

† UNITED SOCIETY  
PARTNERS IN THE GOSPEL

# ANNUAL REPORT OF THE USPG TRUSTEES

Trustees' Report and Financial Statements for the year ended 31 December 2017.  
The United Society. Registered charity number 234518. Incorporated under Royal Charter, 1701.

USPG<sup>†</sup>

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**Cover: Prasanna Kumari prays at the Kurnool Skills Training Centre for Women, Diocese of Nandyal, Church of South India.**  
**Top: The Right Revd Dr Winston Halapua, Archbishop and Primate of the Anglican Church in Aotearoa, New Zealand and Polynesia, was hosted by USPG when he spoke at Greenbelt Festival 2017.**

Credit: USPG/Leah Gordon

# TRUSTEES, DIRECTORS AND ADVISERS

## President

**The Most Revd and Rt Hon Justin Welby**  
*Archbishop of Canterbury*

## General Secretary

**Ms Janette O'Neill**  
*Left on 31 August 2017*

**The Revd Duncan Dormor**  
*Appointed 1 January 2018*

## Directors

**Ms Janette O'Neill**  
*Chief Executive*

*Left on 31 August 2017*

**The Revd Duncan Dormor**  
*General Secretary and Chief Executive*  
*Appointed 1 January 2018*

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

**Ms Naomi Herbert**  
*Director: International Programmes*

**Mrs Rachel Parry**  
*Director: Global Relations*

**The Revd Timothy Harford**  
*Director: Fundraising and Communications*

**The Revd Canon Richard Bartlett**  
*Director: Mission Engagement*

## Trustees

**The Revd Canon Christopher Chivers**  
*Chair*

**Mrs Rosemary Kempzell**  
*Vice Chair*

**Mr Richard Barrett\***  
*Chair of the Finance and Audit Committee*

**Mr Martin Canning\***  
**The Revd Canon Joabe Cavalcanti**

**Mr John Chilver\***  
**The Revd Canon Prof Patrick Comerford**

**The Revd Dr Olubunmi Fagbemi**  
*Resigned 15 January 2018*

**Mr David Friswell**  
*Appointed 18 July 2017*

**The Rt Revd Jonathan Frost**  
*Appointed 18 July 2017*

**The Revd Canon Dr Daphne Green**  
**The Rt Revd John McDowell**  
*Resigned 15 January 2018*

**Mr John Neilson**  
*Co-opted 29 January 2018*

**Mr Christopher Rogers**

**Mrs Leah Skouby**  
*Resigned 26 April 2018*

**Mrs Jane Watkeys\***

*\*Members of the Finance and Audit Committee*

## Address

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**Charity registration**  
234518

## Auditors

haysmacintyre Chartered Accountants  
26 Red Lion Square  
London WC1R 4AG

## Solicitors

Royds Withy King LLP  
65 Carter Lane  
London EC4V 5HF

## Principal bankers

Barclays Bank Plc  
1 Churchill Place  
London E14 5HP

## Investment managers

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

Rathbone Investment Management  
8 Finsbury Circus  
London EC2M 7AZ

Savills Investment Management LLP  
33 Margaret Street  
London W1G 0JD

## Property Advisors

Ingleby Trice  
10 Foster Lane  
London EC2V 6HR

# A MESSAGE FROM THE CHAIR OF TRUSTEES



THE REVD CANON CHRIS CHIVERS  
*Chair of the Trustees*

**W**riting almost a century ago – and well before the term ‘missional’ became so fashionable – Emil Brunner said this: ‘The church exists by mission just as fire exists by burning. Where there is no mission, there is no church; and where there is neither church nor mission there is no faith.’

The work in which millions of Anglicans participate across the globe – all proud to belong to USPG – therefore directs us to the heart not only of church and gospel but of the being and nature of God.

In Nanjing and Shanghai, in China – with Christian communities of which USPG has long links and where I met those training for ministry last August – I sensed how faith was fanning into flame imaginative ways of looking at the complex relationship of church and state.

In South Africa, last December, observing the continuing quest for gender justice, land restitution, environmental sustainability and reconciliation, I saw young citizens finding new ways to voice concerns and shape their communities.

In Mozambique, in March, as our Communion Wide Advisory Group met, it was possible to see

basic educational need being met and continuing post-conflict relationship-building enhance the nation’s fabric at grassroots and government levels.

And just a few weeks ago in Bangkok, Thailand, where Clarence Norwood, then an SPG missionary, first translated the Prayer Book into Thai, I saw the resulting flourishing, years later, of indigenous congregations with their commitment to Karen refugees.

None of this is an accident of course. It is what happens when the spark of faith is ignited and the light of Christ blazes forth.

This 2017 report bears further witness to the burning reality that what USPG stands for in the life of the Anglican Communion – and the universal church – is nothing less than that transformation of all things promised by Christ’s self.

It has been my privilege for thirteen years to be a Trustee of this society – six of them as Chair – to commend our work to the widest audience. I repeat on this last occasion what I have said so often before: make it more widely known. It must not be our hearts alone that are ablaze as we walk with Christ on the road, but the whole church that is set on fire with the joy and love of participation in God’s transforming mission. ■



**Top: In the Diocese of Durgapur, the Church of North India’s Anti-Human Trafficking programme reunited Biswanath with his two abducted daughters, but his wife is still missing. Opposite: Helen Idchay, in Jayhan, Kalinga Province, received support for bean farming from the Episcopal Church of the Philippines’ Receivers to Givers scheme.**

Credit: USPG/Leah Gordon

# A MESSAGE FROM THE GENERAL SECRETARY



THE REVD DUNCAN DORMOR  
*General Secretary, USPG*

**I**t is a great pleasure to introduce our Annual Report for 2017, which gives a sense of USPG's work over the last year as it works in close partnership with churches across the Anglican Communion to participate in the joy of transforming communities and the lives of individuals.

Six months before joining USPG as General Secretary I attended a packed and passionate Fringe Event at the General Synod in York on climate justice, hosted by USPG. That event launched *Faith in a Changing Climate*, a resource which has been much in demand, and it was followed by USPG's very successful engagement at Greenbelt, also focusing on the challenges faced by communities across the world as a consequence of environmental change.

Since taking up the role of General Secretary in January, I have been able to witness the same passion and commitment to God's mission across the many aspects of our work with partner churches.

Some of that work draws us deeper into the task of thinking afresh about world-wide

mission today. We are so often blinded by our own cultural assumptions and worldviews that we fail to respond as fully as we might to God's call on our lives, so I warmly commend USPG's commitment to contextual theology initiatives like that of the peripatetic Asian Theological Academy. Likewise, the first Rethinking Mission conference, held in Southwark in March, with a range of speakers from the global church, was a wonderful opportunity for mutual learning.

Renewing our faith through the transformation of the way we look at the world must, however, go hand in hand with action. Working with provinces and dioceses to strengthen their capacity to develop a range of integrated programmes which support health and education and improve livelihoods is fundamental. The improvement of livelihoods through the effective use of small loans and enhanced business skills in Malawi, for example, has become a source of hope for whole communities and has led to improved health outcomes and enhanced engagement with education.

It is also a joy to read here of the work of our partners tackling HIV/AIDS stigma in Zimbabwe, and to read of the Prevention of Mother to Child Transmission Programme in Tanzania – every baby born within this programme has been born HIV-free, a source of tremendous hope.

Championing justice through the expression of solidarity with others is central to the life of USPG. In 2017, in particular, we have been calling for the release of the unjustly imprisoned Bishop Carlo Morales, of the Philippine Independent Church. He is currently out on bail. Championing justice also finds concrete expression in our support for local initiatives. For many of our partners, including the churches of South Africa, Zambia and North India, tackling gender-based violence is a central priority. In the Diocese of Durgapur, in North India, we have

been supporting their Anti Human Trafficking Project which has had a significant impact through direct interventions and awareness-raising.

The year 2017 has also seen USPG increase its international engagement through participation in the United Nations' Commission on the Status of Women and through work to implement the UN's Sustainable Development Goals (SDGs). In particular, USPG has played a lead role in highlighting the need for better understanding between the UN and faith groups involved in mission and development work.

I hope you find this Annual Report a blessing and an encouragement, and thank you for your support as together we seek to serve Jesus Christ. ■



# REPORT OF THE TRUSTEES AND MEMBERS

The Trustees have pleasure in presenting their report for the year ended 31 December 2017. This report is prepared in accordance with the Royal Charter, the Bye-Laws and the recommendations of the Statement of Recommended Practice: Accounting and Reporting by Charities, and complies with applicable law.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing documentation and constitution

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. The United Society 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 and signed on the Third day of March in the Sixty-Third year of HER reign. The new Supplemental Charter restates and replaces as appropriate the provisions and effects of the Original Charter of 16 June 1701 and three Supplemental Charters as amended in order to better regulate USPG's constitutional affairs including changing the name and its charitable objects.

