

USCL

UNITED SOCIETY FOR CHRISTIAN LITERATURE

**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
30 April 2019**

**Company Registration Number: 64568
Charity Registration Number: 226512**

**The Foundry
17 Oval Way
London
SE11 5RR**

Telephone: 020 3752 5800

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Trustees' Report

LEGAL AND ADMINISTRATIVE INFORMATION

The United Society for Christian Literature (USCL) is an incorporated charity limited by guarantee, company registration no. 64568, and charity registration no. 226512, having special permission to dispense with the use of the word 'limited' and operates in accordance with its Memorandum and Articles of Association. The company was incorporated in 1899 and renamed on 14th May 1935 as the United Society for Christian Literature. The Society is interdenominational in organisation and spirit and exists to provide Christian teaching to Christians and others around the world.

USCL's registered office is at The Foundry, 17 Oval Way, London, SE11 5RR.

PRESIDENT AND HONORARY OFFICERS

Dr Frances Shaw (Chair)

The Revd Philip Simpson (Honorary Secretary)

Mrs Christine Elliott (Honorary Secretary)

Mr Garry Beech (Honorary Treasurer)

TRUSTEES AND DIRECTORS

The members of the General Committee of USCL who act as Directors and Trustees are:

Dr Frances Shaw

Mr Garry Beech

Ms Christine Elliott

The Revd Philip Simpson

Mr Paul Langridge

Dr Olubunmi Olaysade

COMPANY SECRETARY

Mrs Josephine Carlsson

CONNECTED CHARITIES

USCL continues to work in partnership with Feed the Minds (Charitable Incorporated Organisation Number 1165603) following the agreement of the MoU signed on 13th July 2016 with the intention to work together to increase their charitable work, improve cost-to-income ratios, improve administration and create a better service to beneficiaries. Feed the Minds is the managing partner in the MoU and all programme related decisions are made by Feed the Minds, with representatives of USCL sitting on the Feed the Minds Executive Committee. The Chair of USCL is regularly monitoring and revising Feed the Minds programme work. The Director of Feed the Minds is also the Company Secretary of USCL.

EXECUTIVE STAFF

The activities of USCL are performed by the executive staff team of Feed the Minds headed by its Director, who is also the Company Secretary for USCL. No staff members are employed directly by USCL.

PRINCIPAL PROFESSIONAL ADVISERS

Auditors: **Sayer Vincent LLP**
Invicta House, 108-114 Golden Lane
London, EC1Y 0TL
020 7841 6360

Bankers: **Lloyds Bank**
Guildford Branch
PO Box 3, 147 High Street
Guildford
Surrey GU1 3AG

Investment Managers: **CCLA Investment Management Ltd**
85 Queen Victoria Street
London EC4V 4ET

Solicitors: **Winkworth Sheerwood**
Minerva House
5 Montague Close
London
SE1 9BB

STRUCTURE, GOVERNANCE AND MANAGEMENT

USCL is administered by a Committee of unpaid members, acting as Trustees and Directors, who serve alongside the paid executives, employed by Feed the Minds. Feed the Minds administers the activities of the charity on a day to day basis under delegated authority. All Trustees are unpaid volunteers and no trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests in a register and in accordance with the charity's policy withdraw from decisions should a conflict of interest arise.

Committees

The Committee is elected at the Annual General Meeting by members of the Society and consists of the Treasurer and Honorary Secretaries, not more than nine elected members and not more than three co-opted members.

The Committee approves major decisions and has overall responsibility for all USCL's activities.

The Investment Committee of USCL consists of the Chairman, the Honorary Treasurer and one Honorary Secretary.

Trustee selection, appointment and competence

At each General Meeting the three longest-serving elected members of the Committee retire and are eligible for re-election except that after a continuous period of service of nine years, they are not eligible for re-election until the following year.

New Trustees receive a comprehensive induction pack to acquaint them with USCL's aims and activities, policies and practices, management and governance, with what is expected of them under charity law, with particular reference to Charity Commission guidance publications.

The Committee conducts an annual review of its requirement for Trustee appointments and maintains the personal competence of its members through occasional training days. The organisation conducts an annual review of its strategy and objectives.

