'Receivers to Givers' (R2G) practice was shared. Here, congregations or communities receiving grants for various projects are enabled to give back and pass-on what they received. Together with the Asset Based Community Development approach, the R2G practice has enabled the ECP's community development mission arm to become self-supporting instead of seeking funds from elsewhere.

USPG seeks to further collaborative leadership through accompaniment programmes and opportunities for peer-to-peer learning. The CAPA workshop for newly-elected bishops entitled 'Releasing Potential-Realising Possibilities' is one example of this. The workshop focused on core issues including challenging the churches to re-examine their self-understanding and to redirect resources towards fulfilling God's mission. This is

underpinned by the belief that this will lead to spiritual, socio-economic and political transformation. Bishops from five countries participated, covering topics such as: exploring the personal spiritual journey, growing the church, devotion and nurturing enabling practices and strategies. It is good to see these initiatives being strengthened locally, particularly because of the learning shared through the 'Episcopal Accompaniment Programme Evaluation' held with CAPA and USPG two years ago.

Assisted by an external consultant, the leadership development programme in the Anglican Diocese of Colombo carried out an in-depth survey of all clergy. Out of 112 Clergy, 100 participated in this survey. The survey findings have led to leadership programme being re-designed.

Championing Justice

USPG aims to provide high-quality research about faith-based mission and development, that informs best practice and influences secular and religious policy and decision-makers. Examples include:

Gender research in South Africa: USPG visited Cape Town to present current interpretations of data gathered in 2018 to the communities concerned, and to seek feedback regarding the direction of the research project so far. The findings were well-received by the communities concerned: students of the Anglican Student Federation (ASF) in Cape Town, women from a church wellness group and men who had taken part in masculinity workshops within the Diocese of False Bay.

The students also encouraged researchers to explore the structural inequalities which exist within patriarchies, and how that impacts the Anglican Church and its attempts to address gender equality. USPG also had an opportunity to build upon existing relationships with a student who currently heads the ASF's gender and transformation team.

Data from a survey conducted with UK faith communities informed a presentation at the School of African Studies conference, 'Keeping Faith in 2030: Religions and the Sustainable Development Goals' and the subsequent event at the All Party Parliamentary Group on faith and society. We have developed the narrative around the sustainable development goals, creating a format for training. The 2019 report 'Keeping Faith in Faith Leaders' can be found on USPG's website and is a key resource promoted by the Joint Learning Initiative.

Working with the University of Birmingham and Rev'd Dr Bonnie Evans-Hills, USPG facilitated a response to Government-commissioned report by the Bishop of Truro on the global persecution of Christians. This report was submitted to an all-party parliamentary group on Freedom of Religion and Belief, who requested responses to the initial report and can be found at USPG.org.uk.

USPG attended the United Nations Commission on the Status of Women in New York with partners from the Church of Ceylon and CAPA. USPG enabled delegates to represent their churches and contexts at this significant forum.

The United Nations Commission on the Status of Women provided a platform (especially for UN women) to lobby their respective governments to ensure continual progression to the realisation of equality and human rights for all women and girls.

There was considerable concern about for example, the number of visa denials and the push back against women's rights, particularly in relation to sexual and reproductive health rights by some key governments. USPG delegates connected with their respective governments in order to continue to be part of the 2020 planning, holding governments to account for progress in-line with international agreements. USPG had time to discuss UN engagement with delegates from the Episcopal Church and the Anglican

Communion Office, which will assist in future planning.

The Church of the Province of Myanmar successfully implemented its programme, 'Increase access to clean water and improve hygiene in rural communities in Myanmar'. A report on this initiative notes that the seven target communities now take ownership of the water systems through community development committees and now have access to clean water. They can now maintain the systems and have set up a payment scheme to collect the fees for the maintenance charge. Training sessions improved hygiene practices, which will benefit health over the long-term through the reduction of diarrhoea and other waterborne diseases.

Staff led a workshop on migration for

clergy and lay leaders in the Archdeaconry of Switzerland in the Diocese in Europe, looking specifically at language used when talking about migration and the underlying drivers of people movement. The report 'Forced labour, human trafficking and the FTSE 100' (produced by USPG and others in 2015) was highlighted, as well as examples of asset-based tools for community mobilisation, sharing techniques from the Episcopal Church in the Philippines.

USPG continues to engage with the Church of South India as it implements a 'Green Schools programme'. This is being rolled-out across 1000 schools in five states of South India. One of the Church of South India's Green Schools received national award from the Centre for Science and Environment, New Delhi in February. USPG



Rev'd Fedis Nyagah and Rev'd Chintha Polgampola, NYC

has connected the UK's Anglican Diocese of Oxford with the programme, which is exciting for all concerned.

The Church of North India is currently implementing the 'Let My People Go' programme in various dioceses via their Synodical Board of Social Services. This is an initiative aimed at helping Dalits and tribal communities to access basic human rights. Many have benefitted from access to new toilets, safe drinking water and increased alternative livelihoods.

USPG was delighted to receive an invitation from the Nippon Sei Ko Kai (NSKK, Anglican Church in Japan) to participate in the International Forum for a Nuclear Free

World in May 2019, alongside representatives from Japan, Korea, Philippines, Taiwan, Germany and the USA.

In March 2019, Cyclone Idai swept through Mozambique, Malawi and Zimbabwe, and killed hundreds of people with three million more in desperate circumstances. The cyclone caused extensive damage to critical infrastructure, homes and social institutions. USPG responded via its 'Rapid Response' funding via the dioceses of Lebombo and Niassa in Mozambique and also supported the response of the Church in Malawi and Zimbabwe. Funds supported families with shelter, food and water and urgent health assistance. Cyclone Idai devastated parts of southern Africa

and the terrible impact continues to wreak havoc on people living in a region suffering the worst drought and severe food shortages for 35 years. The churches in Australia and Japan reached out to USPG to channel emergency funds in support of the churches and communities in Mozambique in particular.

The Diocese of Colombo, Sri Lanka assisted victims of the Easter bombing attacks in July 2019 by providing 80 families with short term support for four months, ten children with education support for advanced study, and five children with university study support. USPG provided financial support from the Rapid Response fund to support this.