### Name

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

United Society and by the same name shall and may sue and be sued in all the courts in all manner of actions and proceedings and shall have the power to do all other matters and things incidental or appertaining to a body corporate.

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 2017 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 2017 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 one of its members who is not a Trustee. Once elected Trustees undergo a formal induction process, usually at the USPG's Office and carried out by senior staff, learning about the roles of a Trustee and the processes of USPG. Trustees are given the opportunity to attend appropriate seminars and courses, and are provided with relevant articles and publications. Trustees occasionally travel overseas to see USPG 's work first hand.

The only regular sub-committee of the Board of Trustees is the Finance and Audit Committee. In addition to those indicated on page 3, Mr Roger Hird and Mr Nigel Wildish serve on this committee. Mr Roger Hird is also the chair of the Home Staff Pension Scheme.

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

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**Pictured: Students at the Church of South India's School for the Deaf, in Madras Diocese, participate in a safety awareness class run by the Focus 9/99 children's programme. They are signing the word 'freedom'.**



## Trustees' responsibilities

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

In preparing those accounts, the Trustees are required to:

- select suitable and applicable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the organisation will continue in operation.

The Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of USPG, and enable it to ensure that the financial statements comply with charity legislation and the relevant governing instruments. They are responsible for safeguarding the 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 of the charity are reviewed at every board meeting. The top 10 risks of the charity are reviewed regularly by the Trustee Board. These include:

- **Financial risks** – reduction in income caused by decline in donations from churches, reductions in investment returns or continuing annual deficits. These are being mitigated by the new strategy, to be presented to USPG's Council in July 2018, aimed at improving communications with churches, and the associated resource plan for implementing the strategy aimed at bringing continuing income and expenditure into balance quickly.
- **Operational risks** – associated with operating in developing countries where travel can be problematic, and the need to safeguard participants on the programmes we fund. These are being mitigated by having clear policies in place on safeguarding, monitoring their compliance and requiring risk assessments to be completed before each visit.
- **Property risks** – related to the purchase of a new London Headquarters building, disposing of the lease on the

current offices and using temporary accommodation to bridge the gap between these. These are being mitigated by using appropriate professional advice and regular involvement of some Trustees with relevant expertise.

- **Compliance risks** – including those associated with employing staff, HMRC requirements, new data protection legislation, fire, health & safety. These are being mitigated by reviewing policies and procedures in place, and monitoring key aspects of compliance.

## Public benefit

The Trustees confirm they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. Both from USPG's objectives, based on its foundation

document of 1701, its history and current activities, USPG has always seen its role as part of God's mission, seeking to bring his reconciling love to all peoples and in all places. We 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, we aim to share this benefit with others. How we do this is explained throughout this Report.

## Pay policy for key management personnel

The Board considers that the Trustees and the Senior Management Team as set out in note 16 of the accounts comprise the key management personnel of USPG in charge of directing and controlling, running and operating USPG on a day to day basis. The pay of the senior staff is in accordance with a structured 5-year progression pay scale.

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.

The Trustees and Senior Management Team declare any conflict(s) of interest by signing the conflict of interest declaration register.

## Finance review

The Trustees approved an annual budget for 2017 with a projected deficit of £1.1m, of which £0.8m related to the deliberate spending down of certain historic restricted fund balances. The outcome for 2017 was a deficit of £1.03m, broadly in line with the planned deficit. However, this was a disappointing outcome, as total donated income was £0.318m less than in 2016. All of this decline was from lower giving by churches and lower fundraising, with legacies holding up well at £0.565m. USPG continues to be enormously grateful to those who arrange to support its work through legacies.

Investment gains of £3.648m were made on our reserves in 2017 (2016: £4.194m gain). There was a decrease in pension liability in 2017 of £0.349m (2016: £1.649m increase in liability). The overall funds available to USPG increased in 2017 by £2.967m (2016: £1.754m). →



**Pictured: Preparing sweetcorn to be dried in the sun, Mangochi, Malawi.**

Credit: USPG/Leah Gordon

## The financial control environment

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

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

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

## Investment powers, policy and performance

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

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

Rathbones Investment Ltd manages USPG general funds as well as the Pension Scheme funds. CCLA Investment Management Ltd continues to manage about 90 per cent of trust investments through their range of pooled funds with The Charities Property Fund managing the balance of trust investments. At December 2017, the total market value of funds managed by CCLA was £35.75m (2016: £33.65m) Rathbones, £11.7m (2016: £10.9m) and the Charities Property Fund, £4.10m (2016: £3.88m).

## 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 includes (but is not limited to) funds being held in any company where:

- Over 25% of turnover comes from tobacco, gambling, alcohol, weekly collected home credit and human embryonic cloning;
- Over 10% of turnover comes from arms;
- Over 3% of turnover comes from pornography.

The policy on collective funds: No fund to have more than 25% of its holdings in companies which breach the above criteria.

The Trustees meet with the investment managers twice a year to review their

performance, set annual income targets, as well as receive evidence that the ethical investment policy is being adhered to.

## Grants Policy

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

## USPG's reserves

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

## Free reserves

These are reserves that are available without restriction to fund working capital, shortfalls in income, innovations, unexpected expenditure or other financial obligations. Recognising the need to maintain continuity of funding of programmes which are approved over a 2-3year 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 2017 was £6.502m (2016: £5.524m) which represents approximately 14 months of operational costs as per the 2018 budget. (2016:16 months).

## Designated funds

Designated funds total £4.1m (2016: £4.485m). In 2016, Trustees made a policy to designate funds each year to cover the defined benefit pension schemes liabilities as per the FRS 102 valuation at the year end. This year, the liability reduced from £3.192m to £2.831m therefore £361k was re-designated back to the general reserves. £557k represents the net book value of fixed assets held. £172k has been designated to represent the liability due to Festina Scheme loan holders and £523k to represent USPG's general funds used to help finance the Festina Scheme. £16k has been designated to cover the final closure costs of Us Ireland and Us Northern Ireland.

## Restricted and Endowment funds

The restricted funds are funds earmarked for specific geographical regions or objects and cannot be spent until stable leadership and other conditions in those areas are met. Restricted income funds total £4.572m (2016: £5.347m) and endowment funds total £37.965m (2016: £35.177m). These do not form part of our free reserves as Trustees have no discretion over this. Unspent restricted funds in the year are carried forward into the subsequent year to comply with the donors' specific requirements. This includes funds received for the Europe refugee crisis appeal. ■

# REPORT FROM THE INTERNATIONAL PROGRAMMES TEAM

It has been a privilege over the past year to journey alongside our partner churches. We have heard many amazing stories of change that demonstrate how our partners are putting their faith into action and enabling congregations and communities to fulfil their potential.

All of this work is underpinned by relationships, and 2017 saw a deepening of our relationships, resulting in many transformed lives. While there are always challenges, we remain inspired in our desire to reach out with the good news of Christ.

## Better health

We believe everyone has the right to achieve their God-given potential. However, life circumstances and ill health means this is not a reality for many households and congregations.

In Zimbabwe, a country with a high incidence of HIV/AIDS, we are supporting the church in developing an HIV/AIDS stigma-reduction and livelihood skills programme. Through community peer educators and the training of clergy, the programme, now in its second year, is reporting a huge change in perception around HIV/AIDS, with greater acceptance and understanding. Those living with HIV are reporting increased self-worth and an improved income, leading to hope for the future.

In Tanzania, the church is tackling HIV/AIDS through its Prevention of Mother to Child Transmission programme. Since trained community volunteers starting running the programme in church hospitals, every baby born to an HIV-positive mother in the programme has been HIV-free. One mother said: 'We can live again! We have

our lives back!' Two communities were so glad of the programme they built a health clinic so that more families could benefit. The Church of Tanzania is now developing phase two of the programme so it can reach more communities.

The Church in Bangladesh knows that health, poverty and education are linked. So, as well as providing health services, the church runs discussion groups in rural communities to help tackle human trafficking and to encourage girls to stay in school. It has been found that when women receive an education families flourish and child mortality rates decrease. One example is Kohenur, in Jobarpar. She married at 17, then tragically lost her first two children. She said she hadn't known at the time about the importance for children of healthcare and hygiene. However, following support from the church's health outreach programme, Kohenur had two more children who are both healthy and happy.

