

THE UNITED SOCIETY FOR THE PROPAGATION OF THE GOSPEL

Trustees' Report and Financial Statements for the year ended 31 December 2009

Registered Charity: No.234518
www.uspg.org.uk



THE UNITED SOCIETY FOR THE PROPAGATION OF THE GOSPEL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

CONTENTS

	Page
Trustees, Directors and Advisers	1
Report of the Trustees	2 – 9
Auditors' Report	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Accounts	14 – 21

THE UNITED SOCIETY FOR THE PROPAGATION OF THE GOSPEL

REPORT OF THE TRUSTEES

The Trustees have pleasure in presenting their report for the year ended 31 December 2009. 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 Contribution

The 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 Orders of Council of 22 December 1964 and 19 November 1996.

The United Society for the Propagation of the Gospel became a registered charity on 26 August 1964.

Trustees

The Trustees, the charity trustees of the Society who are elected by the Council, during 2009 and at the date of this report, are shown on page 1. The following also served until 30 June 2009: The Revd Canon Christopher Atkinson, The Revd Alan Moses, Mr Delbert Sandiford. The Revd Canon Huw Mosford served until 20 October 2009.

The search for new Trustees is carried out by a Recruitment Committee, having identified the areas of experience or knowledge required by the Trustees. A process of advertising or direct approach to names suggested is adopted. The Recruitment Committee itself is elected by the Society's Council and chaired by one of its members who is not a Trustee. Once elected Trustees undergo a formal induction process of training, usually at the Society's Head Office and carried out by senior staff, learning about the roles of a Trustee and the processes of the Society. Trustees are given the opportunity to attend appropriate seminars and courses, and are provided with relevant articles and publications.

The only regular sub-committee of the Board is the Finance and Audit Committee. In addition to those indicated on page 1, Mr Roger Hird, Mr John Little, Mr Richard Stanley and Mr Douglas Yates serve.

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

General Secretary and Directors

The General Secretary and the Directors, who, with other senior staff, are responsible for the day-to-day management of the Society, during 2009 and, at the date of this report, are shown on page 1.

Trustees responsibilities

Each year the Trustees are responsible for preparing accounts which give a true and fair view of the state of affairs of the Society at the end of the financial year, and the income and expenditure of the Society 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 the Society, and enable it to ensure that the financial statements comply with charity legislation and the relevant governing instruments. They are responsible for safeguarding the Society's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Public Benefit

The Trustees confirm that 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 the Society's objectives, based on its foundation document of 1701, its history and current activities, the Society has always seen its role as part of God's mission, seeking to bring His reconciling love to all peoples and in all places. It believes that the Christian faith is of benefit both to individuals and society as a whole. As a mission agency with a wide range of programmes and international relationships it aims to share that benefit with others. How it does this is explained throughout this Report, but we would draw particular attention to the work of our International Relations Team as detailed in Section A below and our Grant-making Policy and Activities set on page 6.

Risk Assessment

The major risks to which the charity is exposed, were identified by Trustees in a Report originally accepted in January 2002. It is regularly monitored and reviewed annually – the last time being in November 2009. Systems have been established to mitigate those risks and the Trustees continue to review both the risks and the effectiveness of the controls.

OBJECTIVES AND ACTIVITIES

According to its Charter, the Society was set up "to promote the Glory of God by the Instruction of Our People in the Christian Religion".

As a Society in the 21st Century, we seek to be part of the Mission which belongs to the Triune of God, proclaiming and sharing God's reconciling love in Christ among all peoples and in all places. We enable Anglican and United churches in over 50 countries to do this in practical and life-changing ways. We work in direct partnership with them, helping to strengthen the church and build communities. We provide the resources - people, money and ideas - that they define as necessary to meet local needs in vital areas of work including healthcare, education, leadership training and action for social justice. We uphold a way of working which is rooted in the Grace of God, calling us to generosity, service, faithfulness, openness, listening, communion, hospitality and reconciliation.

During 2009 the Society had four major objectives which are set out below, together with the significant strategies and activities carried out in pursuit of them during the year under review.

A. To strengthen our global partnerships on the 'Heirs Together' principle, sustaining and deepening relationships across the Anglican Communion, and developing the new patterns of decision taking and grant-making.

1. The International Relations Team has managed the Society's relationships with churches in over 60 countries worldwide.
 - (a) It has supported 45 mission companions from the UK and 10 mission personnel from other parts of the Communion, who are serving with Anglican and United Churches in 13 Provinces of the Communion.
 - (b) It has supported a further 130 personnel from different parts of the Communion in training and 57 in short-term international service placements.
 - (c) It delivered over £750,000 of financial support to overseas churches, in pursuit of their strategic priorities (including over £323,150 in support of health programmes), and £867,000 of support for training and personnel worldwide.
 - (d) It managed the Festina Loan Scheme which allows over £1,000,000 to circulate in support of capacity building and development programmes worldwide, usually in the form of low-interest loans of up to £50,000.
 - (e) Amidst the pressures and divisions currently being experienced around the Communion, it has sought to be an agency of listening, bringing people together, and creative dialogue.

2. Regular visits by Desk Officers and other members of the International Relations Team to Partner Churches around the world. These visits provided opportunity for
 - (a) strengthening personal relationships with key leaders
 - (b) engaging in Synods and Councils of Provincial Churches at which key policy and strategy decisions are made
 - (c) explaining policies of the Society, particularly in relation to new financial procedures placing more choice in the hands of partners, and requiring new forms of monitoring and evaluation.
3. Shared decisions taken at a major International Consultation held in November 2008 about new funding strategies that were being implemented. This was a major step forward in the Society's strategy of encouraging the devolution of decision-making, and the mutual ownership of responsibility for the work of the Society around the world.

B. To increase our income from fundraising, through sustaining and growing our relationships with dioceses and parishes, encouraging our individual supporters and seeking new ones, and exploring new constituencies for potential support.

A total of £817,424 was spent directly and indirectly on fundraising. This includes all salary and general costs (including a proportion of Regional Desk Officers' salaries).

1. Continuing a robust campaigns schedule.

Following the success of the campaign strategy adopted in 2004, USPG continued with Lent and Advent appeals to individuals and churches. The 2009 Harvest campaign was marketed to churches and church primary schools. This was supplemented by fundraising initiatives of a Life-giving gifts catalogue and the Fiesta resource.

Segmented appeals were mailed with appeal letters and resources aligned with the church calendar. These were enhanced with editorial in the Society's quarterly newspaper Transmission as well as some Diocesan newspapers and websites.

The Campaigns were advertised in Transmission, the Church Times, the Church of England Newspaper, internet adwords, and some Diocesan newspapers.