Saram and Mohammed at CSI Kellet High Secondary School, Chennai, South India



Rev'd Kirrilee Reid, Chaplain Pas-de-Calais, France

Rev'd Kirrilee Reid, Chaplain and Refugee Project Officer for Pas-de-Calais engaged deeply in the context of Northern France through a partnership between the Diocese of Canterbury, Diocese in Europe and USPG. 2019 saw the conclusion of USPG's engagement with the Diocese in Europe's refugee response in Greece.

USPG celebrated the conclusion of a sustained period of engagement through the Anglican Church in Greece and local NGOs. This had enabled support for the church's response to refugees in Greece, which also involved working closely with Apostoli, the relief and development wing of the Greek Orthodox Church.

2019 was another full year in the life of the USPG Global Team, with the mission in part shaped by important events in the life of USPG, including the Triennial International Consultation. This engagement, which enables partner churches from around the Communion to come together in fellowship, worship, accompaniment and prayer to rethink mission together, continues to bear fruit and strengthens the bonds of affection across the Communion. ■

MISSION ENGAGEMENT REPORT



wealth had come to Europe, but degradation and death came to Africans kidnapped

Rethinking Mission

The third Rethinking Mission day conference, 'Rethinking Mission: Remembering History' took place on Saturday 16th March in Liverpool; it offered Christian perspectives from four parts of the world which were involved in the transatlantic slave trade. The Right Rev'd Paul Bayes, Bishop of Liverpool, warmly welcomed us, reminding us that engagement with colonial history and slavery is central to the Diocese of Liverpool's thinking at the moment. 'Barbados built Liverpool' declared the Rev'd Dr Michael Clarke in a powerful and poignant address. Dr Clarke, who is principal of Codrington College, Barbados, reflected on the chains binding the UK and the Caribbean through the brutal commerce of the slave trade. Wealth had come to Europe, but degradation and death came to Africans kidnapped and compelled to work on plantations in the Caribbean. Among them, the Codrington estate, where the theological college now stands. Dr Clarke highlighted the need to reinvent church in order to reimagine mission. The Rev'd Dr Daniel Eshun, Chaplain of Whitelands College in London, spoke of the contradictions experienced by his ancestor, the Rev'd Philip Quaake, the first African ordained to the Anglican priesthood and an SPG missionary, who had to minister to the slave traders at Cape Coast Castle in Ghana. Trade at Cape Coast generated huge profits for Britain who exchanged goods and guns from places like Liverpool for captives

in Africa who were then sold in the West Indies and Americas. The incoming Bishop of Dover, The Rt Rev'd Rose Hudson-Wilkin, spoke about the situation for people of colour in the UK and called for delegates to challenge conscious and unconscious acts of bias and racism in their communities. She stressed the importance of looking back in order to go forward because what had happened in the past was still having an impact. 'If we can't stop and recognise this, we won't be able to stop it,' she said, urging people to remove their own blindfolds and walk as children in the light. The Rev'd Winnie Varghese from Trinity Church, Wall Street, New York, delivered a powerful final session, inviting delegates to stand in that place of feeling challenged and disturbed by what they had heard, a shameful history, to face that shame and to find tools to help themselves and one another. 'We who caused the mess must fix the mess.'

Seventy-six people attended, of whom 20 were from the USPG target group of ordinands and lay ministers in training, curates or new licensed lay ministers.

Engaging with the National Church

A breakfast fringe event at the General Synod of the Church of England provided the occasion for the launch USPG's new strategy document, 'Open to Encounter'. The event was well attended and engaging discussions followed the presentations by The Most Rev'd Dr Prem Chand Singh, the Moderator of the Church of North India &

Bishop of Jabalpur, The Right Rev'd Marinez Bassotto, the first woman Bishop of the Diocese of the Amazon, via video link, The Rt Rev'd Christopher Lowson, Bishop of Lincoln and the Rev'd Duncan Dormor, General Secretary of USPG. USPG held a stand of resources for synod members at both meetings of the General Synod of the Church of England in London and York.

Engaging with Dioceses

In 2019 we had a stall and/or sent resources to 13 diocesan conferences, events and vocations fairs (27 in 2018). In addition to diocesan events we held a stand at the Big Church Day Out, two Christian Resources Exhibitions and the 25th Anniversary of the Society of Catholic Priests. These were staffed by 14 volunteers and four staff. USPG is 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 a significant number 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 I and II), and Continuing Ministerial Education (CME) with training events in the Dioceses of Truro, Portsmouth, Salisbury, Guildford and Derby. These bespoke training sessions 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, the sustainable development goals, USPG's strategic aims and the work of our partners across the communion.

In response to a request for more engagement with ordinands, lay ministers in training, and those newly ordained or licensed received at our summer conference, we organised a one day conference, 'We have not passed this way before': Envisioning Mission in a Secular-Sacred context' on 30 November, in the USPG Office. Thirteen from the target audience came and feedback was extremely positive. The keynote speaker was the Rev'd Dr Daniel Eshun, Dean of Chapel, Whitelands College, University of Roehampton, and Visiting Theological Educator, St Nicholas Seminary, Cape Coast, Ghana. The day included a consultation on participants' views and experiences of the Anglican Communion, which we are using with all engagement with IME I and II, and attendees were keen to continue to engage with USPG.

Energising Church and Community

Regional Days were held both at the beginning and the end of 2019 in nine locations across England and Wales, attended by 144 people (172 in 2018). 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 and were encouraged to raise awareness and fundraise locally.

In 2019 USPG provided 75 speaking engagements, which is a slight decrease on 2018, when we held 100. Forty-five of these were delivered by our volunteers, 24 by staff and six by international guests. This was a 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 15th February and 21st September respectively. The preacher for Bray Day was the Most Rev'd Winston Halapua, Archbishop Emeritus of the Anglican Church of Aotorea, Polynesia and New Zealand, who spoke passionately about the need for the church to engage with Climate Justice. At the reunion, The Right Rev'd Michael Burrows (former Chair of USPG Ireland) spoke of some of the challenges in mission for the church today. These events also provided opportunities for staff and supporters to engage with the new USPG strategy.

The USPG study resource, produced for use in Lent, or at any other time in 2019, was 'The Prophetic Voice of the Church', focussing on the prophetic mission and ministry of the Churches of North and South India: community, injustice, gender, climate and hope. For the first time this resource was produced in both Welsh and English, and also for this first time the five session course was also accompanied by five video clips and a weekly e-news letter to complement each session, which 114 people signed up to receive.