Risk Management

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems established to manage those risks. The Trustees have formalised their risk assessment and management process to include a review of the risk register compiled by the Trustees and Company Secretary. The Trustees delegate responsibility for day-to-day management to Feed the Minds, including committees, planning and budgeting procedures, authorisation, and delegation of tasks with segregation of duties. The risk register is updated annually and discussed by the Trustees. The main risks for the charity are the security and income from the assets in Zambia and the value and level of income derived from the investments. These risks are monitored closely, and an investment committee has annual meetings with the investment manager and regularly reviews the performance.

AIMS, OBJECTIVES AND ACTIVITIES

Objects

The Society, interdenominational in organisation and spirit, exists for the dissemination of Christian teaching and by this means seeks to serve the church around the world. The objects of the charity are laid out in the Memorandum and Articles of Association 1899 (revised 1935, 1942, 1951 and 1986).

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011, to have due regard to the guidance issued by the Charity Commission on public benefit.

The charitable purpose for the charity within the meaning of the Act is enshrined within its objects.

Aims

The objective of USCL is to provide grants and other assistance to support communication of the Christian faith around the world.

Activities

The main thrust of work occurs through the regular grants made to support the programme of the charity Feed the Minds, with whom USCL has enjoyed a very long-standing relationship. A decision was taken in February 1983 by the Committee to make most of the incoming resources to USCL available to Feed the Minds for their programme.

Grant-making policy

USCL makes grants to Feed the Minds in support of projects that include the following activities: theological education worldwide, support to Christian publishing initiatives overseas, and support to a wide range of communication and education activities of Church-related and other Christian organisations around the world who serve their local communities. Beneficiaries are of all faiths and none.

These aims, objectives and activities have remained unchanged since the previous set of Financial Statements.

Statement of Trustees' responsibilities

The Trustees (who are also directors of United Society for Christian Literature for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' RESPONSIBILITIES

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Society's accounts for the year ended 30 April 2019 have been prepared in accordance with The Charities (Accounts and Reports) Regulations 2005, the current Statement of Recommended Practice 'Accounting and Reporting by Charities' (Charities SORP 2015) and applicable accounting standards.

ACHIEVEMENTS AND PERFORMANCE

The value of the investments held by the society, increased during the year as specified in the financial review and results.

The general economic climate in Zambia continues to be volatile which presents challenges for the businesses in the area where the USCL owned property is based. The Company Secretary and finance staff of FTM are keeping in touch with the property manager on a regular basis and any changes are discussed with the Committee. Leases are regularly reviewed

A meeting with CCLA's Investment Client Manager and USCL's Investment Committee was held in November 2018 and based on the information on management and predictions of future performance, the Investment Committee recommended that USCL should continue to use CCLA for the management of the funds.

Feed the Minds' continued sustainable growth is in line with USCL's strategic aims. The support to Feed the Minds Education for Change programme is enabling capacity building with a strong emphasis on equipping partners with knowledge related to effective literacy programming. Feed the Minds' Overseas Book Service continued its support with nearly 2,000 second hand high-quality theological books sent to partner institutions in 25 countries in 2018-19. The theological institutions have in total over 7000 students and all libraries in the programme are in addition open to the communities where they are based. The year has continued the trend with a significant increase in the number and quality of donated books, thanks to generous individual donations and the book banks at Christian Conference Centres.

Examples of these and other projects can be viewed at www.feedtheminds.org and further information is available in the Annual Report and Accounts and the Annual Review of Feed the Minds.

FINANCIAL REVIEW AND RESULTS

The results from USCL's activities are set out on pages 11 to 22. For the year ended 30 April 2019, USCL's total expenditure exceeded its income by £125,405 (2018: by £131,804).

Total income decreased slightly by £839 (1%) versus the prior year, but with no major fluctuations noted.

Total charitable activity was 3% less than prior year at £265,351 (2018: £272,589), mainly reflecting a reduction to the grant paid to Feed the Minds in the year to 30 April 2019.

The prior year included an uplift of £9,000 to help support Feed the Mind's strategic investment in unrestricted fund-raising. Whilst this support will continue in future years, no additional funding was required in 2019, as Feed the Minds was able to draw on alternative sources of unrestricted funding in this particular year instead.

Realised and unrealised gains on investment assets were £541,593 (2018: £102,787) and this left the charity with an overall surplus for the year of £416,188 (2018: reduced the overall loss for the year to £29,017).