Donations of £166,037 were received.

2. Other fundraising initiatives.

(a) Projects Scheme.

The Project Scheme has continued to be marketed, using the website, printed resources and presentation by regional staff and volunteers. As many nominations from partners which could be turned into a Project description, and about which regular news could be featured, were promoted. By the end of 2009, 133 Projects were available to supporters.

(b) Mission Companions Programme.

Further fundraising efforts were made to increase giving from supporting churches, or gain further support through furlough speaking engagements planned with Mission Companions.

Initiatives (a) and (b) produced donations totaling £631,938.

(c) Trust applications and diocesan appeals.

Applications were made both to trusts which had previously awarded grants, and to charitable trusts which were new to USPG. Donations of £76,000 were received from such applications towards budgeted expenditure. Additionally, £95,000 was raised towards budgeted expenditure from appeals held in dioceses in England and Wales. A further £644,755 was donated for the work of the world church outside the budgeted expenditure. The largest figure within that was £480,555, the proceeds from the Archbishops' Zimbabwe Appeal which the society administered on their behalf.

Total donations towards budget book £1,798,033
Total earmarked donations £644,755.

3. General

The Society continues to receive gifts from churches, individuals, groups and schools, and some from overseas, including the Diocese of Europe, because of existing relationships, awareness-building and systematic marketing initiatives which include: regular mailings, the quarterly editions of Transmission and the Prayer Diary, the website, advertising, features in newspapers, promotion at events and exhibitions. In addition there is a planned engagement with parishes and dioceses through contact via the Regional staff and team of volunteers. Relationships are maintained with existing supporters and initiatives taken to contact potential new supporters through visits, speaking engagements, and other initiatives at deanery or diocesan level. Gift Aid is claimed regularly.

Particular attention was given to developing relationships with theological colleges and courses (with the aim of raising awareness with future church leadership), with presentations at various of the colleges and the production of a newsletter aimed at this segment.

C. To play a clearer and more significant role in God's mission, with and on behalf of the Anglican Churches in Britain and Ireland, and throughout the Anglican Communion.

The clear identity and distinctiveness of way of working of the Society has been at the forefront in relationships with the Church of England, Church in Wales, Scottish Episcopal Church, and (through USPG Ireland) with the Church of Ireland. The use of networking with church leaders and other significant contacts, and the use of all types of media, including the introduction of "Twitter" have been used to promote the Society.

D. To establish the future strategy of the Society and to seek to ensure its financial stability.

It has become increasingly clear that the changes in the life of the church, both within this country and in the Anglican Communion as a whole, and the more general cultural shifts in British and Irish society as they particularly effect donor's expectations, require the Society to re-discover its role in the early 21st Century. It has therefore been necessary to both redefine the Society's "identity" – who we are and what we stand for – and to work on our "sustainability" so that we can continue to perform this role amidst all these changes.

This planning for a more sustainable future includes continuing to seek closer association with other organisations who share our values, and the possibility of sharing offices with one or more of them when we move from our current accommodation, which is anticipated during 2011.

Volunteers

The Society continues to rely on the support and work of a wide range of volunteers who recognise and appreciate the importance of the Society's work and bring it to the attention of clergy and congregations. There are also a number of more formal volunteers who assist, particularly in the following areas:-

- As trustees and members of our Council, committees and advisory groups.
- Assisting paid staff throughout Britain and Ireland, seeking to maintain and increase the Society's support in dioceses and parishes. For this purpose, three volunteer roles and appropriate recruitment and training for these roles have been developed:
 1. Associate Mission Advisers: In association with Regional Co-ordinators, these volunteers engage in the face to face representation of the Society in parishes. They are deployed within a diocese or an agreed area within a diocese.
 2. Voluntary Speakers: These volunteers carry out speaking and preaching engagements on behalf of the Society, generally on a regional basis.
 3. Church Links: As local church volunteers, their role is to receive mailings from the Society and to maintain and build awareness within the local church or parish.

ACHIEVEMENTS AND PERFORMANCE

It was in this year that the strategic planning of the previous three years, which was aimed at ensuring the future stability and viability of the Society, reached its climax as follows:-

A. To strengthen our global partnerships on the ‘Heirs Together’ principle, sustaining and deepening relationships across the Anglican Communion, and developing the new patterns of decision taking and grant-making.

The essential relationships held within the International Relations Team are largely fostered by the Regional Desk Officers, respectively of Africa, Asia, Latin America and the Caribbean, and (part-time) the Middle East. With regular e-mail contact and a number of personnel visits, also carried out by the International Relations Director and the General Secretary, the relationships can be maintained at an up-to-date and high level. This is also enhanced by a wide range of overseas visitors who visit 200 Great Dover Street.

The Mission Personnel programmes and EEPs provide a range of opportunities for those wishing to serve overseas.

Grant-making Policy and Activities

At the major International Consultation held in Birmingham in June 2006 a new funding policy was agreed. It was revised at the successor consultation held in November 2008. It allocates resources under three headings:

1. **The Common Provincial Fund (CPF).** A “share” of the CPF is allocated to each participating Province of the Communion, and the Provincial Church is invited to nominate how that share is used, by reference to programmes designed by the church to deliver its own strategic objectives. In this way, USPG’s grant-making policy is defined as supporting the local church in the delivery of its own objectives, within the globally agreed four themes of
 - (a) Leadership Formation (including Theological Education)
 - (b) Health
 - (c) Education and Development
 - (d) Reconciliation and Justice.

The CPF incorporates all funding formerly itemised in the Annual Budget Book, namely Long and Short Term Development, Special issues, Training for Mission, Education, and Healthcare.

2. **The Extra-Provincial Fund (EPF).** Between 2007-09 this funding supports
 - (a) the “Mission Companion” Programme, which facilitates the appointment of mission personnel around the world.
 - (b) The “Exchanging Places” Programme which facilitates the exchange of long-term mission personnel appointments between churches around the Communion.
 - (c) The Exchanging Places Programme which encourages long and short-term personnel placements between churches around the Communion.
 - (d) A small “unallocated” fund which represents about 3.5% of the total grants made that allows for urgent and short-term small requests to be brought by Partners to the Society (these are considered at a quarterly funding meeting of the International Relations Team).
3. **The European Focus Fund (EFF).** This fund denotes programmes that serve the global church, but with a focus on the relationships formed between the world church and the churches in Britain, Ireland, and continental Europe. It includes funding formally allocated under the headings
 - (a) Experience Exchange
 - (b) Come Over and Help Us
 - (c) Expanding Horizons
 - (d) Mission Initiatives in Europe

All nominations for funding are scrutinised by the Regional Desk Officer, then brought to the Team Officers Meeting for evaluation and decision, before becoming part of the Annual Budget of the Society.