The USPG annual conference, in June, also entitled The Prophetic Voice of the Church, attracted more than 150 people from

around the world. Inspired and challenged by guest speakers from the Philippines, West Africa, Southern Africa, Tanzania, the West Indies, the Diocese in Europe, and the UK, the conference encouraged them to consider what it means to be prophetic both as Church and as individuals, locally and globally, responding to God's call on their lives. Keynote speakers included The Rt Rev'd Dr Victor Atta-Baffoe, Bishop of the Cape Coast in Ghana, who spoke on the voices of witness, ministry and service, and leadership. The Rt Rev'd Dr Dickson Cholongani, Bishop of Central Tanganyika in Tanzania, continued the theme of building for a sustainable future; both financially and in terms of leadership. The Very Rev'd Dr Gloria Mapangdol, Dean and President of St Andrew's Seminary, Manila, led Bible studies on the Magnificat and Amos, encouraging delegates to consider Mary's prophetic voice challenging exploitation. The final challenging speaker, Cathrine Fungai Ngangira from Zimbabwe, an ordinand at Cranmer Hall, Durham, talked about the prophetic role of young people in the Church.

Championing Justice

USPG was once again active at the Greenbelt Festival, an event which attracts over 10,000 people during the August bank holiday weekend. Wrestling with MP David Lammy's statement 'The world does not need any more white saviours' USPG hosted a debate which sparked a huge amount of interest. Beginning from the premise that we are all made in the image of God, 'irrespective of the paintwork', the Rev'd Rose Hudson-Wilkin, Bishop-designate of Dover, reminded us that we share a common humanity; no-one is any more or less than anyone else. But what experience tells is a different story: we must challenge ourselves to overcome a 'white saviour syndrome', which is deep in our history or DNA. We must work towards the inclusion of people 'who look like me' in all walks of life. Rev'd Ijeoma Ajibade, of the Mission to Seafarers, reminded us that the way story is told is as important as the story itself. We need to ask questions about how we tell the story of our Mission Agencies: how we give agency to those whom we serve, how do we share power in our institutions,



The Rev'd Dr Daniel Justice Eshun,
Rethinking Mission Conference

how are we genuinely in partnership; whose experiences really matter? We need to tell stories of celebration and success, not of pity, in Africa, just as we do here. Shakeel Nurmahi, Chair of the Church of England Youth Council, reminded us of the reality of spread of empire, of which his own family in India were recipients, and the imposition of white cultures as an act of superiority on others; this can be intrinsically rooted in our culture, and is deeply devaluing of others. We fail to recognise the deep richness of other cultures, and their contributions in global history, literally 'whitewashing history'. Rev'd Duncan Dormor, General Secretary of USPG, spoke of humility, history and habits. Augustine reminds us that the most important habit is 'humility': mission is about deep listening to people's stories, recognising their agency and showing respect. Our history as a nation, and mission agency, includes imperialism, 'glorious mission', 'civilising others' – we need to wrestle with this and other ways that these stories may be told; and we need to change habits: unthink things, listen to others, who will help us change. The panellists provoked excellent debate and questions from the floor which continued in the USPG stand throughout the weekend at Greenbelt. A team of volunteers and staff were on the stand all weekend, engaging festival-goers in conversation about the panel discussion, the work of USPG, and the Journey With Us programme.



We fail to recognise the deep riches of other cultures

Speak out for Climate Justice training

Following a number of requests for speakers in this important area of the Church's mission, USPG, with Hope for the Future, delivered training for USPG speakers in October 2019 in the London office. 9 attended the training, and since then have gone on to use the training to engage local churches. Three have written to their MP with assistance from Hope to the Future; two are engaging with their diocese and church to become for eco-friendly and running a Lent course on Climate Justice; one is having a stand at an event, one is working with their church to identify the bio diversity of their church; and one is encouraging all the churches in the diocese to take up a speaker and has secured one Climate Justice speaking engagement.

Fundraising

Income from donations from churches and individuals in 2019 was £797,139, a disappointing reduction of £137,500 compared to 2018. During the year USPG commissioned independent advice on how to reverse this trend, in order to reengage with past supporters, both churches and individuals, and to reach potential supporters more effectively. Implementing this advice will be a high priority for the next two years. A fundraising event, 'Encountering the World Church' was held

in Southwark Cathedral in October 2019, with presentations on two of our partner's programmes of work which feature in Partners in Mission. Thirty-six of USPG's current donors came and it raised £600 in extra donations.

In addition a further £14,480 was raised from Trusts and Foundations and an encouraging £660,039 from legacies, for which we are extremely grateful.

We are extremely grateful to dioceses who have partnered with us for seasonal campaigns in 2019:

Diocese of Carlisle raised £12,500 for the Diocese of Zululand in South Africa, and the Diocese of Rochester raised £5,500 for Zimbabwe through its Poverty and Hope appeal. The Diocese of Norwich supported the anti-human trafficking programme of the Diocese of Durgapur in the Church of North India, through USPG, through its Lent appeal 2019; this money will be received in 2020 accounts.

Partners in Mission (PIM) raised £63,837.36 in 2019 from 35 supporting churches and seven individuals. By the end of 2019 PIM supporters could choose to support one of ten global church partners: Asian Theological Academy, Bangladesh, Brazil, Malawi, North India, the Philippines, South India, Sri Lanka, Tanzania and Zimbabwe. ■

COMMUNICATIONS REPORT



USPG operated without a Head of Media and Communications for several months in 2019 before appointing Linda Mackenzie in October. Linda is a graduate and Chartered Public Relations practitioner with experience in the public, private and not-for-profit sectors, including almost a decade as Director of Communications for the Anglican Diocese of Rochester.

One of the early challenges was to consider the strategic communications needs of the organisation and together with the Senior Management Group, agree the required skill sets for the communications team. The communications team has restructured to meet the changing demands of contemporary media better, which of course includes a 24-hour news cycle and a requirement for a proactive social media strategy as well as more traditional printed media. This team should also be better able to support a coordinated fundraising effort in the future.