Such stories are also found in Myanmar where isolated and remote communities are being visited by church-trained health volunteers. Similarly, in Lesotho, communities surrounding St James Anglican Hospital are full of praise for the church-trained volunteers who regularly visit them, bringing healthcare, knowledge and love. And in Sarenga, India, a church-led community health programme is bringing practical

knowledge and awareness of human rights to marginalised tribal and Dalit communities.

In the field of healthcare, all of our church partners believe that inclusion, knowledge and the practical love of Jesus can bring dramatic change and enable whole communities to flourish.

## Better livelihoods

With the gap between rich and poor becoming ever wider, our church partners are attempting to challenge the mindsets that keep poor communities trapped in an attitude of dependency. To make a difference, many of our partners are using a process known as Church and Community Mobilisation (CCM) through which facilitators enable congregations and communities to identify local skills and resources and use them to tackle local challenges.

In Malawi, over 80 per cent of communities rely on agriculture for their livelihoods, but many face severe food insecurity. In response, the church has set up farmers' clubs and trained members in management and business skills. The clubs are shown how to save money as a collective and access small loans. With improved knowledge and funds, the club members have been able to increase harvests so they have more food at home and more produce to sell at market. The result is more

money for household expenses, with some households reporting that the church's intervention has been a 'literal life saver'.

Similarly, in Ghana, the church is helping communities to unlock their potential by providing skills training and small loans to help households diversify their income and develop business opportunities.

In Zululand, South Africa, the church has used the CCM process to establish five food gardens that are now supporting over 4,000 families. As well as improving food security, the initiative has created strong community relationships and a new sense of collaboration. The same programme has been set up in neighbouring Lesotho where it is reaching over 2,250 families.

In Toliara Diocese, Madagascar, we facilitated a learning exchange between 20 women church leaders from 10 parishes and visiting representatives from Malawi. The aim of the training was to discover how to help communities face natural disasters. South-west Madagascar, and Toliara Diocese in particular, has been experiencing severe drought for over three years, with fatalities and many forced to sell their meagre possessions to buy food. USPG offered a grant from our Rapid Response Fund, and we are keen to journey with the church at a time when climate change means droughts could become more frequent. Emergency funding may help but it can create dependency, whereas helping communities to learn how to prepare for emergencies can help to change a dependency mindset and build confidence. Furthermore, the communities represented



at the training discovered they could support each other, both within Madagascar and in terms of the Anglican network that extends to Malawi.

In the Philippines, the Episcopal Church is working in rural farming communities to help households improve their livelihoods by identifying and making use of their own skills and resources. Communities have found new ways to earn their livelihood, such as animal husbandry and pig farming in particular. This means some men have been able to stop the dangerous mining work that they would take on to supplement their income.

In Bangladesh, the church has a particular

focus on youth development. The church set up a programme called Swarupantor - meaning transformation - which brings young people together so they can encourage each other to study and to be alert to dangers such as human trafficking. As a result, young people are growing in self-esteem and staying in school. One teenage girl said: 'Now I am strong and stable with my success and I believe life is beautiful. I passed my exams with a good result that was more than I expected. I want to achieve more success in future and spread it to others.'

In Sri Lanka, USPG continues to support the work of the Church of Ceylo →

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**Pictured: Shiela Patong, the bookkeeper for the Guesang Farmers' Organisation, in Mountain Province, Philippines, runs her own piggery with support from the Episcopal Church of the Philippines' sustainable livelihoods programme.**

Credit: USPG/Leah Gordon

as it reaches out to children on tea plantations. The church's Estate Community Development Mission is sponsoring children so they can pass their A Levels and go onto university, hopefully leading to employment opportunities that will help to break the poverty cycle for their families. One student, who recently graduated with a degree and secured a stable job, said: 'Education is the key to changing society.'

In Jamaica, the Anglicans Together Group is training community leaders to run parenting groups. The church identified that support for parents was a key need in communities with high numbers of single parent families. In 2017, 20 facilitators were trained and there are now 120 parents taking part in the groups. The parents report feeling less isolated and better equipped to support their children.

## Championing justice

We believe the church is called to speak out against injustice, with a special concern for the most vulnerable. In particular, many churches have prioritised the need to address gender-based violence, with each programme being developed and implemented in ways that suit the local context.

In India, the Delhi Brotherhood Society is reaching out to communities with a helpline, legal aid assistance and livelihood support. In 2017, 1,121 women called the helpline, with 594 cases of violence reported, of which 414 were directly resolved by the intervention of locally-run family courts.

In South Africa, the church is addressing gender-based violence with workshops that help survivors of violence to regain confidence and dignity. The church is also researching what other forms of support would be helpful. In addition, confirmation classes and youth groups are starting to challenge negative behaviours while promoting 'positive masculinity'. This has involved male facilitators speaking to men's groups, leading to a reduction in violence. Gender violence workshops are also being held for students and ordinands at the College of the Transfiguration theological college in Grahamstown.

In Zambia, the church is running a gender justice programme through Sunday sermons, community groups, door to door visits to raise awareness, and community dramas. The programme is run in partnership with local NGOs, the government and other denominations and is helping to raise awareness about gender issues and promote intervention and support services.

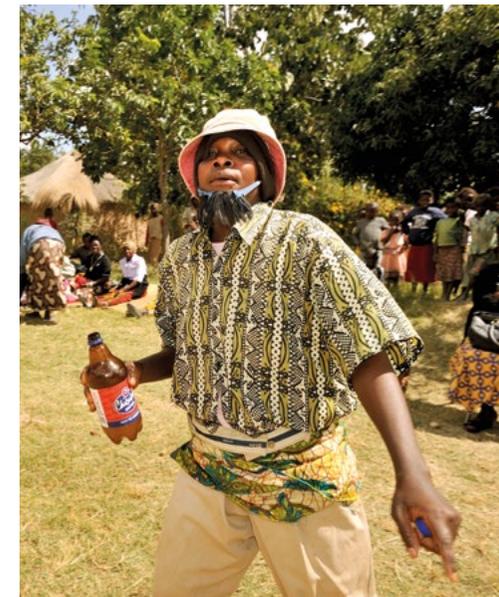
Another important justice issue is human trafficking. Three years ago, Durgapur Diocese, in the Church of North India, launched its Anti Human Trafficking Project (AHTP) which has saved or rescued numerous young lives from a life of slavery and sexual abuse. AHTP runs awareness camps in rural villages and communities at which staff often learn about cases of abduction or trafficking which they can then try to resolve. Often, vulnerable families are tricked into sending their daughters to the city for lucrative employment or a financial

secure marriage, only for the girls to find themselves trapped in bonded labour or sex work.

The Church of South India is championing both girls' rights and environmental rights through its programmes. The Focus 9/99 programme supports girls from vulnerable and marginalised communities. In August 2017, the church held a synod level consultation at which children and church leaders gathered and debated the rights of children. One of the outcomes was a plan to create a network of 'child-friendly churches'. The Church of South India is also running a Green Schools programme that encourages teachers to place an emphasis on environmental education in the hope of establishing a whole generation who will become advocates for safeguarding the environment.

In Brazil, right wing politics is pushing an agenda of austerity measures and crippling cuts to services for the poor in communities that are witnessing an escalation in violence. The church is providing key services, with a priority on supporting children in their studies so they might avoid being recruited into community gangs. In the Parish of Christ the King, in the City of God, Rio de Janeiro Diocese, the church is helping teenagers to prepare for university entry, as well as running after school classes in Portuguese and maths, a judo club and guitar lessons. The church is also running Alcoholics and Narcotics Anonymous classes.

Also in Brazil, in the Diocese of the Amazon, the church is running a training



**Pictured: This community drama in Senama, Zambia, is warning how excessive drinking can lead to gender violence.**

Credit: USPG/Leah Gordon

course for community educators and activists. This training has resulted in the creation of community groups keen to engage with local justice issues. One group organised a weekend workshop attended by 150 people, including professors, social workers and government workers. The workshop discussed how to tackle local and national issues, including climate change, violence, and supporting young people. The diocese is now developing a support network for those who attended the course so they can remain inspired and active. ■

# REPORT FROM THE GLOBAL RELATIONS TEAM

Global Relations aims to facilitate deeper learning, reflection and exchange across communities, provinces and institutions in the Anglican Communion so that local mission and contextual theologies might be strengthened. Our specific role lies in facilitating the relational basis that underpins our work in advocacy, theology and missiology.

## Connecting people

A key aspect of our work is to connect people in the Anglican Communion so they can share in mission and learn together.