The details of the grants to the top 50 institutions made by the Society are set out in note 16 to the Accounts.

B. To increase our income from fundraising, through sustaining and growing our relationships with dioceses and parishes, encouraging our current individual supporters and seeking new ones, and exploring new constituencies for potential support.

Fundraising initiatives as detailed above achieved total donations of £1,798,033 towards the core budget as allocated through the International Relations Team. These are included within the figure of £2,562,656 as disclosed on the SOFA, page 11. This was below the original target of £2,000,000 and represents a 4% decrease on 2008.

Specific fundraising initiatives achieved notable successes. However, there has been a decline in both the numbers of churches and individuals donating to the Society. This is partly as a result of the financial pressure on individual churches, which itself comes from both declining congregations but also through increases in parish share of quota.

The original donations budget for 2009 was subsequently revised to £1,900,000 in the light of an observable trend in decline. This target was later reduced to a forecast of £1,800,000 nearly reached with the end result being just under £1,800,000.

C. To play a clearer and more significant role in God's mission, with and on behalf of the Anglican Churches in Britain and Ireland, and throughout the Anglican Communion.

Our adoption of the extended name "Anglicans in World Mission" in 2007 re-affirmed our clear Anglican ethos and identity and our continuing role as the means whereby Anglicans in Britain and Ireland can be in relationship with the other churches of the Anglican Communion. It also embraced an understanding of Anglicanism which sees mission as holistic, which believes in generosity and reconciliation, and which is committed to the unity and diversity of the Anglican Communion. During 2008 we have sought to present and publicise this clearer identity, and to make our activities better known to supporters and potential donors. This included the work of the regional co-ordinators who make up the Church Relations Team, the quarterly publication of Transmission and the Prayer Diary, and extending the use of the website and e-communications.

Internationally, the Society has continued to develop patterns of decision taking and grant-making which will sustain and enrich these relationships in the spirit of the 'Heirs Together' process. This kind of mutuality and partnership is rooted in the idea of "Mission from everywhere to everywhere". However, given the economic imbalances within the Communion, the Society has continued its policy of raising funds in Britain and Ireland so that funding, personnel and scholarships can be made available to those Provinces which request such help. An International Consultation in 2008 which brought together all our major partners reaffirmed these principles, including the four priority areas of Leadership Formation and Theological Education, Health, Development including Education, and Justice, Reconciliation and the Environment.

The Advocacy Group continued to follow up a number of issues raised by Partners, especially the plight of the Palestinians in the Holy land and the effects of mining companies in the Philippines.

The Society has committed itself to a second triennium of support for the Selly Oak Centre for Mission Studies within the Queens Foundation in Birmingham. This partnership with the Methodist Church provides training and study opportunities for our own personnel programmes as well as a commitment to Mission Studies in general.

We have continued to work with USPG Ireland, a separate charity which was incorporated in the Republic of Ireland as a company limited by guarantee in 2007. The Board of Directors has a majority of Irish members, but the others include the USPG General Secretary and one of the USPG Trustees listed on page 1.

Additionally the Society was pleased to provide the administration following the Appeal launched by the Archbishops of Canterbury and York on Ash Wednesday 2009 for the church in Zimbabwe.

D. To establish the future strategy of the Society and to seek to ensure its financial stability.

In its efforts to develop a new strategy to re-establish the distinctive identity and financial sustainability of the Society, much work has been done for the short and longer-term, recognizing the changes in "donor culture". The Projects Scheme has been re-launched so that every possible piece of work which one of our partners has nominated for support can be adopted by a parish or individual for their financial giving. We have also explored other avenues of funding support which, while outside our usual channels, would not compromise our relationships with partners.

Despite such efforts, the ability of the Society to match its core budget income with its expenditure continues to elude it. Consequently planning for a wide-ranging re-shaping of the Society continues. This will enable it to continue to play a distinctive role in God's mission but in a way which is financially viable.

FINANCIAL REVIEW

The financial statements in the form required by the Charities Act 1993 and conforming to the Statement of Recommended Practice (SORP) are on pages 11 to 21. From the Statement of Financial Activities (SOFA) on page 11 it can be seen that, in 2009, the Society slightly increased its expenditure to £5,184,567 a net increase over the previous year of £178,488. Expenditure on its charitable activities

which totals £4,249,408 was used to sustain relationships with partner churches within the Anglican Communion as explained under 'Objectives and Activities' above. The costs of generating funds, £817,424 were expended to try to ensure the future stability and economic viability of the Society. Incoming resources decreased by £880,621 to £4,337,427.

The resulting deficit or net outgoing resources of £847,140 compares with a surplus the previous year of £211,969 and was significantly worse than shown in the budget, due to the fall in income.

The capital of the UMCA Property Reserve £9,300,000 is still held on medium-term deposit pending longer-term decisions regarding property investment

2009 was a more stable year for investment than 2008 with signs of a recovery having a more beneficial effect on world markets and the global economy in general, with a welcome rise in the Stock Market. The Society's investments showed significant increases both realised and unrealised, totalling £3,003,794 as shown in the SOFA.

Of the designated funds that total £1,750,937 the two most significant are those set aside for the purchase of fixed assets (£872,513) and the provision of capital for the Festina Loan Scheme, including the guarantee for Festina Loan Holders (£925,928). The pension payable fund of £82,767 will be used up over the next two years.

Investment Powers, Policy and Performance

Under the Supplemental Charter of 21 June 1956 as amended by the Order in Council dated 19 November 1996, the Trustees have full and unrestricted powers of investment in respect of the general funds of the Society and the Endowment funds are invested according to the requirement of individual funds.

All investments held by the Society have been acquired in accordance with the powers available to the Trustees.

Rathbones Investment Limited continue to manage the general funds of the Society. CCLA Investment Management Ltd continue to manage all Trust investments through their range of pooled funds, within the following policy:-

"to enhance, in so far as is reasonable, with the avoidance of undue risk, the real value of capital and income of the Portfolio and to provide a reasonable level of current income."

USPG has adopted the ethical investment policy of the Church of England, as recommended by the Church's Ethical Investment Advisory Group, which is adhered to by both the CCLA and Rathbones.

In respect of the general fund investments the Trustees set an annual income target, currently £280,000 per annum, and in 2009, £261,446 was received (£247,064 from equities and bonds, and £14,382 from interest on deposit accounts). The total return on the Funds managed by Rathbones was 30.2% compared with its Comparator – Composite benchmark of 21.6%.