George Luke was appointed as USPG's staff writer and the decision was made to say goodbye to Leah Gordon, the USPG photographer, who will be continuing her freelance photography and curating career around the world whilst continuing PhD studies. We thank her for her outstanding photographic contribution to USPG and wish her well. We hope to reflect our cherished global partnerships with images supplied by our partners, which will give them the opportunity to influence the way they are portrayed in future media and publications. The decision was also taken to appoint a graphic designer, and this should provide a new in-house capability to create not only original advertisements and social media posts, but also the production of magazines, study courses and website material with a consistent house-style and branding.

The planned Lambeth 2020 and USPG conferences offered USPG a wonderful opportunity to soft-launch a refreshed more contemporary USPG brand which was developed before Christmas. Sadly Covid-19 resulted in the cancellation or postponement of several events, but the new refreshed branding is being gently rolled-out across marketing collateral and supporter resources simultaneously as new publications are printed and older resources are replaced.

The supporter Magazine Transmission was the first publication to undergo a re-design, with the new A4 magazine renamed Koinonia. Whilst USPG remains the United Society Partners in the Gospel, we have a new strapline which encapsulates not who we are but what we

do. You will start to see 'Partners in Global Mission' appearing on publications and on most of our marketing collateral.

The decision was made to replace the USPG website with a more contemporary site, offering intranet platforms for USPG employees, global partners and USPG volunteers, as well as news and information and an easy way for supporters to make donations. A USPG mobile phone app was planned at the same time. These were significant pieces of work, and were also sadly disrupted in part by the global Covid-19 pandemic.

Of course, communication is both internal and external, and 2019 closed for USPG employees with an internal communications survey aimed at informing internal employee communications for the next twelve months.

The new communications team should be well-placed to help meet the fresh challenges and opportunities which 2020 will doubtlessly bring. ■



FUTURE PLANS

In June 2019, USPG held its triennial International Consultation in Barbados at the invitation of the Most Rev'd Dr John Holder, the Archbishop Emeritus of the Province of the Church in the West Indies. Representatives from 14 provinces or partner churches were in attendance alongside members of staff and representatives of the Trustees. During the week, the group explored the theme of 'Church and State' and produced a statement available on the USPG website: www.uspg.org.uk. In addition, the consultation reflected upon the priorities of USPG.

The gathering affirmed the three high level strategic priorities of **Rethinking Mission, Energising Church and Community** and **Championing Justice** identified in 2018.

It also identified the following specific priorities:

- **Support for theological education and formation**
- **Capital investment to encourage sustainability**
- **Support for leadership development**
- **Support for cross-provincial and multi-lateral networking and south-south exchanges**

The consultation also re-affirmed its desire for a USPG Sunday and associated resources.

The global pandemic of 2020 has changed the landscape very significantly with a range of impacts on the life of the Anglican Communion and its churches as well as upon USPG, its priorities and operations. In terms of the impact on USPG, at the midpoint of 2020 these have been primarily operational. Staff in USPG's Global Relations team have been highly proactive in their communications with partner churches, and USPG has responded to immediate need, most obviously by setting up a special fund - Focus on the Future - to help churches support take direct steps to meet the challenge of Covid-19 and adapt current programmes so that they can operate effectively.

In light of the International Consultation in 2019 and the changes brought about by the global pandemic - with restrictions on travel and meetings, a global recession and a massive increase in virtual working - USPG will be reviewing its strategy and operations during the second half of 2020. ■



The global pandemic of 2020 has changed the landscape very significantly

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 OF THE TRUSTEES AND MEMBERS

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees have pleasure in presenting their report for the year ended 31 December 2019. 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 2019 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 2019 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.

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;

Going Concern statement

Trustees have a responsibility to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the organisation will continue in operation. An entity is a going concern unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so.

The Trustees have no doubt that USPG is a going concern. In making this assessment, the Trustees and the Senior Management team have considered the possible impacts of Covid 19 upon the Society's finances and operations. This has included producing financial forecasts for at least 12 months from the signing of the accounts, based on

different potential impacts of the virus on future income and costs, looking at best case, worst case and most likely scenarios. These have taken into account appropriate assumptions and available information about the future. Additional steps have been taken to enhance financial reporting, ensure stringent cashflow management, and undertake a comprehensive review of committed expenditure for 2020, 2021 and 2022.

USPG has very substantial reserves held in property and investment assets, totaling £56.2 million at 31 December 2019. The strength of USPG's balance sheet compared to the level of current and anticipated forecast deficit provides additional comfort that USPG will remain a going concern for the foreseeable future

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:

- Covid - 19 Risk Assessment - The Trustees and Senior Management team have put in place steps to mitigate the additional risks posed by the Covid 19 pandemic. These include a comprehensive working from home assessment and IT arrangements. In addition, a 'Phased Return to the Office' plan has been prepared to accommodate the Government's social distancing criteria as well as reviewing and enhancing the office cleaning regime. Staff welfare is paramount in all these and therefore additional steps have been taken to accommodate staff who are not in position to return to work initially, because of personal health considerations or a challenging family situation.

- Financial risks - The reduction in income caused by a decline in donations from churches and individuals may be exacerbated due to the impact of Covid-19. The emerging pattern of donations and an anticipated drop in investment income have been included in regular financial planning. In the current plan and forecast, three main financial scenarios of best, most likely average and worst-case referred to above have been considered for the remainder of 2020. This has informed strategic thinking and financial planning for 2021, which the Trustees expect to complete in November 2020.

- Operational risks - Two significant operational activities of USPG are travelling overseas to see first hand the impact of USPG's programmes and face-to-face engagements with supporters in Britain and Ireland. Due to Covid-19, these activities have now been predominantly replaced with video meetings, webinars and telephone calls. There are positive sides to this such as reduced costs and the inherent benefits of technological advancement, although it will be desirable to resume some face-to-face meetings and visit when possible. The implications of non-travel/reduced travel are being assessed, as well as how meetings and webinars are going to be organised within the current social distancing rules. Policies are being reviewed to reflect the "new normal" and the need to safeguard staff, participants and supporters.

- Property risks - The purchase of 5 Trinity Street and the disposal of the previous lease on Harling House have been completed. However there remains a level of risk associated with completing dilapidation issues with the previous occupant of Trinity Street. These are being mitigated by using appropriate professional advice and regular involvement of Trustees with relevant expertise.