One important way in which we contribute to this is through our *Journey With Us* placement programme, which in 2017 saw 10 volunteers taking part in our summer preparation training, with participants going on to find placements with the churches in Belize, Peru, St Vincent, South Africa, Egypt and The Gambia.

Also last year, in October, we held a *Journey With Us* discernment weekend, and out of ten candidates in attendance seven were recommended to go forward for placements in 2018.

## Standing in solidarity

USPG takes seriously the call to stand alongside our partners in solidarity. Throughout 2017 we were actively involved in calling for the release of peace advocate Bishop Carlo Morales, from the Diocese of Ozamiz, in the Philippines Independent Church. The bishop was imprisoned under false charges. USPG visited the bishop in prison and stood alongside his church in campaigning for his release – with temporary release eventually granted in spring 2018.

## Sharing stories

We undertake to share the stories and

contexts of our world church partners, and we do this in collaboration with other agencies, Anglican and otherwise, to create and inspire action for justice.

One key event last March saw USPG host our first event at UNCSW61 (United Nations Commission on the Status of Women), in New York. Speaking at the event were two partners who work as field practitioners in Asia and Africa. The event looked at the role of the church in enabling economic empowerment among women.

Another key piece of work saw us conduct a survey across the Anglican Communion, in collaboration with other global Anglican agencies, looking at the Anglican response to the UN's Sustainable Development Goals (SDGs). The aim of the survey was to provide evidence of the importance of the faith community's engagement with development to PaRD (Partnerships for Religion in Sustainable Development), which is a UN organisation that focuses on the role that faith actors can play in achieving the SDGs. PaRD is made up of several UN agencies, the World Bank, governmental bodies such as DFID, and faith organisations. Among other priorities, the survey identified a need for better faith and institutional literacy across the UN and faith groups.

Also during 2017, we published *Faith in a Changing Climate*, a study and advocacy

resource aimed at encouraging churches in Britain and Ireland to engage more deeply with climate justice. The resource was promoted at the Church of England's July Synod in York, the USPG annual conference and Greenbelt Christian arts festival, and on many other occasions. The resource is now being used by climate justice activists within the wider Anglican Communion. In developing this resource, USPG's unique contribution to the debate has been to promote voices of our church partners to help ensure that these complex issues can remain focused on real experiences and lives, rather than on dry theoretical debate.

## Strengthening assets

A key part of the role of Global Relations is to work alongside our partners in the Anglican Communion to strengthen provincial and diocesan assets and resources.

USPG's Festina Revolving Loan Scheme does this by providing loans to enable churches to implement significant income generation initiatives that are in need of capital so that land and properties can be developed. The quality of applications for loans has been consistently improving in recent years thanks to a streamlining of the process. Also, there is a new emphasis on the scheme providing top-up rather than start-up loans – and this is having a beneficial impact on the scheme's effectiveness. →

Some new Festina projects being developed under this new streamlined process include:

1. Masvingo, Zimbabwe: completing a school expansion project, which has led to increased revenue and impact.
2. Asante-Mampong, Ghana: completing the construction of a nurse training hostel, which was opened in 2017.
3. The Anglican Church of Tanzania: securing full funding for a hotel project in Dodoma which means the project can go ahead.

## Accompanying leaders

We carried out an extensive review of our Episcopal Accompaniment programme, which enables support for bishops in the Anglican Communion.

A three-year Episcopal Accompaniment process with the House of Bishops in the Indian Ocean concluded during 2017. It had a focus on strengthening leadership and growing a deeper unity across a complex and diverse province.

We also facilitated a successful Episcopal Accompaniment week with a group of six bishops from the Anglican Church in Southern Africa, at which we welcomed three bishops from South Africa and one each from Lesotho, Mozambique and Namibia.

The year concluded with a Roundtable in Nairobi, which was an opportunity to present the programme to a wider Communion gathering, with the event being hosted jointly by USPG and CAPA (Council of Anglican Provinces in Africa.)

## Theological engagement

We are committed to working closely with our partners, engaging theologically together in ways that are contextually relevant.

Our work with the Asian Theological Academy (ATA) progressed, with three events being hosted during 2017. In July, the Revd Dr Dhyanchand Carr held a three-day course, entitled 'Reading the Bible with New Eyes', at the Theological College of Lanka. And in the autumn ATA hosted its annual three-week refresher course for young lay and ordained leaders. This event, entitled 'Building Communities of Resistance and Hope', was attended by delegates from Hong Kong, Bangladesh, India, Pakistan, Philippines, Sri Lanka and Zambia. Also in attendance, sponsored by USPG, was the Anglican Alliance's Latin America facilitator Dr Paulo Ueti, from Brazil, who is a social activist and New Testament scholar.

ATA also led a successful Church Accompaniment programme with churches in the Philippines, in November, with a focus on the theme 'Migrant Labour: A Theological and Pastoral response'.

Also last year, USPG developed two short online courses as part of a course on gender justice run by the Catherine of Siena Programme, part of the University of Roehampton. The courses were 'Gender in Church Community Development Practice: An International Case Study Approach' and 'Promoting Wellbeing and Health: Church-Based Practices'. These courses are enabling participants to access a wide range of theological ideas and to share wisdom from

across diverse communities. USPG's role was to bring together a group of theological activists and programme co-ordinators from across the Anglican Communion to establish the outline and direction of the courses.

## Refugees and migrants

Our engagement with the Diocese in Europe's missional response to the refugee and migration context continued throughout 2017.

We continued to support a part-time Refugee Response facilitator within the Anglican Church in Greece.

We also supported work among unaccompanied refugee minors in partnership with the Greek Orthodox Church. We also funded legal and psychiatric support for five shelters in partnership with Greek NGO Medical Intervention in Athens.

And, with funding from the Diocese in Europe Appeal, we supported the Youth Engagement Space (YES) in Ritsona refugee camp that is providing psychosocial support, career support and language skills coaching to young refugees. One key success of the YES initiative was the publication of an online magazine that is having an impact on international advocacy for refugees, with stories from the magazine being picked up by the *Huffington Post*, the *Mashable* website, and the UN.

Beyond Greece, we have continued to work with the Diocese in Europe in the development of support for refugees in Calais, France, and Tangiers, Morocco.

## Responding to crises

Throughout 2017, USPG has responded to crises around the globe by providing prayers, news and funding to assist the church response to natural disasters.

In particular, we sent grants from our Rapid Response Fund to Sierra Leone, Sri Lanka, Bangladesh, Malawi, South Sudan, Madagascar, the West Indies and Peru.

In addition, USPG attended a training programme in Madagascar that had a focus on community resilience in the face of climate change, with the event being attended by a group from the Church of Malawi who were able to share learning from their context. ■

# REPORT FROM OUR FUNDRAISING AND COMMUNICATIONS TEAM

## Fundraising approach and performance

USPG undertakes fundraising activity with churches and individuals via staff and volunteer presentations to church communities and through direct mail and email in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise (which is available on our website to reassure supporters of our approach) reads as follows: when you support you can be sure of the following:

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

USPG is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. Just three

complaints about our fundraising activity were received in the year and all were promptly resolved without the need for escalation to the regulator.

## Fundraising report

Income from donations was disappointing in 2017, coming in £340,000 behind 2016's results.

	2017	2016
FUNDRAISING INCOME	£ '000	£ '000
Donations from individuals	405	526
Gift Aid claimed	73	63
Donations from churches	458	501
Donations from Trusts	46	232
<b>Total</b>	<b>982</b>	<b>1,322</b>

Note: Unrepeated gifts from 2016 included separate individual donations of £88,000 and £50,000 and Trust donations of £100,000 and £45,000.

Nonetheless there are some highlights to celebrate:

- The Bishop of St Albans' Harvest Appeal supported the Episcopal Church in the Philippines' *Receivers to Givers* programme and raised a magnificent £36,000 in 2017 with more expected in 2018.
- The Diocese of Rochester's *Poverty and Hope Appeal* raised £5,149 towards the Delhi Brotherhood Society's women's helpline and support programme.
- The Diocese of Swansea contributed £5,000 towards our work.