Of the Endowment Funds totalling £26,486,165, £15,545,920 is invested in the CBF Investment Fund. During the year the total return on those funds was 15.5% compared with its Comparator – Composite benchmark of 21.8%. A further £1,044,096 is invested in the CBF Fixed Interest Fund which had a total return of 1.7% compared with WM Co. CFS Universe benchmark of 6.6%.

Investment properties are valued by the Trustees at ten times rental income. The rental income is set by tenancy agreements. The net proceeds of 35 Great Peter Street are currently held on deposit awaiting a long-term strategy to be agreed.

Proceeds of sale of 35 Great Peter Street and deposit with Kaupthing Singer & Friedlander

Following the sale of 35 Great Peter Street in October 2007 the net proceeds of 35 Great Peter Street have been held on deposit with a variety of financial institutions awaiting a long-term strategy to be agreed. One of the institutions selected for deposit of funds was Kaupthing Singer & Friedlander ("KSF") a UK-based banking subsidiary of Kaupthing Bank in Iceland, KSF which was regulated by the Financial Services Authority ("FSA") in the UK had consistently offered one of the most competitive fixed-term deposit rates for charities over the last few years.

On 8 October 2008 KSF was put into Administration with a commitment from HM Treasury and the Financial Services Compensation Scheme ("FSCS") to protect in full all retail depositors. At this date the Society had £6,200,000 deposited with KSF. This amount is included in the Society's Balance Sheet at 31 December 2009 and 2008 deposited within the investments of £35,279,438 (2008 £32,431,608).

At the same time the Society was recognised as a creditor of the Company in administration. In July 2009 the Society received £1,240,000 as the first tranche of compensation from the Administrator, and a further sum of £620,000 was received in December 2009.

Since the year end the FSCS completed their assessment of the Society's claim and determined that the Society was eligible for compensation. In March 2010 the Society received £4,340,000 which fully repaid the outstanding capital, together with interest to the date of the Administration.

Reserves Policy

The unrestricted general funds (free reserves) at 31 December 2009, which stood at £6,024,540 before the deduction of the negative Pension Scheme Funds of £872,000, are necessary for a number of purposes. The current Reserves Policy anticipates their level should represent at least a year's budgeted expenditure, necessary to provide cash flow, to act as a counter-balance to the volatility in income and to finance the recent developments from strategic planning which have recently been agreed. In the changing circumstances, the Trustees are reviewing their Reserves Policy and believe that the current level of reserves equal to 15 months budgeted expenditure, excluding those grants payable in the following year, is satisfactory.

Plans for the Future

During 2009 the Trustees and Staff have been developing a new Strategic Plan which will maximise the support which the Society gives to partner churches around the world by reducing domestic costs and developing more longer-term capacity building projects. Implementation of this plan will take place over the next twelve months, when the Society will:-

1. stay in relationship with all its historic partner Provinces in Africa, Asia the Caribbean and Latin America;
2. focus on two areas of work, supporting Programmes developed by African and Asian Provinces which will build up their own capacity rather than staying dependent on external sources:
 - a) 'Growing the Church' will be concerned with the life and work of the church, and especially leadership formation including theological education,
 - b) 'Working for Health' will develop the delivery of health care, through the church, in ways more appropriate to present needs;
3. reduce its expenditure in Britain by cutting the number of staff in London;
4. replace the already much-reduced regional team with staff to support the growing number of volunteer Associate Mission Advisers in each diocese;
5. continue to resource supporters who want to give to USPG, either generally or in connection with aspects of the Programme ("Projects") which partners nominate.

Resources

The assets of the charity are sufficient to meet the obligations of the charity on a fund by fund basis.

These are not easy times, least of all for the church around the world which we seek to support. We therefore pay tribute to all those who work for the Society in any capacity, and in particular to our loyal and dedicated staff on whom we place much reliance.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE UNITED SOCIETY FOR THE PROPAGATION OF THE GOSPEL
FOR THE YEAR ENDED 31 DECEMBER 2009**

We have audited the financial statements of The United Society for the Propagation of the Gospel for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent mis-statements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

haysmacintyre

4 May 2010

Fairfax House
15 Fulwood Place
London WC1V 6AY

THE UNITED SOCIETY FOR THE PROPAGATION OF THE GOSPEL
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Unrestricted Funds		Restricted Income Funds	Endowment Funds	TOTAL 2009	TOTAL 2008
		General	Designated				
		£	£	£	£	£	£
Incoming Resources							
Incoming Resources from Generated Funds							
Donations	12	1,184,340	-	1,378,316	-	2,562,656	2,159,225
Legacies received		388,216	-	118,967	-	507,183	1,326,818
Investment income	14	454,564	10,252	763,246	-	1,228,062	1,687,717
Activities for generating funds						-	
Hire of facilities, courses and similar income	15	39,426	-	-	-	39,426	44,288
Other Income							
Net gain on disposal of tangible fixed assets		100	-	-	-	100	-
Foreign exchange gain/loss		-	-	-	-	-	-
Total Incoming Resources		2,066,646	10,252	2,260,529	-	4,337,427	5,218,048
Resources expended							
Cost of Generating Funds	16	659,634	-	157,790	-	817,424	808,781
Charitable Activities							
Funding programme costs		559,519	-	1,732,145	-	2,291,664	1,962,919
Mission companion costs		443,895	-	344,521	-	788,416	971,030*
Mission education and training costs		880,334	-	288,994	-	1,169,328	1,150,749
Governance Costs		117,735	-	-	-	117,735	112,600
Total Resources expended		2,661,117	-	2,523,450	-	5,184,567	5,006,079
Net incoming/(outgoing) resources before transfers							
		(594,471)	10,252	(262,921)	-	(847,140)	211,969
Transfers to restricted funds	8&9	12,656	-	12,344	(25,000)	-	-
Transfers between other funds	7&9	35,363	(53,538)	-	18,175	-	-
Net (outgoing)/incoming resources		(546,452)	(43,286)	(250,577)	(6,825)	(847,140)	211,969
Gains/(losses) on investment assets		1,726,903	-	(8,967)	1,285,827	3,003,763	(8,439,933)
Actuarial (loss)/gain on pension schemes	19	(2,373,000)	-	-	-	(2,373,000)	1,620,000
Net Movement In Funds		(1,192,549)	(43,286)	(259,544)	1,279,002	(216,377)	(6,607,964)
Fund balances brought forward		4,549,144	1,794,223	5,012,463	25,207,163	36,562,993	43,170,957
Fund balances carried forward		3,356,595	1,750,937	4,752,919	26,486,165	36,346,616	36,562,993

The notes on pages 14 to 21 form part of these accounts.