The total value of net assets at 30 April 2019 was £3,171,141 (2018: £2,754,953) an increase of £416,188 (15%) on last year.

Investments

The value of our investments at 30 April 2019 was £3,212,475 (2018: £2,770,882) which comprised £2,902,475 (2018: £2,770,882) in the COIF's Charities Ethical Investment Fund and £310,000 (2018: £0) relating to the freehold property in Zambia.

USCL is empowered under its Memorandum and Articles of Association to invest fund balances to provide an income which can be distributed in grants. It has appointed CCLA of 85 Queen Victoria Street, London, EC4V 4ET as its investment managers. USCL have delegated the day-to-day management of its investments to Feed the Minds but the USCL Investment Committee meets with investment managers annually to review investments. This Committee seeks a balance between capital growth and income in managing the charity's portfolio. The USCL Chairman, Treasurer and one Honorary Secretary are members of the Investment Committee. The Investment Policy Statement was approved by the USCL Trustees on 24 January 2013.

Reserves

Details of the Society's Reserves are set out in notes 10 to 11. Total reserves at 30 April 2019 were £3,171,141 (2018: £2,754,953) made up of endowment funds of £62,140 (2018: £57,237) and unrestricted income funds of £3,109,001 (2018: £2,697,716). Unrestricted income funds are split into three parts: a general fund of £2,791,588 (2018: £2,686,870), a designated property fund of £310,000 (2018: £0) reflecting the value of the freehold property in Zambia, and a legacy fund of £7,413 (2018: £10,846) which releases legacies received into general funds over a five year period with the aim of equalising the amount available for distribution as grants.

USCL has a substantial reserve resulting partly from the sale of its Guildford property in 1983. Since that time, the Society has adopted the policy of treating this as a fund to provide an income stream for the work and objectives of the charity through Feed the Minds.

FUTURE PLANS

The Society intends to maintain its support of the programmes of Feed the Minds by continuing to make available to them, donations and incoming resources for their Education for Change and Overseas Book Service programmes. The Society has also expressed openness to provide match funding for statutory grants, should such projects be in line with USCLs' aims. A new Memorandum of Understanding was adopted on 13 July 2016 due to the change of legal status for Feed the Minds in becoming a Charitable Incorporated Organisation (CIO) but with similar objectives.

The Society's objectives for the financial year 2019-20 are as follows: -

1. To further the purposes of USCL by providing funds to Feed the Minds.
2. To continue to closely monitor the management of the USCL property in Zambia with the aim of maximising the income in the long term and serving the Churches in Zambia.
3. To keep the performance of its investments under careful review.

On behalf of the Trustees,

**Frances Shaw
Chair of the Committee
27th November 2019**

Independent auditor's report to the trustees of Feed the Minds

Opinion

We have audited the financial statements of Feed the Minds (the 'charity') for the year ended 30 April 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 April 2019 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

5 December 2019
Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

United Society for Christian Literature
Statement of Financial Activities for the year ended 30 April 2019

		Year ended 30 April 2019			
<u>Statement of Financial Activities</u>		Unrestricted Funds	Endowment Funds	Total Funds 2019	Total Funds 2018
	Notes	£	£	£	£
<u>Income and endowments:</u>					
Donations		792	-	792	926
Legacies		4,771	-	4,771	6,000
Investment income	3	98,594	-	98,594	98,668
Other income		35,789	-	35,789	35,191
					-
Total income		139,946	-	139,946	140,785
					-
<u>Expenditure:</u>					
Expenditure on Charitable activities:					
	4	265,351	-	265,351	272,589
					-
Total expenditure		265,351	-	265,351	272,589
					-
Net income / (expenditure) and net movement in funds before gains and losses on investments		(125,405)	-	(125,405)	(131,804)
Net gains / (losses) on investments	6	536,690	4,903	541,593	102,787
					-
Net movement in funds		411,285	4,903	416,188	(29,017)
Reconciliation of Funds					
Total Funds brought forward		2,697,716	57,237	2,754,953	2,783,970
					-
Total Funds carried forward	10-11	3,109,001	62,140	3,171,141	2,754,953

The statement of financial activities includes all gains / losses recognised in the year.
All income and expenditure derive from continuing activities. Movements in funds are disclosed in Note 10 to the financial statements.