We also received first-time financial support from a significant number of individuals and churches:

### First-time gift in 2017:

DONOR TYPE	NUMBER OF GIFTS	VALUE OF GIFTS £	AVG. £
Individual	589	29,575	£50
Church	47	7,726	£164
Trust	2	622	£311
School	1	752	£752
University	1	930	£930
<b>Grand total</b>	<b>640</b>	<b>39,605</b>	<b>62</b>

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

## Publications

Our fresh new USPG brand has enhanced our production of an attractive and engaging range of publications in the course of the year. Our flagship magazine *Transmission* was published three times, offering our supporters news and updates on our engagement with the mission of the world church. We also published our prayer diary, which offers weekly reflections from different global partners and prayer intentions for each day of the week. A total 25,000 copies of *Transmission* and the prayer diary were mailed to 13,000 recipients. In addition, the publications were distributed at events

attended and organised by our Mission Engagement Team. During 2017 we also began distributing the prayer diary to a wider audience by including it as an insert in *The Church Times*. This, along with our weekly adverts and the insertion of our Advent prayer card, ensured that we kept USPG before our core audience on a regular basis. We also ran weekly adverts and started a regular monthly editorial column in *The Church of England Newspaper*.

Our Lent study course for 2017, *Living an Authentic Life*, explored the theme of discipleship. A total of 127 churches ordered 3,780 booklets (including 1,000 for the Diocese of Lincoln) – an average of 29 per church. In addition, 163 individuals ordered 488 booklets – an average of two per person. The study course was downloaded by 360 people from our website and viewed by 1,980 website visitors. Users of the course reported being challenged and inspired.

During 2017 we added *All Things Are Possible* to our suite of study courses, promoting it during October in readiness for Lent 2018. *All Things Are Possible* explores the essential role of faith and faith communities in delivering the United Nations' Sustainable Development Goals that aim to bring an end to extreme poverty, fight inequality and injustice, and fix climate change. ■

# REPORT FROM OUR MISSION ENGAGEMENT TEAM

A great deal of our work entailed a concerted engagement with the structures and leaders of the Church of England. A second major strand saw us seeking to galvanise the efforts of churches in Britain and Ireland to engage more deeply in local and global mission.

## General Synod

USPG volunteers staffed a stand at the February and July Synods. We also helped to host a successful Fringe Event at the July Synod entitled Politics in a Changing Climate. The speakers were Lord Deben, Chair of the House of Lord's Climate Committee; Claire Foster Gilbert, Director of the Westminster Abbey Institute; and Bishop Steven Croft, Bishop of Oxford; and the event was chaired by Jo Musker-Sherwood, a former *Journey With Us* volunteer and the director of Hope for the Future, a charity that encourages churches to engage with their MPs on climate issues. The event was attended by 50 members of General Synod, doubling the aim of 25 participants, and offered an opportunity to launch our climate advocacy resource booklet *Faith in a Changing Climate*.

## Partnership for World Mission (PWM)

*Beyond our Borders: Churches under Pressure* was the title of PWM's annual conference. We sponsored the Revd Evelyn Bhajan, a deacon in the Church of Pakistan, to be a member of the panel of speakers. We also led a workshop using material from the Philippines Independent Church and showcased our Eco-Lord's Prayer meditation video.

## Engagement with theological education

Eight one-day or half-day sessions were delivered in seven dioceses during 2017 as part of pre- or post-ordination training (IME) and Continuing Ministerial Education (CME). This is an important growing part of our offering to church leaders of the present and future.

## Rethinking Mission

Our first Rethinking Mission one-day conference was held on 18 March 2017 in Southwark Cathedral Library. It was aimed particularly at ordinands, lay ministers in training and those recently ordained or licensed, and was attended by 72 people. Speakers were the Revd Dr Vicentia Kgabe, the first woman principal of the College of the Transfiguration, Grahamstown, South Africa; the Revd Evelyn Bhajan, Deacon in the Church of Pakistan; the Ven Dr John Perumbalath, Archdeacon of Barking (now Bishop of Bradwell); and the Revd John Rogers, a parish priest in Barbados. These inspiring speakers set a high bar for this new venture, which we plan to make a part of our annual offering. Reflecting on the conference, Canon Mandy Ford, of Southwark Cathedral, said: 'Having seen the quality of the event, I would be happy to publicise it more widely to clergy and curates in particular.'

## Diocesan events

USPG volunteers staffed stands at 21 diocesan clergy conferences, mission fairs, and vocations fairs, etc, including the Partnership for World Mission and Methodist for World Mission conferences.

## Festivals

Being an associate partner of Greenbelt provides us with an opportunity to showcase the voices our overseas partners and make connections with the churches in Britain and Ireland. Our focus at the festival was on climate justice and we welcomed our guest Archbishop Winston Halapua, who spoke, led worship and took part in debates. We also had a stall which highlighted both the plight of Tonga, due to rising sea levels and our *Journey With Us* world church placement programme. We received 400 visits to the stall, with 200 information cards taken, and over 150 people attended talks by Archbishop Winston. We were also distributing our *Faith in a Changing Climate* resource.

Alongside Greenbelt, for the first time we had stands at The Big Church Day Out, which involved two weekend events, one in the north and one in the south. A total of 542 people engaged with us and we had 29 enquiries regarding *Journey With Us*.

## Liturgical and bible study materials

These resources were provided online for Lent, Harvest, Advent and Christmas.

## Preaching

Thirteen new volunteer speakers were recruited in 2017. A total of 80 preaching engagements were secured, of which 57 per cent were delivered by volunteers, compared with 31 per cent in 2016. We aim to increase these figures during 2018.

A speaker training event was run in April, and this will become an annual event.

## Volunteer network

Nine Regional Days were held across the country between autumn 2017 and spring 2018 with 165 attendees, which is an 87.5 per cent increase on 2016. Also during the year, our volunteers received a monthly email newsletter, which garnered positive feedback.

We held a debriefing day for participants on our *Expanding Horizons* world church placement programme for church leaders. We also ran a workshop for volunteers at our annual conference and held a Trustee induction day in London.

Among our volunteers, we have 26 Diocesan Representatives, covering 24 dioceses, and 48 Bishop's Nominees, covering 41 dioceses, and these people continue to be key in our relationships with dioceses and diocesan bishops.

We have calculated that during 2017



volunteers generously donated 1,396 hours of their time through a range of activities. And we know even more work is being done behind the scenes, so the true statistic is even higher. We are hugely grateful for the commitment and passion of our volunteers.

## Championing justice

Engagement in justice issues informs the themes of much of the work of the Mission Engagement Team. Working closely with our colleagues in the Global Relations Team, we

focused on four major themes during 2017, highlighting them at different times of the year:

1. Environment/climate. Highlighted in our engagement with Hope for the Future; through our *Faith in a Changing Climate* resource; and at a General Synod Fringe event and Greenbelt festival.
2. Migration/refugees. Highlighted through our continued engagement with Churches Together in Britain and Ireland.
3. Gender issues. Highlighted via our social media during the 16 Days of Activism

4. against Gender Based Violence.
4. Inter-religious living. To be highlighted at our 2018 Rethinking Mission conference. ■

**Pictured: Falsely imprisoned: Bishop Carlo Morales with his wife Darling and their two daughters and the Revd Richard Bartlett, USPG Director for Mission Engagement, at Ozamiz City Jail, in the Philippines**

Credit: USPG/Richard Bartlett

# FUTURE PLANS



THE REVD CANON CHRIS CHIVERS  
*Chair of the Trustees*

Following the appointment of the Revd Duncan Dormor, who took up the post of General Secretary in January 2018, USPG is currently in the process of reviewing its strategic direction. The new strategy will be communicated in July 2018 to all partners and through our Annual Conference.

The future direction of USPG will be significantly informed by discussion within our Communion Wide Advisory Group, which met in Mozambique in early March 2018. That group encouraged USPG to strengthen our work in supporting the churches of the Anglican Communion in relation to theological engagement, leadership development, the strengthening of capacity within provinces to deliver their mission, and increased engagement with policy development and alliance-building.

Over the next twelve months these issues will be actively explored as we prepare for our triennial international consultation, which will be held at Codrington College, Barbados, in June 2019.

As USPG looks forward, we recognise the need, as a matter of priority, to raise our profile within the Anglican churches of Britain and Ireland. In 2017 USPG hosted well-attended events at the General Synod of the Church of England in York in July and at Greenbelt in August. These highlighted issues of climate justice across the Anglican Communion and the challenges faced by churches and communities across the world. In 2018 we will seek to build on the

success of such engagement and continue the trajectory of success enjoyed by the Rethinking Mission Conferences of the last two years (Southwark 2017; Birmingham 2018).

Looking to the long-term future of the charity, the Trustees have supported the purchase of new premises into which USPG will move in early 2019.