- Compliance risks - In addition to data protection legislation, fire, health & safety, there are new guidelines and regular updates from HMRC including those associated with the furlough scheme, business support and VAT. The Charity Commission and the Pensions Regulator have also issued guidance on how charities

should plan and respond to risk. These are being mitigated by regular reviewing of policies and procedures in place and responding to changes.

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. Based on 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

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

Many organisations are facing unprecedented uncertainty about their immediate and future prospect. The impact of Covid-19 on lives and the world economies now being experienced was not foreseen. During 2019, the value of USPG's investments grew by approximately £6m. However, at the time of writing this report, the portfolio valuations have dropped by approximately £5.7m.

There is debate going on about what the "new normal" is going to look like. In future travel to various destinations to visit our partners worldwide as well as group meetings for our supporters in Britain and Ireland will not be "business as usual". These two activities have significant impact on our operations and associated costs.

In 2018, we purchased our offices at 5 Trinity Street and completed the refurbishment in 2019. In the first quarter of 2020 we secured a five-year lease with a local firm of solicitors. The property is reflected in the accounts partly within fixed assets and partly as an investment property within our investment portfolio.

Good progress has been made with our strategy of putting USPG on a sustainable financial footing by reducing year-on-year deficits on unrestricted funds with the aim of balancing income and expenditure. The Trustees had previously planned to achieve this by 2021 and are reviewing whether due to Covid 19 this target may

need to be amended. Like other charities in the sector, USPG works in a challenging fundraising environment. Income declined from £3.971m to £3,184m. Donations from individuals and churches are an important source for USPG's unrestricted income and this declined from £902k to £798k, and legacy income reduced from £1.142m received in 2018 to £631k in 2019. Legacy income is generally sporadic in nature with significant one-off windfalls received every couple of years or so. USPG continues to be enormously grateful to those who arrange to support its work through legacies and donations.

Investment income was £1.701m (2018: £1.684m). USPG's investments have generally performed well. It is worth noting that £350k was withdrawn from capital within the year to finance the deficit and to manage cash flow.

Investment gains in 2019 were £6.006m (2018: £1.122m loss). There was an increase in pension liability in 2019 of £685k as per the FRS 102 valuation (2018: £593k decrease).

The overall deficit at the end of 2019 was £1,070k split between £31k (unrestricted), £650k (endowments) and £389k (restricted). As part of the Trustees plan to move to a balanced budget on unrestricted funds by 2021, they had planned a budget deficit in November 2018 of £321k in 2019 on unrestricted funds, and to spend down £244k of restricted funds in 2019.



No Trustees received remuneration for the year

The summary of the 2019 results can be found below:

	2019 £'000	2018 £'000	CHANGE £'000
INCOME			
Donations	798	902	(104)
Legacies	631	1,139	(508)
Investment Income	1,701	1,684	17
Rental Income		115	(115)
Other Income	54	131	(77)
	3,184	3,971	(787)
EXPENDITURE			
Programmes	3,033	3,512	479
Cost of generating funds	411	550	139
Transfer to Diocese in Europe	650		(650)
Governance	160	287	127
	4,254	4,349	95
Surplus/ (Deficit)	(1,070)	(378)	(692)
Investment gain (loss)	6,006	(1,122)	7,128
Pension gain (loss)	(685)	593	(1,278)
	4,251	(907)	5,158
FUNDS			
Unrestricted	5,145	4,453	692
Designated	3,904	3,672	232
Restricted	2,862	3,595	(733)
Permanent Endowments	21,206	18,104	3,102
Expendable Endowments	20,534	19,576	958
	53,651	49,400	4,251

USPG prepares a budget each year and a rolling 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 (which are significantly reduced.)

These are reviewed regularly to ensure their effectiveness and robustness. During the year, the members of the Finance and Audit Committee made a visit to the office to “walk through” the internal controls in place for donation processing and made recommendations for improvement.

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 2014 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 2019, the total market value of funds managed by CCLA was £35.924m (2018: £31.690m)

Rathbones, £10.779m (2018: £9.840m) and the Charities Property Fund, £4.124m (2018: £4.210m).

During the year, £650k of expendable endowments held by USPG on behalf of the Diocese in Europe for 34 years was transferred to them. At the same time an arrangement was put in place to indemnify USPG in the event of a liability resulting from the transfer of churches previously owned by USPG to the Diocese in Europe.

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 many 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 does 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 does 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 USPG 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 several 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 based on 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 2019 was £5.145m (2018: £6.688m) which represents approximately 28 months of operational costs as per the 2019 budget.

Designated funds

Designated funds total £3.904m (2017: £3.672m). In 2016, Trustees made a policy to designate funds each year to cover the defined benefit pension schemes deficit as per the FRS 102 valuation at the year

end. This year, the deficit increased from £2.235m to £2.669m therefore £434k of general reserves was designated into the designated fund to top up the deficit. £733k represents the net book value of fixed assets. USPG guarantees interest free loans from supporters who have contributed into the festina loan fund. This balance of these guaranteed loans of £166k has been designated to represent the liability due to Scheme loan holders. USPG has further designated £337k of general funds to support the loan scheme. The total funds designated to finance the Festina loan at the end of the year was £503k.

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 £2.862m (2018: £3.595m) and endowment funds total £41.741m (2018: £37.680m). These do not form part of our free reserves as Trustees have to comply with the relevant restrictions. 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. Trustees have a plan in place to spend down the accumulated restricted funds and this is reflected in the reduced restricted fund balance at the year end. ■

This report was approved on behalf of the Trustees by the Chair, John Neilson, on 20 July 2020.