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

All incoming resources and resources expended derive from continuing activities.

THE UNITED SOCIETY FOR THE PROPAGATION OF THE GOSPEL

CASHFLOW STATEMENT AT 31 DECEMBER 2009

	<u>2009</u>	<u>2008</u>
	£	£
Net (outgoing) resources from Society's activities	(2,129,190)	(383,899)
Returns on investment	1,228,062	1,687,717
Capital expenditure and financial investment	145,449	(260,793)
	(755,679)	1,043,025
Financing	124,255	30,487
<u>Increase/(decrease) in cash</u>	(631,424)	1,073,512
Notes to the Cashflow Statement		
1. Reconciliation of net (outgoing) resources to cashflow from Society's activities		
Net (outgoing) resources for the year	(847,140)	211,969
Returns on investment	(1,228,062)	(1,687,717)
Gain on disposal of tangible fixed assets	(100)	0
Depreciation	64,030	67,137
Pension Scheme movements	(281,000)	(49,000)
(Increase)/decrease in debtors	48,166	1,027,138
Decrease/(increase) in liabilities	114,916	46,574
	(2,129,190)	(383,899)
2. Returns on investment		
Investments quoted on a recognised UK Stock Exchange	261,958	336,511
Central Board of Finance of the Church of England	794,573	793,983
Interest receivable	121,531	557,224
	1,178,062	1,687,717
3. Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,615)	(7,823)
Proceeds of sale of tangible fixed assets	100	0
Purchase of investments	(2,381,649)	(1,058,325)
Proceeds from sale of investments	2,537,613	805,355
	145,449	(260,793)
4. Financing		
Decrease/(increase) in Festina loan debtors	159,255	30,987
Decrease in Festina loan creditors	(35,000)	(500)
	124,255	30,487
5. Analysis of changes in cash		
Cash at 1 January	2,775,560	1,702,048
Cashflow	(631,424)	1,073,512
Cash and short term deposits at 31 December	2,144,136	2,775,560
6. Reconciliation of net cash flow to movement in net funds		
Decrease in cash in period	(631,424)	1,073,512
(Decrease)/increase in Festina loan debtors	(159,255)	(30,987)
Decrease in Festina loan creditors	35,000	500
	(755,679)	1,043,025
Net funds at 1 January	3,511,372	2,468,347
Net funds at 31 December	2,755,693	3,511,372

1 **Accounting Policies**

The financial statements have been prepared in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), and with applicable accounting standards. The particular accounting policies are described below:-

(a) **Basis of Accounting**

The accounts have been prepared under the historical cost basis of accounting as modified to include fixed assets investments at market value.

(b) **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 are 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.

(c) **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

(d) **Resources Expended**

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 Trustee's estimate of the time spent on the relevant functions.

Cost of generating funds comprise expenditure incurred by the Society in appealing for donations.

Costs of charitable activities consists of all expenditure directly relating to the objects of the Society together with an allocation of support costs.

Funding programme costs - Grants payable mainly to institutions of the world church are accrued when approved by the Trustees and notified to the beneficiaries. Other payments are accounted for as they are paid.

These represent investment income that has been spent in accordance with the particular terms of a trust. Missionary companion costs represent allowances and other costs of missionaries overseas.

Mission education and training costs represents the costs of mission advisors who are involved in educating the community as to the Society's purpose and activities.

Governance costs comprise expenditure on management and compliance with constitutional and statutory requirements together with an allocation of support costs.

(e) **Fixed Assets Investments**

Investment properties are included in investments and are stated at Trustees' valuation of ten times the current annual rent. 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.

(f) 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:-

Property held on short lease	-	Over the remaining period of the lease
Major office and computer equipr	-	20% on cost

(g) Pensions

The Society operates and contributes to two defined benefit schemes, the Home Staff Retirement Benefit Scheme and the Overseas Staff Retirement Scheme. The amounts included within the Statement of Financial Activities and Balance Sheet are in accordance with the requirements of Financial Reporting Standard 17: Retirement Benefits ("FRS17").

(h) Fund accounting

Details of the nature and purpose of each fund is set out in notes 7 to 9.

2. Tangible Fixed Assets

	Leasehold Land and Buildings £	Office Equipment £	Total £
Cost:			
Balance at 1 January 2009	1,797,037	104,401	1,901,438
Additions	-	10,615	10,615
Balance at 31 December 2009	<u>1,797,037</u>	<u>115,016</u>	<u>1,912,053</u>
Depreciation:			
Balance at 1 January 2009	892,828	82,682	975,510
Charge for year	51,163	12,867	64,030
Balance at 31 December 2009	<u>943,991</u>	<u>95,549</u>	<u>1,039,540</u>
Net Book Value at 31 December 2009	<u>853,046</u>	<u>19,467</u>	<u>872,513</u>
Net Book Value at 31 December 2008	<u>904,209</u>	<u>21,719</u>	<u>925,928</u>

The leasehold land and buildings, which are all subject to short term leases, have a net book value of £853,046 (2008: £904,209).

3. Investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds		Total Funds £
			Expendable £	Permanent £	
Market Value at 1 January 2009	6,615,634	608,811	4,556,540	20,650,623	32,431,608
Acquisitions	2,363,476	-	-	18,173	2,381,649
Disposals	(2,142,703)	(133,456)	(26,438)	-	(2,302,597)
Net gains on revaluations	1,481,480	0	388,789	898,478	2,768,747
Market Value at 31 December 2009	<u>8,317,887</u>	<u>475,355</u>	<u>4,918,891</u>	<u>21,567,274</u>	<u>35,279,407</u>
Investment properties	-	-	-	54,948	54,948
Listed investments:	8,317,887	475,355	4,918,891	21,512,326	35,224,459
Total Investments at 31 December 2009	<u>8,317,887</u>	<u>475,355</u>	<u>4,918,891</u>	<u>21,567,274</u>	<u>35,279,407</u>

The cost of investments at 31 December 2009 was £21,671,178 (2008: £21,915,456).

4. Loans and Debtors

	2009 £	2008 £
Festina loan balances	799,683	958,938
Other debtors	81,172	153,152
Prepayments and accrued income	104,407	80,593
	<u>985,262</u>	<u>1,192,683</u>

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 £393,000.

Festina loan balances due after one year amounted to £771,622.