Throughout our programmes across the churches within the Anglican Communion, USPG will seek every opportunity to deepen key relationships and deepen our commitment to working in genuine mutual partnership. We will work to strengthen the capacity of partner churches to deliver integrated programmes that serve the needs of churches and communities in a sustainable and effective way, for example, through our work with the Anglican Church in Malawi and with Hope Africa in Lesotho and Zululand. We will also continue to develop our support for locally prioritised initiatives that seek to tackle injustice, for example, through support for the Church of North India and its initiative to raise awareness of the dangers of human trafficking and care for survivors.

In 2018 and beyond, USPG will continue to highlight the contribution that faith communities make to global development and to work alongside and encourage the Anglican Communion to strengthen engagement with the UN's Sustainable

Development Goals (SDGs) and 2030 Agenda for Sustainable Development. As part of this engagement, USPG will work closely with PaRD (International Partnerships for Religion and Sustainable Development), which brings together governmental and intergovernmental entities with religious and faith-based organisations to discuss how we might work more effectively together.

The deepening of genuine and mutual partnership and the growth of inter-cultural understanding between Christians lies at the heart of our work at USPG. In the coming year we will look to increase our commitment to programmes, like *Journey With Us*, that promote exchanges between churches.

This report was approved by the Trustees on 9 May 2018, and is signed on their behalf by the Revd Canon Chris Chivers. ■

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**Pictured: Sangita Sagar speaks to a counsellor at the Mahila Panchayat Women's Empowerment Centre, which is run by the Delhi Brotherhood Society, in India.**

Credit: USPG/Leah Gordon



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Women in distress: Help us!

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

## Opinion

We have audited the financial statements of The United Society for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flow 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).

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 might state to the charity's

trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of the charity's net movement in funds 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.

## Basis for opinion

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. 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.

## Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement on page 7, 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

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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

### 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 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity 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.

haysmacintyre 10 Queen Street Place  
Statutory Auditors London EC4R 1AG  
May 2018

*haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006* ■

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	GENERAL UNRESTRICTED FUNDS £ '000	DESIGNATED UNRESTRICTED FUNDS £ '000	RESTRICTED INCOME FUNDS £ '000	ENDOWMENT FUNDS £ '000	TOTAL 2017 £ '000	TOTAL 2016 £ '000
<b>Income</b>							
Donations and Legacies	12	1,274		273		1,547	1,865
Income from charitable activities:							
Sundry income	13	34				34	69
Investment Income	13	582		1,209		1,791	2,094
<b>Total Income</b>		<b>1,890</b>		<b>1,482</b>		<b>3,372</b>	<b>4,028</b>
<b>Expenditure</b>							
Cost of raising funds		571				571	731
Expenditure on Charitable Activities:							
Global Programmes and Mission Engagement	15	1,536		2,295		3,831	4,088
<b>Total Expenditure</b>		<b>2,107</b>		<b>2,295</b>		<b>4,402</b>	<b>4,819</b>
<i>Net expenditure before gains on investment assets</i>		<i>(217)</i>		<i>(813)</i>		<i>(1,030)</i>	<i>(791)</i>
Gains on investment assets	3	821		38	2,788	3,647	4,194
<i>Net income/(expenditure) after gains on investment assets</i>		<b>604</b>		<b>(775)</b>	<b>2,788</b>	<b>2,617</b>	<b>3,403</b>
Transfers between funds		385	(385)				
Actuarial gain/(loss) on pension schemes	18	349				349	(1,649)
<b>Net movement in funds for the year</b>		<b>1,338</b>	<b>(385)</b>	<b>(775)</b>	<b>2,788</b>	<b>2,966</b>	<b>1,754</b>
<b>Reconciliation of Funds</b>							
Total funds brought forward		2,332	4,485	5,347	35,177	47,341	45,587
<b>Total funds carried forward</b>		<b>3,670</b>	<b>4,100</b>	<b>4,572</b>	<b>37,965</b>	<b>50,307</b>	<b>47,341</b>

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

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

All income and expenditure derived from continuing activities.

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	GENERAL UNRESTRICTED FUNDS £ '000	DESIGNATED UNRESTRICTED FUNDS £ '000	RESTRICTED INCOME FUNDS £ '000	ENDOWMENT FUNDS £ '000	TOTAL 2016 £ '000
<b>Income</b>						
Donations and Legacies	12	1,468		397		1,865
Income from charitable activities:						
Sundry income	13	59		10		69
Investment Income	13	729		1,365		2,094
<b>Total Income</b>		<b>2,256</b>		<b>1,772</b>		<b>4,028</b>
<b>Expenditure</b>						
Cost of raising funds		731				731
Expenditure on Charitable Activities:						
Global Programmes and Mission Engagement	15	1,397		2,691		4,088
<b>Total Expenditure</b>		<b>2,128</b>		<b>2,691</b>		<b>4,819</b>
<i>Net expenditure before gains on investment assets</i>		<i>128</i>		<i>(919)</i>		<i>(791)</i>
Gains on investment assets	3	1,303		26	2,865	4,194
<i>Net income/(expenditure) after gains on investment assets</i>		<b>1,431</b>		<b>(893)</b>	<b>2,865</b>	<b>3,403</b>
Transfers between funds		(2,452)	3,013	(10)	(551)	
Actuarial (loss)/gain on pension schemes	18	(1,649)				(1,649)
<b>Net movement in funds for the year</b>		<b>(2,670)</b>	<b>3,013</b>	<b>(903)</b>	<b>2,315</b>	<b>1,754</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward		5,002	1,472	6,250	32,862	45,587
<b>Total funds carried forward</b>		<b>2,332</b>	<b>4,485</b>	<b>5,347</b>	<b>35,177</b>	<b>47,341</b>

## BALANCE SHEET AT 31 DECEMBER 2017

	NOTES	2017 £ '000	2016 £ '000
<b>Fixed assets</b>			
Tangible assets	2	557	580
Investments	3	51,593	48,552
<b>Total fixed assets</b>		<b>52,150</b>	<b>49,132</b>
<b>Non current assets</b>			
Loans and Debtors due after 1 year	5	820	942
<b>Current assets</b>			
Loans and Debtors		970	874
Cash at bank and in hand	5	52	561
<b>Total current assets</b>		<b>1,022</b>	<b>1,435</b>
<b>Liabilities</b>			
Creditors falling due within one year		854	976
<b>Net current assets</b>	6	<b>168</b>	<b>459</b>
<b>Total assets less current liabilities</b>		<b>53,138</b>	<b>50,533</b>
Creditors: Net Pension Scheme Liabilities	18	(2,831)	(3,192)
<b>Net assets</b>		<b>50,307</b>	<b>47,341</b>
<b>The funds of The Society</b>			
Unrestricted Funds:			
General	7	6,501	5,524
Pension Schemes	18	(2,831)	(3,192)
Designated	8	4,100	4,485
		7,770	6,817
Restricted Income Funds		4,572	5,347
Endowment Funds:			
Expendable	9	19,576	18,205
Permanent	10	18,389	16,972
		37,965	35,177
<b>Total charity funds</b>	11	<b>50,307</b>	<b>47,341</b>

The Revd Canon Christopher Chivers  
*Chair of Trustees*  
9 May 2018

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £ '000	2016 £ '000
<b>Cash used in operating activities</b>	<b>(2,556)</b>	<b>(1,925)</b>
<b>Cash flows from investing activities:</b>		
Investment income	1,791	2,094
Purchase of fixed assets	(2)	(560)
Purchase of investments	(2,234)	(915)
Sale of investments	2,839	1,377
<b>Cash provided by (used in) investing activities</b>	<b>2,394</b>	<b>1,996</b>
<b>Cash flows from financing activities:</b>		
Net increase of Festina loan debtors	(73)	(22)
Net decrease of Festina loan creditors	(274)	(303)
<b>Cash used in financing activities</b>	<b>(347)</b>	<b>(325)</b>
Increase (decrease) in cash and cash equivalents in the year	(509)	(254)
Cash and cash equivalents at the beginning of the year	561	815
<b>Total cash and cash equivalents at the end of the year</b>	<b>52</b>	<b>561</b>

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

	2017 £ '000	2016 £ '000
<b>Net movement in funds</b>	<b>(1,030)</b>	<b>(791)</b>
Add back depreciation charge	25	28
Deduct interest income shown in investing activities	(1,791)	(2,094)
Pension creditor movements	(12)	(45)
Increase (decrease) in debtors	100	483
Increase (decrease) in creditors	162	494
<b>Net cash used in operating activities</b>	<b>(2,556)</b>	<b>(1,925)</b>