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

Opinion On Financial Statements

We have audited the financial statements of The United Society for the year ended 31 December 2019 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 2019 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 Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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 Report of the Trustees is inconsistent in any material respect with the financial statements; 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 For The Financial Statements

As explained more fully in the Trustees' responsibilities statement set out on page 21, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report. ■

*Knox Cropper LLP
Chartered Accountants
Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD
20 July 2020*

Knox Cropper is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



Trustees are responsible for the preparation of the financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	GENERAL UNRESTRICTED FUNDS £ '000	DESIGNATED UNRESTRICTED FUNDS £ '000	RESTRICTED INCOME FUNDS £ '000	ENDOWMENT FUNDS £ '000	TOTAL 2019 £ '000	TOTAL 2018 £ '000
Income							
Donations and Legacies	12	1,092		337		1,429	2,041
Income from charitable activities:							
Sundry income	13	54				54	131
Investment Income	13	606		1,095		1,701	1,684
Rental Income	13						115
Total Income		1,752		1,432		3,184	3,971
Expenditure							
Cost of raising funds		411				411	550
Expenditure on Charitable Activities:							
Global Programmes and Mission Engagement	15	1,372		1,821		3,193	3,799
Other Expenditure - Transfer of funds to Diocese in Europe					650	650	
Total Expenditure		1,783		1,821	650	4,254	4,349
<i>Net income/expenditure before gains/(loss) on investment assets</i>		(31)		(389)	(650)	(1,070)	(378)
(Gains on investment assets)	3	1,235		61	4,710	6,006	(1,122)
<i>Net income/(expenditure) after gains/(loss) on investment assets</i>		1,204		(328)	4,060	4,936	(1,500)
Transfers between funds		172	232	(404)			
Actuarial loss on pension schemes	18	(685)				(685)	593
Net movement in funds for the year		691	232	(733)	4,060	4,251	(907)
Reconciliation of Funds							
Total funds brought forward		4,453	3,672	3,595	37,680	49,400	50,307
Total funds carried forward		5,145	3,904	2,862	41,740	53,651	49,400

The notes on pages 29 to 39 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 2018

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

BALANCE SHEET AT 31 DECEMBER 2019

	NOTES	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	2	4,015	3,796
Investments	3	50,914	45,394
Property investments	3	1,224	1,224
Total fixed assets		56,153	50,414
Non current assets			
Loans and debtors due after 1 year	5	743	821
Current assets			
Loans and debtors	5	569	848
Cash at bank and in hand		385	540
Total current assets		954	1,388
Liabilities			
Creditors falling due within one year	6	1,529	988
Net current (liabilities) assets		(575)	400
Total assets less current liabilities		56,320	51,635
Creditors: Net Pension Scheme Liabilities	18	(2,669)	(2,235)
Net assets	11	53,651	49,400
The funds of The Society			
Unrestricted Funds:			
General	7	7,814	6,688
Pension schemes	18	(2,669)	(2,235)
Designated	8	3,904	3,672
		9,048	8,125
Restricted Income Funds	9	2,862	3,595
Endowment funds:			
Expendable		20,534	19,576
Permanent	10	21,206	18,104
		41,740	37,680
Total charity funds	11	53,651	49,400

John Neilson, Chair of Trustees, 20 July 2020.

The notes on pages 29 - 39 form part of these accounts.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£'000	£'000
Cash used in operating activities	(2,267)	(1,654)
Cash flows from investing activities		
Investment income	1,701	1,684
Purchase of fixed assets	(285)	(3,315)
Purchase of investments	(1,268)	(3,662)
Sale of investments	1,753	7,515
Cash provided by (used in) investing activities	1,901	2,222
Cash flows from financing activities		
Net increase (decrease) of Festina loan debtors	175	(72)
Net decrease (decrease) of Festina loan creditors	35	(6)
Cash used in financing activities	210	(78)
Increase in cash and cash equivalents in the year	(155)	490
Cash and cash equivalents at the beginning of the year	540	50
Total cash and cash equivalents at the end of the year	385	540

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

	2019	2018
	£'000	£'000
Net movement in funds	(1,070)	(378)
Add back depreciation charge	66	76
Deduct interest income shown in investing activities	(1,701)	(1,684)
Pension creditor movements	(251)	(3)
Increase in debtors	183	192
Increase in creditors	506	143
Net cash used in operating activities	(2,267)	(1,654)

ANALYSIS OF CHANGE IN NET DEBT

	AT START OF YEAR	CASH FLOWS	CASH CHANGES	AT END OF YEAR
	£'000	£'000	£'000	£'000
Cash	540	(155)		385
Loans falling due within one year	(131)		(35)	(166)
	409	(155)	(35)	219

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. The Trustees consider that there are no material uncertainties about Charity's ability to continue as a going concern. In forming this opinion, they have considered the impact of the Covid-19 pandemic on both its income and expenditure and the carrying value of its assets and liabilities for a period of at least twelve months from the date of approval of these financial statements.

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. For the purpose of depreciation, property is separated out into components such as structure, land, lift, machinery and Air conditioning equipment. The depreciation rates in use are the following : major office and computer equipment at 20 per cent on costs, Property structure without land at 2 per cent of cost and Plants at 25 per cent on costs.

f. Property

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.

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	PLANTS (LIFT) £'000	OFFICE EQUIPMENT £'000	FURNITURE & FITTINGS £'000	TOTAL £'000
Cost:						
Balance at 1 January 2019	3,861	99		7	42	4,009
Additions	220	12	28		25	285
Balance at 31 December 2019	4,081	111	28	7	67	4,294
Depreciation:						
Balance at 1 January 2019	74	90		7	42	213
Charge for the year	48	6	7		5	66
Balance at 31 December 2019	122	96	7	7	47	279
Net Book Value at 31 December 2019	3,959	15	21		20	4,015
Net Book Value at 31 December 2018	3,787	9				3,796

*Freehold Property includes the portion of the purchase of the 5 Trinity Street that is not treated as an Investment Property. The additions of £248K relates to refurbishment work carried out at 5 Trinity Street during the year.

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 2019	592	11,799	1,224	14,900	18,103	46,618
Acquisitions		1,268				1,268
Disposals		(1,104)		(650)		(1,754)
Net gain on revaluations	61	1,235		1,608	3,102	6,006
Market Value at 31 December 2019	653	13,198	1,224	15,858	21,205	52,138
Listed investments	653	13,198		15,858	21,205	50,914
Property (This represents 27% of the Trinity Street property to be rented out)			1,224			1,224
Total Investments at 31 December 2019	653	13,198	1,224	15,858	21,205	52,138

4. FINANCIAL INSTRUMENTS

	2019	2018
	£'000	£'000
Financial Assets		
Financial assets measured at fair value	50,914	45,394
Financial assets that are debt instruments measured at amortised cost	909	1,329
	51,823	46,723

Financial Liabilities

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

	2019	2018
	£'000	£'000
Loans and debtors due after 1 year		
Balance of the sale proceeds of UCA payable at £120k per annum until 2021	240	360
Festina loan balances	503	678
	743	1,038

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

Other debtors	167	291
Prepayments and accrued income	362	340
	529	631

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 £220,000 which is not accrued in the accounts.

6. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Loans received from Festina Scheme holders	166	131
Pension Schemes		3
Taxation and Social Security	25	26
Other creditors and accruals	68	156
Diocesan Accounts	1,270	672
	1,529	988

7. UNRESTRICTED FUNDS

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.

	2019	2018
	£'000	£'000
The designated funds include the following:		
To finance future pensions liabilities	2,669	2,235
Commitments to guarantee loans from Festina Loan holders	166	167
To finance the Society's loan from general funds to the Festina Loan Scheme	337	523
To finance future cost relating to the closure of Us Ireland		12
Amount reflecting the finance tied up in tangible fixed assets	19	22
Amount reflecting the finance tied up in Property	713	713
	3,904	3,672

9. RESTRICTED INCOME FUNDS

	BALANCE AT 1 JAN 2019 £'000	INCOME £'000	EXPENDITURE £'000	TRANSFERS/ GAINS £'000	BALANCE AT 31 DEC 2019 £'000
General restricted funds	86	130	(23)		193
Medical funds	27				27
Legacies and donations received	672	176	(35)		812
Festina loans	404			(404)	
Trust Invested Income	592			61	653
New scheme Trusts funds:					
Africa Fund	102	437	(537)		2
Central Africa Fund	3	134	(134)		3
East Asia Fund	580	88	(106)		561
Educational Fund	1	104	(19)		86
General Fund	579	82	(661)		196
Health Fund	157	50	(11)		196
Latin America and Caribbean Fund		33	(33)		7
South Asia Fund	5	59	(57)		7
Maintained Trusts Funds	105	108	(106)		107
Rapid Response Fund	59	30	(28)		61
Earmarked Gifts	7	1			8
European Refugee Appeal	215		(70)		145
	3,595	1,432	(1,820)	(343)	2,862

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 reduced interest rates to overseas dioceses for capital projects. The loans are repaid over an agreed period not exceeding 10 years. This scheme is supported by loans totalling £166,126 made by supporters on an interest free basis but guaranteed by the Society. The Society has contributed £337,002 of general funds in to the loan scheme. The total of loans awarded at the end of the year stood at £503,128.

10. ENDOWMENT FUNDS

	BALANCE AT 1 JAN 2019 £'000	PURCHASES £'000	SALES £'000	INVESTMENT GAINS (LOSSES) £'000	BALANCE AT 31 DEC 2019 £'000
Permanent Endowment Funds					
Africa Fund	2,830			501	3,331
Central Africa Fund	3,066			532	3,598
East Asia Fund	768			138	906
Educational Fund	889			162	1,051
General Fund	5,127			823	5,950
Health Fund	1,662			289	1,951
Latin America and Caribbean Fund	716			132	848
South Asia Fund	355			66	421
Other Funds	2,691			459	3,150
	18,104			3,102	21,206
Expendable Endowment Funds					
Trinity Street Property	4,126				4,126
Africa Fund	8,289			386	8,675
Central Africa Fund	695			121	816
East Asia Fund	2,118			387	2,505
Educational Fund	2,160			398	2,558
General Fund	182			32	214
Health Fund	109			19	128
Latin America and Caribbean Fund	231			41	272
South Asia Fund	452			84	536
Other Funds	1,214		(650)	140	704
	19,576		(650)	1,608	20,534
Total Endowment Funds	37,680		(650)	4,710	41,740

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. During the year, £650k of funds held under an indemnity arrangement with the Diocese in Europe for churches in Europe were transferred over.

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		13,198	(5,384)	(2,669)	5,145
Designated Funds	4,015	1,224	(1,335)		3,904
Restricted Funds		1,224	1,638		2,862
Permanent Endowment		21,205	(671)		20,534
Expendable Endowment		15,858	5,348		21,206
	4,015	52,709	(404)	(2,669)	53,651

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.

	2019 £'000	2018 £'000
Donations	798	902
Legacies	631	1,139
	1,429	2,041

13. INVESTMENTS, TRUSTS & FOUNDATIONS AND OTHER INCOME

	2019 £'000	2018 £'000
Investments quoted on a recognised UK Stock Exchange	414	408
Common Investment Funds	1,287	1,276
Rental Income		115
	1,701	1,799
Other income		
Sundry Income (Included in 2018 is one off compensation of £92,124 from Network Rail in relation to the Archives)	54	131
	54	131

TRUSTS AND FOUNDATION INCOME OVER £499 RECEIVED AND INCLUDED IN THE DONATIONS FIGURE	2019 £'000
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
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
	43,133

14. USPG IRELAND

USPG Ireland ceased operation during 2016 and the entity was struck off on 18th December 2019. USPG supports the 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 representation from Ireland on the Trustee Board of USPG. The Society designated £57k to cover the associated closing down costs and the actual cost came to a total of £59k. (See designated funds in note 8).

15. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	PROGRAMME EXPENDITURE £'000	OTHER DIRECT EXPENDITURE £'000	STAFF COSTS £'000	SUPPORT TRANSFER £'000	SUPPORT COST £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cost of Generating Funds									
Fundraising		85	194		81	360	498		
Investment Management		51				51	52		
Charitable Activities									
Programmes	1,768		888		374	3,030	3,512		
Transfer to Diocese in Europe				650		650			
Governance Costs*		82	57		24	163	287		
Total Resources expended	1,768	218	1,139	650	479	4,254	4,349		
Analysis of Support Costs - other costs									
Pension - Overseas Scheme							12		
Accommodation and Facilities						87	225		
Distribution - Postage						23	27		
Pension - Home Staff Scheme						112	112		
Staff & Volunteers Expenses						13	14		
Archives						21	36		
Telephones						31	34		
Finance - Bank Charges						14	13		
Depreciation						71	76		
Recruitment and Training Costs						23	6		
IT Support						36	42		
Pension Administration Costs						124	89		
Office Costs						45	58		
Costs relating to Liquidation of USPG Ireland						14	5		
Property Maintenance Costs							3		
FRS 102 Pension Adjustments						(251)	3		
Festina Provision						117	18		
						479	767		

	2019 £'000	2018 £'000
Allocated as follows:		
Cost of Generating Funds	81	87
Charitable Activities		
Programmes	374	639
Governance Costs	24	41
Total Support Costs	479	767
Direct Governance Costs		
Council meetings and Trustees' expenses	46	36
Auditors remuneration:		
Audit	13	13
Other Professional fees*	35	131
Total direct Governance Expenditure	94	180

Trustees' expenses include overseas travel costs and reimbursed travel expenses of £6,248 (2018: £10,444) and paid to 6 (2018: 5) Trustees.