5. Creditors and Provisions

	2009	2008
	£	£
Grants Payable	830,031	829,585
Loans received from Festina Scheme holders	188,126	223,126
Pension Schemes	13,630	14,189
Taxation and Social Security	33,404	31,082
Other creditors and accruals	137,780	153,355
	<u>1,202,971</u>	<u>1,251,337</u>

6. Unrestricted Funds

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

7 Designated Funds

Designated funds are unrestricted funds which have already been designated by the Trustees for particular purposes. These include the following:

	2009	2008
	£	£
To finance any large increase in pensions payable	82,767	82,767
Commitments to guarantee loans from Festina Loan holders	241,126	241,126
To finance the Society's loan from general funds to the Festina Loan Scheme	523,000	523,000
Amount provided for strategic planning of discrete short term projects	(2)	(2)
Amount reflecting the finance tied up in tangible fixed assets	872,513	925,928
Amount to finance ecumenical studies	0	0
Other	31,533	21,404
	<u>1,750,937</u>	<u>1,794,223</u>

8. Restricted Income Funds

	Balance at 1 Jan 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	Investment Gains/losses £	Balance at 31 Dec 2009 £
General restricted funds	1,206,496	62,675	(359,326)	137,420	-	1,047,265
Medical funds	781,409	108,370	(95,615)	32,175	(8,967)	817,372
Educational funds	171,047	2,062	(224,691)	65,364	-	13,782
Legacies and donations received towards:						
- Africa	692,759	450,133	(616,289)	-	-	526,603
- Asia	601,758	131,175	(255,497)	-	-	477,446
- Latin America and the Caribbean	448	81,171	(21,472)	-	-	60,147
- Middle East	17,338	28,021	(36,643)	-	-	8,716
- Other areas	(4,380)	44,607	(7,149)	-	-	33,078
Festina loans	445,574	41,395	(35,000)	-	-	451,969
Trust income balances						
- General restricted funds	842,830	618,487	(324,425)	(151,606)	-	985,286
- Medical funds	87,552	64,152	(29,487)	(28,862)	-	93,355
- Educational funds	2,637	66,137	(365)	(65,773)	-	2,636
Archbishops' Zimbabwe Appeal	-	480,557	(376,789)	-	-	103,769
Other Appeals	62,682	13,375	(46,305)	-	-	29,751
Other funds	104,313	68,212	(94,407)	23,626	-	101,744
	<u>5,012,463</u>	<u>2,260,529</u>	<u>(2,523,450)</u>	<u>12,344</u>	<u>(8,967)</u>	<u>4,752,919</u>

General, medical and educational funds

These funds are analysed in accordance with the purpose specified by the donor or the terms of the particular trust. These funds also usually have restrictions as to the 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 on specific purposes. They have been analysed in accordance with the area of the world where the donor wishes the money to be spent.

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 £188,126 (2008: £223,126) made by external loanholders on an interest free basis. The Society has guaranteed repayment of these loans and provides further support to the scheme through a loan from the Society's unrestricted fund of £523,000 (See note 7).

Appeals

This fund represents specific appeals to provide relief in certain areas usually following natural disasters or other unfortunate events.

8. Restricted Income Funds (Continued).

Trust income balances

These represent income earned on trust investments which has to be spent on specific purposes. Transfers are made to this fund from expendable endowment funds when the capital of these are applied as income. Transfers are made to other restricted funds whose expenditure fulfills the purposes of the trusts.

9. Endowment Funds

	Balance at 1 Jan 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	Investment Gains/losses £	Balance at 31 Dec 2009 £
Permanent Endowment Funds						
General restricted funds	19,036,286	-	-	18,175	764,555	19,819,016
Medical restricted funds	1,052,126	-	-	-	85,788	1,137,914
Educational restricted funds	366,459	-	-	-	32,560	399,019
General unrestricted	195,752	-	-	-	15,573	211,325
	20,650,623	-	-	18,175	898,476	21,567,274
Expendable Endowment Funds						
General restricted funds	3,186,671	-	-	(20,000)	273,622	3,440,293
Medical restricted funds	246,584	-	-	(5,000)	12,414	253,998
Educational restricted funds	965,144	-	-	-	90,019	1,055,163
General unrestricted	158,141	-	-	-	11,296	169,437
	4,556,540	-	-	(25,000)	387,351	4,918,891
Total Endowment Funds	25,207,163	-	-	(6,825)	1,285,827	26,486,165

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.

General restricted endowment funds represent trusts restricted to certain areas and countries around the world for purposes other than medical and educational.

Medical restricted endowment funds represent trusts restricted to certain areas and countries around the world for medical purposes only.

Educational restricted endowment funds represent trusts restricted to certain areas and countries around the world for educational purposes only.

General unrestricted endowment funds represent trusts with no restrictions where the capital must be retained and only the income used, until such times as the Trustees elect in accordance with the terms of the trust to apply the capital as income.

10. Analysis of Net Assets by Funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Pension Scheme Assets £	Total £
Unrestricted Funds:					
General Funds	-	8,317,887	(4,089,292)	(872,000)	3,356,595
Designated Funds	872,513	-	878,424	-	1,750,937
Restricted Funds	-	475,355	4,277,564	-	4,752,919
Expendable Endowment	-	4,918,891	-	-	4,918,891
Permanent Endowment	-	21,567,274	-	-	21,567,274
	872,513	35,279,407	1,066,696	(872,000)	36,346,616

11. Capital Commitments

The Trustees have authorised annual expenditure of up to £10,000 for the purchase of office equipment and the development of information technology. At 31 December 2009 no orders had been placed for equipment.

12. Donations

Donations are received from the church within the Britain and Ireland, mainly from Parochial Church Councils and from other charitable trusts and individuals.

13. USP G Ireland

USPG Ireland was set up and incorporated in the Republic of Ireland to raise funds for the Society in Ireland. The Society has control of the voting rights of the company. The figures of USP G Ireland have not been consolidated within the Society's figures due to immateriality.