## 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 note(s)

### 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. Fixed assets investments

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

### e. Depreciation of tangible fixed assets

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

### f. 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 ('FRS17').

### g. Fund accounting

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

### h. 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.

### i. 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.

### j. 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

	FH PROPERTY £ '000	COMPUTERS £ '000	OFFICE EQUIPMENT £ '000	FURNITURE & FITTINGS £ '000	TOTAL £ '000
<b>Cost:</b>					
Balance at 1 January 2017	550	94	7	41	692
Additions		1		1	2
Disposals					
Balance at 31 December 2017	550	95	7	42	694
<b>Depreciation:</b>					
Balance at 1 January 2017	5	75	6	26	112
Charge for the year	6	10	1	8	25
On Disposal					
Balance at 31 December 2017	11	85	7	34	137
<b>Net Book Value at 31 December 2017</b>	539	10		8	557
<b>Net Book Value at 31 December 2016</b>	545	18	1	16	580

## 3. INVESTMENTS

	FH PROPERTY £ '000	COMPUTERS £ '000	OFFICE EQUIPMENT £ '000	FURNITURE & FITTINGS £ '000	TOTAL £ '000
Market Value at 1 January 2017	12,822	553	18,205	16,972	48,552
Acquisitions	2,232				2,232
Disposals	(2,289)		(550)		(2,839)
Net gains on revaluations	821	38	1,371	1,417	3,648
Market Value at 31 December 2017	13,586	591	19,026	18,389	51,593
Listed investments	13,586	591	19,026	18,389	51,593
<b>Total Investments at 31 December 2017</b>	13,586	591	19,026	18,389	51,593

#### 4. FINANCIAL INSTRUMENTS

	2017 £ '000	2016 £ '000
Financial Assets		
Financial assets measured at fair value	51,593	48,552
Financial assets that are debt instruments measured at amortised cost	1,360	1,366
	<b>52,953</b>	49,918
Financial Liabilities	<b>597</b>	625

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

	2017 £ '000	2016 £ '000
<b>Loans and debtors due after 1 year</b>		
Balance of the sale proceeds of UCA payable at £120k per annum until 2021	480	600
Festina loan balances	340	342
	<b>820</b>	942
The Society's lease hold interest in the former United College of the Ascension in Birmingham was sold to Al Mahdi Institute in 2011.		
<b>Loans and debtors due less than 1 year</b>		
Festina loan balances	267	191
Other debtors	274	233
Prepayments and accrued income	429	450
Financial Liabilities	<b>970</b>	874

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 £320,000 which is not accrued in the accounts.

## 6. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2017 £ '000	2016 £ '000
Loans received from Festina Scheme holders	137	137
Pension Schemes	4	4
Taxation and Social Security	38	28
Other creditors and accruals	215	319
Diocesan Accounts	460	488
	<b>854</b>	<b>976</b>

## 7. UNRESTRICTED FUND

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

## 8. DESIGNATED FUNDS

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

	2017 £ '000	2016 £ '000
The designated funds include the following:		
To finance future pensions liabilities	2,831	3,192
Commitments to guarantee loans from Festina Loan holders	172	172
To finance the Society's loan from general funds to the Festina Loan Scheme	523	523
To finance future cost relating to the closure of Us Ireland	16	16
Amount reflecting the finance tied up in tangible fixed assets	18	37
Amount reflecting the finance tied up in Property	540	545
	<b>4,100</b>	<b>4,485</b>

## 9. RESTRICTED INCOME FUNDS

	BALANCE AT 1 JAN 2017 £ '000	INCOME £ '000	EXPENDITURE £ '000	GAINS ON INVESTMENT ASSETS £ '000	BALANCE AT 31 DEC 2017 £ '000
General restricted funds	66	148	(146)		68
Medical funds	45		(16)		29
Legacies and donations received	1,074	76	(298)		852
Festina loans	400				400
Trust Invested Income	553			38	591
<b>New scheme Trusts funds:</b>					
Africa Fund	715	569	(790)		494
Central Africa Fund	2	125	(125)		2
East Asia Fund	469	83	(27)		525
Educational Fund	52	98	(70)		80
General Fund	649	79	(7)		721
Health Fund	84	47	(11)		120
Latin America and Caribbean Fund		31	(31)		
South Asia Fund	22	57	(75)		4
Maintained Trusts Funds	26	121	(82)		65
Towards Africa Fund	702		(440)		262
Emergency Fund	54	42	(25)		71
Earmarked donations	12	6	(13)		5
European Refugee Appeal (To be spent over 3 years)	422		(139)		283
<b>Net Book Value at 31 December 2017</b>	<b>5,347</b>	<b>1,482</b>	<b>(2,295)</b>	<b>38</b>	<b>4,572</b>

“Movements on these funds in 2016 are presented in our 2016 Trustees’ Report and Financial Statements which are available on the Charity Commission’s website.”

### Trust funds

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

### Legacies and donations

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

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

### Festina Loans

This fund provides unsecured loans at low interest rates to overseas dioceses for capital projects. The loans are repaid in sterling over an agreed period not exceeding 10 years. This scheme is also supported by loans totalling £172,126 made by external loan holders on an interest free basis. The Society has guaranteed repayment of these loans and provides further support to the scheme through a loan from unrestricted funds of £523,000.

## 10. ENDOWMENT FUNDS

	BALANCE AT 1 JAN 2017 £ '000	INVESTMENT GAINS £ '000	BALANCE AT 31 DEC 2017 £ '000
<b>Permanent Endowment Funds Africa Fund</b>			
Africa Fund	2,635	228	<b>2,863</b>
Central Africa Fund	2,866	240	<b>3,106</b>
East Asia Fund	771	63	<b>834</b>
Educational Fund	831	73	<b>904</b>
General Fund	4,797	387	<b>5,184</b>
Health Fund	1,558	130	<b>1,688</b>
Latin America and Caribbean Fund	668	60	<b>728</b>
South Asia Fund	330	30	<b>360</b>
Other Funds	2,516	206	<b>2,722</b>
	16,972	1,417	<b>18,389</b>
<b>Expendable Endowment Funds</b>			
Africa Fund	11,525	784	<b>12,309</b>
Central Africa Fund	652	54	<b>706</b>
East Asia Fund	1,943	174	<b>2,117</b>
Educational Fund	2,024	179	<b>2,203</b>
General Fund	171	14	<b>185</b>
Health Fund	106	10	<b>116</b>
Latin America and Caribbean Fund	216	18	<b>234</b>
South Asia Fund	423	38	<b>461</b>
Other Funds	1,145	100	<b>1,245</b>
	18,205	1,371	19,576
<b>Total Endowment Funds</b>	<b>35,177</b>	<b>2,788</b>	<b>37,965</b>

“Movements on these funds in 2016 are presented in our 2016 Trustees’ Report and Financial Statements which are available on the Charity Commission’s website.”

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

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

## 11. ANALYSIS OF NET ASSETS BY FUNDS

	TANGIBLE FIXED ASSETS £ '000	INVESTMENTS £ '000	NET CURRENTS ASSETS £ '000	PENSION SCHEME LIABILITIES £ '000	TOTAL £ '000
Unrestricted Funds:					
General Funds		13,586	(7,085)	(2,831)	<b>3,670</b>
Designated Funds	557		3,543		<b>4,100</b>
Restricted Funds		591	3,981		<b>4,572</b>
Expendable Endowment		19,026			<b>19,576</b>
Permanent Endowment		18,389			<b>18,389</b>
	557	51,592	989	(2,831)	<b>50,307</b>

## 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.

	2017 £ '000	2016 £ '000
Donations	<b>982</b>	1,322
Legacies	<b>565</b>	543
	<b>1,547</b>	1,865

## 13. INVESTMENTS, TRUSTS & FOUNDATIONS AND OTHER INCOME

	2017 £ '000	2016 £ '000
Investments quoted on a recognised UK Stock Exchange	<b>436</b>	589
Common Investment Funds	<b>1,355</b>	1,505
	<b>1,791</b>	2,094
<b>Other income</b>		
Sundry Income	<b>34</b>	69
	<b>34</b>	69

TRUSTS AND FOUNDATION INCOME RECEIVED AND INCLUDED IN THE DONATIONS FIGURE	2017 £ '000
During the year, we received funding from the following trusts and foundations.	
We are grateful for their contribution towards our global work.	
The Revd BP Payne Trust	800
The Earl of Mawby Trust	50
St Monica Trust	596
Macedonian Charitable Trust	150
The Reverend Doctor HJM Turner Trust	600
Tisbury Telegraph Trust	400
Summers and May Charitable Trust	1,250
St Augustine's Foundation	10,000
Overseas Bishopricks Fund	8,500
St Nicholas' Trust	150
The Whitecourt Charitable Trust	100
Broadmead Trust Fund	500
Veta Bailey Charitable Trust	4,425
Mrs R P Tindall's Charitable Trust	1,000
The Companions of Jesus the Good Shepherd Trust	3,000
Forest Hill Charitable Trust	1,500
The Community of the Presentation Trust	1,000
Alma Jean Henry Charitable Trust	750
Women's World Day of Prayer	7,000
The Longcake Charity	40
The Oakdale Trust	1,000
Edith Clara Young Trust	100
The Fulmer Charitable Trust	750
The Saxham Trust	500
The White Family Charitable Trust	450

#### 14. USPG IRELAND

USPG Ireland was closed down during 2016. USPG London will continue to support the programmatic work previously carried out by USPG Ireland. Supporters of USPG Ireland have been written to and most of them have transferred their support to USPG. There is Ireland representation on the Board of USPG with voting rights. The Society designated £57k to cover any associated closing down costs out of which £16k is yet to be spent (see designated funds in note 8).