* Other professional fees for 2018 included fees in relation to the assignment of Harling House and the purchase of 5 Trinity Street.

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

	2019	2018
	£'000	£'000
Salaries	962	1,102
Social security costs	103	117
Pension costs	74	98
	1,139	1,317

Included in the above is a payment made to a member of staff in settlement of redundancy, totalling of £6,700.

Two employees earned between £60,000 and £70,000 during the year (2018: Two between £60,000 and £70,000).

One employee earned between £80,000 and £90,000 during the year (2018: One between £80,000 and £90,000).

The key management personnel of the charity comprise the trustees, Chief Executive Officer and the Directors of Finance,

Mission Engagement, Communications and Global Relations. Total employee benefits of the key management personnel of the charity were:

	264	364
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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:

	23	26
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The average head count of employees during the year were:

	27	28
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17. DIRECT PROGRAMMES FUNDING

Our Programmes assist partners in the world church to respond to their strategic needs and priorities. These include programmes in Community Engagement & Health, Leadership, Strengthening Capacity and locally identified initiatives. 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.

	2019
	£
Programmes with over £9,999 funding in the year	
ATA (Asian Theological Academy)	41,285
Contextual Theology	15,302
Leadership Development (CPCA) - Zimbabwe	10,556
Leadership Development (ACIO) - Indian Ocean	19,329
Institute of Pastoral Management - Church of South India	10,000
Colombo Leadership Development Support - Church of Ceylon	15,000
St Thomas Theological College - Church of Pakistan	10,000
Leadership Development Programme - Council of Anglican Provinces of Africa	65,000
Leadership Development - Anglican Council of Malawi	30,000
Capacity Strengthening - Internal Province of Ghana	50,639
Africa Annual Partners Consultative Learning and Review	28,382
Synod Contribution & Training Support - Church of Pakistan	10,000
Journey with Us/Expanding Horizons	14,664
Gender-Based Programme - Zambia	55,000
Health Programme - Zimbabwe	110,299
Community Livelihoods/Integrated Programme - Anglican Council of Malawi	104,991
Programme Development (COTT, Zululand, Swaziland)	30,000
Health PMTCT - Anglican Church of Tanzania	55,218
Girl Child Campaign - Focus 9/99 - India	20,000
Green School Programme - Church of South India	10,000
Sarenga Community Health - Community Approach for Rural Development - Church of North India	12,000
Women's Helpline Programme - Delhi Brotherhood Society	15,000
Let My People Go - CNI SBSS - Church of North India	19,372
Estate Community Development Mission - Diocese of Colombo	22,000
Community Health Programme - Church of the Province of Myanmar	44,000
Bollobhpur Hospital - Church of Bangladesh	13,000
Jobarpur Community Health - Church of Bangladesh	20,000
Swaramptor Community Livelihood - Church of Bangladesh	10,000
Rapid Response	27,815

18. PENSION SCHEME ARRANGEMENTS

2019 2018
% %

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	2.10	2.90
Inflation assumption (RPI)	3.40	3.60
Salary Increases	n/a	4.10
Statutory increases to deferred pensions (CPI)	2.40	2.60
Increases to pensions in payment:		
▪ RPI to a max of 5% (Home Scheme)	3.25	3.40
▪ RPI to a max of 2.5% (Home Scheme)	2.30	2.35
▪ CPI to a max of 5% (Overseas Scheme)	2.35	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 2019 £'000	VALUE AT 31 DEC 2018 £'000	VALUE AT 31 DEC 2019 £'000
Amount recognised in the Balance Sheet at 31 December 2019			
Fair value of assets	(11,401)	10,186	
Present value of funded obligations	(14,070)	(12,421)	
(Deficit)	(2,669)	(2,235)	
Net defined benefit liability at 31 December before deferred tax	(2,669)	(2,235)	
Amount recognised in the Statement of Financial Activities account over the year			
Current service cost	12	44	
Interest on liabilities	357	346	
Interest on assets	(294)	(274)	
Past service costs		27	
Settlement and Curtailment costs	(202)		
Total	(127)	143	(127)

Analysed as follows:

Employer contribution charged within Staff Costs and Support costs in Note 15

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FRS 102 adjustment separately disclosed in Note 15

(251)

18. PENSION SCHEME ARRANGEMENTS (CONTINUED)

	VALUE AT 31 DEC 2019 £'000	VALUE AT 31 DEC 2018 £'000
Remeasurements over the year		
Loss/(Gain) on scheme assets in excess of interest	(996)	596
Experience (Gain)loss on liabilities	(28)	(262)
(Gain) from changes to demographic assumptions		
(Gain)/loss from changes to financial assumptions	1,709	(927)
Total remeasurements	685	(593)
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	10,186	10,562
Interest on assets	294	274
Employer contributions	124	146
Contribution by Scheme participants	3	9
Benefits paid	(202)	(209)
Return on plan assets less interest	996	(596)
Fair value of assets at the end of the period	11,401	10,186
Actual return on assets	1,290	
The change in the Defined Benefit Obligation over the period was:		
Defined Benefit Obligation at the beginning of the period	12,421	13,393
Current service cost	12	44
Contribution by Scheme participants	3	9
Past service costs		27
Interest cost	357	346
Benefits paid	(202)	(209)
Change due to settlements and curtailments	(202)	
Experience (gain)/loss on defined benefit obligation	(28)	(262)
Changes to demographic assumptions		
Changes to financial assumptions	1,709	(927)
Defined Benefit Obligation at the end of the period	14,070	12,421

Assets

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

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



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We've seen the Church at home pull together at this difficult time. We've seen an encouraging response to our new Focus on the Future fund. We are standing in solidarity with our partner churches across the world who are also acting quickly to respond to great need in their communities.

USPG has supported the Church of Bangladesh in its local response, distributing lifesaving hand washing kits to 112 parishes. The kits include buckets, mugs, soap and awareness information. These simple kits will help protect thousands of vulnerable people from the risk of infection.

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