14. Investment Income

	2009 £	2008 £
Investments quoted on a recognised UK Stock Exchange	261,958	336,511
Central Board of Finance of the Church of England	794,573	793,983
Interest receivable	121,531	557,224
Net interest on pension scheme assets	50,000	0
	<u>1,228,062</u>	<u>1,687,717</u>

15. Hire of facilities, courses and similar income

	2009 £	2008 £
Rent receivable	24,571	24,321
Other	14,855	19,967
	<u>39,426</u>	<u>44,288</u>

16. Resources Expended

	Staff Costs £	Depreciation £	Grants £	Other Costs £	2009 £	2008 £
Cost of generating funds						
Fundraising costs	540,193	-	-	49,399	589,591	542,592
- Direct costs						
- Allocated support costs	67,236	3,217	-	123,141	193,593	215,677
Investment management fees	-	-	-	34,239	34,239	50,512
	<u>607,429</u>	<u>3,217</u>	<u>-</u>	<u>206,778</u>	<u>817,424</u>	<u>808,781</u>
Charitable expenditure supporting churches world wide:						
Funding Programme						
Direct costs	54,528	-	1,598,880	420,126	2,073,534	1,719,792
Allocated support costs	86,690	3,217	-	128,223	218,130	243,127
Mission companion costs						
Direct costs	49,866	-	353,195	80,143	483,204	645,841
Allocated support costs	173,772	3,217	-	128,223	305,212	325,189
Mission education and training costs						
Direct costs	368,604	-	289,983	217,840	876,428	833,761
Allocated support costs	108,848	54,380	-	129,672	292,900	316,988
Governance costs						
Direct costs	-	-	-	66,092	66,092	67,309
Allocated support costs	46,912	-	-	4,731	51,643	45,291
Total Resources Expended	<u>1,496,650</u>	<u>64,030</u>	<u>2,242,058</u>	<u>1,381,829</u>	<u>5,184,567</u>	<u>5,006,079</u>

Analysis of Mission Education and Training Costs - other direct costs:

	2009 £	2008 £
Editorial costs	44,151	35,478
Regional Co-ordinators reimbursed expenses	17,424	19,211
Closure/running costs of The United College of the Ascension	66,596	78,097
Campaign groups	44,840	47,388
Other Costs	44,830	52,155
	<u>217,840</u>	<u>232,329</u>

Analysis of Support Costs - other costs:

	2009 £	2008 £
Computer maintenance and service costs	48,044	37,802
Photocopier, printing and stationery	21,669	24,358
Postage and telephone	102,955	98,725
Partnership House and Great Dover occupancy costs	270,567	265,815
Re-organisation and Representation costs	1,981	8,544
Recruitment costs and staff training	5,206	19,837
Storage	33,041	45,437
International Consultation	48	23,190
Lamberth Conference	0	18,477
Legal and professional fees	7,867	18,013
Bad debts	1,134	14,533
Other costs	21,477	40,934
	<u>513,989</u>	<u>615,665</u>

Allocated as follows:

	2009 £	2008 £
Fundraising costs	123,141	146,403
Funding Programme	128,223	154,115
Mission companion costs	128,223	154,115
Mission education and training costs	129,672	155,734
Governance costs	4,731	5,298
	<u>513,989</u>	<u>615,665</u>

Analysis of Governance other costs

	2009 £	2008 £
Council meetings and Trustees' expenses	32,420	31,177
Auditors remuneration:		
Audit	20,797	19,722
Other services	12,876	16,411
	<u>66,092</u>	<u>67,309</u>

No Trustee received any remuneration or other benefits during the year. Resources expended include overseas travel costs and reimbursed travel expenses of £5,836 (2008: £2,987) and paid to 14 (2008: 9) Trustees.

17. Grants

Name of Province/Diocese/Institution	Number of Grants	Leadership	Health,	Justice & reconciliation	Contingencies	Earmarked Gifts	Overseas	Training	Total 2009	Total 2008
		Formation inc. Theological Education	Education & Development	Advocacy and Marriott	Medical and Legacies		Dioceses for Mission Companion	and Experience		
Tanga	6	1,814	36,000	-	12,655	-	-	-	50,469	49,879
Church of North India	2	21,297	21,296	-	-	-	-	-	42,593	42,593
South West Tanganyika	5	1,800	16,000	-	395	20,099	-	-	38,294	38,459
Harare	1	1,080	-	-	-	25,351	-	-	26,431	59,179
Manicaland	4	2,680	14,235	-	-	9,506	-	-	26,421	22,643
Upper Shire	5	2,950	23,270	-	150	-	-	-	26,370	29,807
Ruvuma	4	2,100	22,000	-	2,113	-	-	-	26,213	24,300
Eastern Zambia	4	1,680	14,200	-	9,853	-	-	-	25,733	21,904
Lesotho	1	-	25,375	-	-	-	-	-	25,375	29,819
Kushtia - Church of Bangladesh	5	-	23,660	-	-	1,000	-	-	24,660	23,660
Anglican Church of Tanzania	8	16,475	-	3,000	-	-	-	-	19,475	32,722
Church of the Province of Central Africa	5	17,000	-	-	-	3,872	-	-	20,872	24,809
Episcopal Anglican Church of Brazil	7	10,000	-	-	300	7,600	-	-	17,900	8,300
Nasik - Church of North India	?	-	-	-	-	17,452	-	-	17,452	7,372
Myitkyina - Church of Myanmar	9	4,683	12,293	-	-	-	-	-	16,976	16,976
Church of the Province of West Africa	4	15,600	1,200	-	-	-	-	-	16,800	16,800
Ambatoharanana	1	16,000	-	-	-	-	-	-	16,000	16,000
NE Caribbean & Aruba	1	7,000	-	-	-	8,947	-	-	15,947	7,000
Yangon - Church of Myanmar	9	5,546	10,273	-	-	-	-	-	15,819	15,819
Hpa-an - Church of Myanmar	11	4,858	10,419	-	-	-	-	-	15,277	15,277
Toungoo - Church of Myanmar	6	2,400	11,356	-	-	-	-	-	13,756	13,756
Swaziland	1	12,650	-	-	-	511	-	-	13,161	12,671
Lake Malawi	2	3,980	9,000	-	-	-	-	-	12,980	17,512
Belize	3	2,000	4,000	3,000	-	3,906	-	-	12,906	9,394
Church of South India	6	-	12,414	-	-	-	-	-	12,414	31,064
Uruguay	7	3,335	7,000	1,810	650	-	-	-	12,795	17,895
Church of the Province of Myanmar	1	-	-	-	-	12,049	-	-	12,049	8,000
St Thomas Theological College - Church of Pakistan	1	12,000	-	-	-	-	-	-	12,000	12,000
Central Zimbabwe	4	1,700	4,000	-	4,120	1,730	-	-	11,550	34,287
Mandalay - Church of Myanmar	4	1,171	9,653	-	-	-	-	-	10,824	10,824
Namibia	3	6,374	3,000	-	1,000	-	-	-	10,374	10,374
Masasi	5	1,700	8,400	-	-	-	-	-	10,100	10,100
Anglican Church of South Africa	3	-	-	-	-	10,000	-	-	10,000	6,797
Anglican Province of the Southern Cone of America	4	4,000	5,810	-	-	-	-	-	9,810	9,810
Sittwe - Church of Myanmar	5	3,513	6,112	-	-	-	-	-	9,625	6,680
Curitiba	3	2,300	6,138	1,000	-	-	-	-	9,438	17,801
Madagascar	1	-	8,995	-	-	-	-	-	8,995	12,342
Northern Malawi	3	3,880	3,800	100	1,000	0	-	-	8,780	8,995
Church of the Province of Indian Ocean	3	8,000	-	-	-	558	-	-	8,558	8,125
Church of Bangladesh	4	2,911	5,400	-	-	-	-	-	8,311	8,311
Kumasi	3	-	8,100	-	-	-	-	-	8,100	8,100
Egypt	6	-	6,100	2,000	-	-	-	-	8,100	17,290
Dhaka - Church of Bangladesh	2	-	7,500	-	-	458	-	-	7,958	8,925
Southern Highlands	2	4,000	3,500	-	-	413	-	-	7,913	8,385
Recife	3	5,800	-	2,000	-	-	-	-	7,800	5,800
Masvingo	2	1,680	-	6,000	-	-	-	-	7,680	9,680
Tamale	5	800	5,708	-	1,000	-	-	-	7,508	4,100
Episcopal Church in the Philippines (ECP)	4	2,731	1,500	3,000	-	-	-	-	7,231	13,112
Ethopia Episcopal	3	1,200	5,765	-	-	-	-	-	6,965	12,463
Cape Coast	2	2,600	4,300	-	-	-	-	-	6,900	6,900
Total of largest 50 Diocese/Institutional Grants	193	223,288	377,772	21,910	33,236	123,452	0	0	779,658	864,811
Other Province/Diocese/institutional Grants	135	154,672	147,110	40,909	3,437	496,381	-	-	842,644	342,102
Non institutional Grants:										
- Grants for the support of Mission Companion's	55	-	-	-	-	-	353,195	-	353,195	425,240
- Training and experience	187	-	-	-	-	-	-	266,561	266,561	266,561
Total of all Grants	570	377,960	524,882	62,819	36,673	619,833	353,195	266,561	2,242,058	1,898,714