## 15. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	PROGRAMME EXPENDITURE £ '000	OTHER DIRECT EXPENDITURE £ '000	STAFF COSTS £ '000	SUPPORT COST £ '000	2017 £ '000	2016 £ '000
<b>Cost of Generating Funds</b>						
Fundraising		163	226	129	517	682
Investment Management		54			54	48
Charitable Activities						
International Programmes	2,006		1,036	590	3,632	3,931
Governance Costs		95	66	38	199	158
<b>Total Resources expended</b>	<b>2,006</b>	<b>311</b>	<b>1,328</b>	<b>757</b>	<b>4,402</b>	<b>4,819</b>

### Analysis of Support Costs - other costs:

Pension - Overseas Scheme*					31	
Accommodation and Facilities					166	275
Distribution - Postage					24	23
Pension - Home Staff Scheme					145	52
Staff & Volunteers Expenses					2	6
Archives					53	48
Telephones					24	22
Finance - Bank Charges					16	18
Depreciation					26	29
Recruitment and Training Costs					118	24
IT Support					33	39
Pension Administration Costs					74	82
Office Costs					53	50
Costs relating to Liquidation of USPG Ireland						41
Property Maintenance Costs					4	8
Pension Scheme adjustments					(12)	(45)
					<b>757</b>	<b>672</b>

\* The cost of pension overseas scheme and part of the home scheme were charged directly to restricted funds in 2016 and the fund is now exhausted.

	2017 £ '000	2016 £ '000
Allocated as follows:		
Cost of Generating Funds	129	112
Charitable Activities		
International Programmes	590	512
Governance Costs	38	48
<b>Total Support Costs</b>	<b>757</b>	<b>672</b>
Council meetings and Trustees' expenses	37	40
Auditors remuneration: Audit	21	25
Other Professional fees	36	5
<b>Governance - Direct Expenditure</b>	<b>94</b>	<b>70</b>

No Trustee received remuneration or other benefits during the year. Trustees' expenses include overseas travel costs and reimbursed travel expenses of £10,456 (2016: £15,662) and paid to 5 (2016: 6) Trustees.

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

	2017 £ '000	2016 £ '000
Salaries	1,101	1,001
Social security costs	114	106
Pension costs	113	83
	<b>1,328</b>	1,190

Included in the above is a payment of £41,624 made in settlement of employment issues.

One employee earned between £70,000 and £80,000 during the year (2016: One between £60,000 and £70,000).

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

	<b>378</b>	382
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No charity trustee received payment for professional or other services supplied to the charity.

The average full time equivalent employees during the year were:	<b>27</b>	25
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The average head count of employees during the year were:	<b>29</b>	28
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## 17. DIRECT PROGRAMMES FUNDING

	2017 £ '000	2016 £ '000
Programmes:		
Africa & Indian Ocean	1,188	1,347
Asia	350	423
Latin America and Caribbean	72	151
Emergency Response	25	62
Europe Refugee Crisis	110	172
Global relations and Advocacy	184	256
Mission Engagement	77	62
<b>Total funding</b>	<b>2,006</b>	<b>2,473</b>

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

	£
<b>Programmes with over £10k funding in the year:</b>	
Zimbabwe - HIV Programmes	43,214
Zambia - Gender Justice Programme	42,626
Zimbabwe - Leadership Development Programme	15,000
Malawi - Leadership Development Programmes	20,723
Malawi - Health Programme	20,354
Malawi - Community Livelihood Programme	146,916
Ghana- Internal Province	40,000
Southern Africa- Leadership Development Programme	30,000
Zululand - Community Livelihood programme	15,000
Lesotho - Health Programme	15,000
Lesotho - Community Development Programme	15,000
Southern Africa - GBV Programme	40,000
Tanzania - Health Programme	54,143
Anglican Churches of the Indian Ocean - Leadership Development Programme	46,340
Council of Anglican Provinces of Africa - Leadership Development Programme	28,000
Bangladesh - Health Programmes	11,030
Brazil - Community Livelihood Programme	22,627
Brazil - Urban Programme	10,342
Church of South India - Community Livelihood Programme - Focus 9/99	16,400
Church of South India - Eco Schools Programme	13,000
Church of South India - Institute of Pastoral Care	11,500
Church of South India - Diocese of Nadal	10,000
Church of North India - Health Programme	19,200
Church of North India- SBSS Programme - "Let my people go"	30,261
Church of North India - Anti Trafficking Programme	14,000
Church of North India - GBV Programme	25,000
Ceylon - Tea Plantation Programme	20,000
Ceylon - Synod Contribution	15,000
Emergency/Rapid Response	24,936
Journey with Us	25,173
Asian Theological Academy	45,000
Refugee Crisis in Europe	110,258

## 18. PENSION SCHEME ARRANGEMENTS

	2017	2016
	%	%

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	2.60	2.80
Inflation assumption (RPI)	3.60	3.70
Salary Increases	4.10	4.20
Statutory increases to deferred pensions (CPI)	2.60	2.70
Increases to pensions in payment:		
▪ RPI to a max of 5% (Home Scheme)	3.40	3.50
▪ RPI to a max of 2.5% (Home Scheme)	2.35	2.35
▪ CPI to a max of 5% (Overseas Scheme)	2.55	2.60

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 2017 £ '000	VALUE AT 31 DEC 2016 £ '000
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### Amount recognised in the Balance Sheet at 31 December 2017

Fair value of assets	10,562	9,879
Present value of funded obligations	(13,393)	(13,071)
<b>(Deficit)</b>	<b>(2,831)</b>	<b>(3,192)</b>

### Impact of asset celling

<b>Net defined benefit liability at 31 December before deferred tax</b>	<b>(2,831)</b>	<b>(3,192)</b>
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### Amount recognised in the Statement of Financial Activities account over the year:

Current service cost	56	46
Interest on liabilities	363	400
Interest on assets	(276)	(339)
<b>Total</b>	<b>143</b>	<b>107</b>

## 18. PENSION SCHEME ARRANGEMENTS (CONTINUED)

	VALUE AT 31 DEC 2017 £ '000	VALUE AT 31 DEC 2016 £ '000
<b>Remeasurements over the year</b>		
(Gain) on scheme assets in excess of interest	(468)	(1,214)
Experience loss (gain) on liabilities	112	(172)
(Gains) from changes to demographic assumptions	(304)	(783)
Losses from changes to financial assumptions	311	3,818
<b>Total remeasurements</b>	<b>(349)</b>	1,649
<b>Reconciliation of assets and Defined Benefit Obligation</b>		
The change in the assets over the period was:		
<b>Fair value of assets at the beginning of the period</b>	<b>9,879</b>	8,627
Interest on assets	276	339
Employer contributions	155	151
Contribution by Scheme participants	12	11
Benefits paid	(228)	(463)
Return on plan assets less interest	468	1,214)
<b>Fair value of assets at the end of the period</b>	<b>10,562</b>	9,879
The change in the Defined Benefit Obligation over the period was:		
<b>Defined Benefit Obligation at the beginning of the period</b>	<b>13,071</b>	10,214
Current service cost	56	46
Contribution by Scheme participants	12	11
Interest cost	363	400
Benefits paid	(228)	(463)
Experience (gain)/loss on defined benefit obligation	112	(172)
Changes to demographic assumptions	(304)	(783)
Changes to financial assumptions	311	3,818
<b>Defined Benefit Obligation at the end of the period</b>	<b>13,393</b>	13,071

### Assets

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

The actual return on the Schemes assets (net of expenses) over the period to the review date was £744,000.

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



† UNITED SOCIETY  
PARTNERS IN THE GOSPEL

USPG<sup>†</sup>