United Society for Christian Literature
Company Registration Number: 64568
Balance Sheet as at 30 April 2019

		Unrestricted Funds	Endowment Funds	Total Funds	At 30 April
	Notes	2019 £	2019 £	2019 £	2018 £
Fixed assets					
Investments	6	3,150,335	62,140	3,212,475	2,770,882
		<hr/>	<hr/>	<hr/>	<hr/>
Current assets:					
Debtors	7	-	-	-	-
Short term deposits		220	-	220	220
Cash at bank and in hand		6,958	-	6,958	1,504
		<hr/>	<hr/>	<hr/>	<hr/>
		7,178	-	7,178	1,724
Liabilities:					
Creditors falling due within one year	8	(48,512)	-	(48,512)	(17,653)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		(41,334)	-	(41,334)	(15,929)
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets	11	3,109,001	62,140	3,171,141	2,754,953
		<hr/>	<hr/>	<hr/>	<hr/>
Funds:					
Endowment Funds	10	-	62,140	62,140	57,237
Unrestricted Income Funds	10	3,109,001	-	3,109,001	2,697,716
		<hr/>	<hr/>	<hr/>	<hr/>
		3,109,001	62,140	3,171,141	2,754,953
		<hr/>	<hr/>	<hr/>	<hr/>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The notes on pages 13 to 21 form part of these accounts.

Approved by the Trustees and authorised for issue on 27th November 2019
and signed on their behalf by

Frances Shaw
Chair of the Committee

Statement of Cashflows
For the year ended 30 April 2019

	2019 £	2018 £
	<hr/>	<hr/>
Net Movement in Funds	416,188	(29,017)
Adjustments for:		
Investment income received	(98,594)	(98,668)
Gains/ losses on investments	(541,593)	(102,787)
Decrease (increase) in debtors	-	-
Increase (decrease) in creditors	30,859	8,865
	<hr/>	<hr/>
Net Cash used in Operating Activities	(193,140)	(221,607)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and dividends	98,594	98,668
Sale of Investments	100,000	50,000
	<hr/>	<hr/>
Net cash provided by investing activities	198,594	148,668
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	5,454	(72,939)
Cash and cash equivalent brought forward	1,724	74,663
	<hr/>	<hr/>
Cash and cash equivalent carried forward	7,178	1,724
	<hr/>	<hr/>
Cash and cash equivalents can be analysed as follows:		
	6,958	1,504
Cash in hand	220	220
Short term deposits	<hr/>	<hr/>
	7,178	1,724
	<hr/>	<hr/>

Notes to the Accounts
for the Year Ended 30 April 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in September 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s), and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The charity constitutes a public benefit entity as defined by FRS 102.

b. Key Judgements and Assumptions in applying Accounting Policies

There are no key judgements or assumptions used in applying the accounting policies.

With respect to the next reporting period, 2018-19, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

c. Funds Structure

The charity has a single permanent endowment. The Matthew Mowson Proctor Fund provides for the Trustees to invest the capital in perpetuity and is managed on a total return basis. The Trustees, at their discretion, may allocate any part of the total return to the general purposes of the charity, namely, to promote Christian education through making grants to appropriate institutions and individuals.

d. Preparation of the Accounts on a Going Concern basis

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

e. Incoming Resources

Legacies

Legacies are recognised when the amount is certain, there is entitlement and receipt is probable.

Other income

Dividend income and other unsolicited donations are accounted for when received. All other income is accounted for on an accruals basis.

f. Resources Expended:

All expenses are accounted for on an accruals basis. Charitable expenditure includes all costs relating to grant making activities.

i. Grants payable

Under the terms of the agreement with Feed the Minds, USCL has agreed to make grants to Feed the Minds of all of its income and legacies, less amounts required to meet direct expenditure and transfers to reserves approved by the Trustees.

ii. Support costs

Support costs are all costs attributable to the management of the charity's assets and organisation administration.

iii. Governance costs

Governance costs are those costs associated with charity governance requirements and which relate to the general running of the Society.

g. Fixed Asset Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date, using the closing quoted market price. Purchases and sales include transaction fees charged by the investment managers. The investments are managed by CCLA Investment Management Limited through the Charities Official Investment Fund (COIF). All funds are invested in units of the COIF Charities Ethical Investment Fund. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The charity does not acquire, or use put options, derivatives or other complex financial instruments.

h. Debtors

Short term debtors are measured at transaction price, 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 3 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.

k. Realised gains and losses

Investment funds

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities.