The Finance Programmes assist the churches the Society relates to, in funding their strategic needs.

The Education and Development grants help to enhance knowledge and skills to develop leadership and grow capacity.

Health grants are to assist the work of identified hospitals, clinics and primary health care programmes.

Justice and reconciliation grants are to help address local issues of injustice and ecological and other projects identified by churches.

Contingencies and Emergencies grants are given on occasion by a case-by-case basis, usually a one-off payment.

Marriott grants are to assist towards the building of new Churches and the building of Hospitals, Schools, Colleges Worldwide by our partners.

Training and experience grants are to provide scholarships for academic courses/studies and to help equip church members for leadership.

Earmarked gifts are grants received from donors by the Society for specific purposes.

Overseas Dioceses for Mission Companion are grants given to overseas diocese for allowances paid to mission companions employed by the diocese. These allowances are usually paid direct into diocesan bank accounts.

17. **Grants (Continued)**

	2009 £	2008 £
Grants due at 1 January 2009	(829,585)	(830,700)
Grants paid in year	2,241,612	1,934,080
Grants surrender	0	(34,251)
Grants due at 31 December 2009	830,031	829,585
	<u>2,242,058</u>	<u>1,898,714</u>

18. **Staff Costs**

	2009 £	2008 £
Salaries	1,208,984	1,144,297
Social security costs	105,527	97,474
Pension costs	182,139	181,780
	<u>1,496,650</u>	<u>1,423,551</u>

The average number of employees in the year was

41 41

No employee earned more than £60,000 during the year.

19. **Pension Scheme Arrangements**

Financial Reporting Standard 17 (FRS 17) requires disclosure of the charity's assets and liabilities of the USPG Overseas and Home Pension Scheme, both of which are defined benefits scheme. carried out as at:

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

	2009 %	2008 %	2007 %
Price increases	3.50	2.75	3.25
Salary increases	4.00	3.25	3.75
Pension increases	3.30	2.75	3.25
Discount rate	5.70	6.50	5.75
Expected rate of return on assets:	6.00	6.00	6.00

Post retirement mortality assumption: 95% of the PCxA00 series tables with the long cohort projection subject to a minimum annual rate of improvement of 1.5% per annum for males.

On the basis of these assumptions the actuary values the funds' as follows:-

	2009 £	2008 £	2007 £
Fair value of the schemes' assets	6,206,000	6,528,000	6,273,000
Present value of the schemes' liabilities	7,078,000	5,308,000	6,722,000
Net surplus/(deficit) of schemes'	<u>(872,000)</u>	<u>1,220,000</u>	<u>(449,000)</u>

Analysis of amounts recognised in the SOFA:

	2009 £	2008 £
Current service cost	(126,000)	(200,000)
Past service cost	0	0
Interest on scheme liabilities	(323,000)	(392,000)
Expected return on assets	373,000	377,000
	<u>(76,000)</u>	<u>(215,000)</u>

Reconciliation of assets and liabilities

	2009 £	2008 £
Fair value of assets at the beginning of the year	6,528,000	6,273,000
Expected return on assets	373,000	377,000
Employer contributions	357,000	264,000
Contributions by scheme participants	29,000	31,000
Benefits paid	(1,002,000)	(267,000)
Actuarial gain/(loss) on assets	(79,000)	(150,000)
Fair value of assets at the end of the year	<u>6,206,000</u>	<u>(122,000)</u>
Scheme liabilities at the beginning of the year	5,308,000	6,722,000
Current service cost	126,000	200,000
Contributions by scheme participants	29,000	31,000
Past service cost	0	0
Interest cost	323,000	392,000
Benefits paid	(1,002,000)	(267,000)
Actuarial loss/(gain)	2,294,000	(1,770,000)
Scheme liabilities at the end of the year	<u>7,078,000</u>	<u>(1,645,000)</u>

History of experience gains and losses:

	2009	2008	2007	2006	2005
The actual return on assets less the expected return	£(79,000)	£150,000	£144,000	£(197,000)	£(41,000)
As a percentage of the scheme assets at 31 December 2009	2%	2%	2%	3%	1%
Net experience gains/(loss) arising on the scheme liabilities	£(424,000)	£59,000	£(88,000)	£119,000	£152,000
As a percentage of the scheme liabilities at 31 December 2009	1%	1%	1%	2%	2%
Total actuarial gains/(losses)	£(2,373,000)	£1,620,000	£40,000	£675,000	£912,000
As a percentage of the scheme liabilities at 31 December 2009	30%	30%	1%	11%	14%

Agreed future rates of contributions from 1 January 2010 are:

	Overseas Scheme	Home Scheme
Employees'	Nil	5%
Employer's	28.2%	23.4%