I. Funds

Unrestricted funds are those received, which are not subject to any special restriction. Endowment funds are those where the capital is maintained and used to generate income which can be used for any purpose. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

m. Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in incoming resources or resources expended. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

The only current assets in foreign currencies held by USCL during the period were in Zambia. In view of the fluctuation in the value of the Zambian kwacha against the pound, the USCL Committee feels it prudent not to include any such current assets in the Balance Sheet. The accounts reflect only any cash movements to and from the United Kingdom.

n. Trustees' expenses reimbursed

Trustees' expenses are reimbursed by Feed the Minds.

2. LEGAL STATUS OF THE CHARITY

The United Society for Christian Literature (USCL) is an incorporated charity limited by guarantee and registered in England and Wales (company registration no. 64568, and charity registration no. 226512). It has no share capital. The maximum liability of each of the members in the event of the company winding-up is £1.

It is governed by a Memorandum and Articles of Association. USCL's registered office is at The Foundry, 17 Oval Way, London, SE11 5RR.

3. INVESTMENT INCOME

	Year ended 30 April 2019	<i>Year ended 30 April 2018</i>
	£	£
Dividend income from investments: COIF Charities Investment Fund	98,585	98,663
Interest received	9	5
	98,594	98,668

4. ANALYSIS OF TOTAL EXPENDITURE

	Year ended 30 April 2019 £	Year ended 30 April 2018 £
Expenditure on Charitable activities		
Grants payable:		
Feed the Minds: Overseas grants and administration	260,000	269,000
Governance costs:		
Auditor's fees	4,360	3,491
Other expenses	991	98
Total governance costs	5,351	3,589
Total expenditure	265,351	272,589

5. TRUSTEES AND EMPLOYEES

The Trustees and persons connected with them have not received or obtained any remuneration or other financial benefits for the year directly or indirectly from the charity's funds (2018: £Nil).

The aggregate amount of expenses reimbursed to members of the Committee to cover travel and subsistence expenditure in attending meetings during the year was paid by Feed the Minds. There were no other transactions with any related party.

All staff payments were made by Feed the Minds and there were no employees during the year (2018: Nil).

6. FIXED ASSET INVESTMENTS

	At 30 April 2019 £	At 30 April 2018 £
Investment funds	2,902,475	2,770,882
Freehold property	310,000	-
	3,212,475	2,770,882

	2019				2018 Total £
	Unrestricted £	£	Endowed £	Total £	
Market value at 1 May 2018	-	2,713,645	57,237	2,770,882	2,718,096
Additions	-	-	-	-	-
Disposals	-	(100,000)	-	(100,000)	(47,725)
Net gains / (losses) on investments	310,000	226,690	4,903	541,593	100,511
Market value at 30 April 2019	310,000	2,840,335	62,140	3,212,475	2,770,882
Historical cost at 30 April 2018	-	1,762,011	38,549	1,800,560	1,866,163

6. FIXED ASSET INVESTMENTS (continued)

Investment funds

	At 30 April 2019 £	At 30 April 2018 £
a) Unrestricted		
Investments at market value:		
COIF Charities Ethical Investment Fund	2,840,335	2,713,645
	<hr/>	<hr/>
Investments at cost:		
COIF Charities Ethical Investment Fund	1,762,011	1,827,614
	<hr/>	<hr/>
b) Endowed		
Investments at market value:		
COIF Charities Ethical Investment Fund	62,140	57,237
	<hr/>	<hr/>
Investments at cost:		
COIF Charities Ethical Investment Fund	38,549	38,549
	<hr/>	<hr/>

Freehold property

USCL owns one freehold property in Lusaka, Zambia. This is let commercially on short term leases. Whilst, the property is considered an Investment Property for accounting purposes, historically it has not been included on the balance sheet for USCL as it was felt the fair value was nil. In 2019, the Trustees considered that as the property had shown consistent rental income for a number of years, this valuation should be reviewed. A valuation was undertaken by a local Zambia registered valuation surveyor in April 2019. The property has been valued at £310,000 as at 30 April 2019.

The Trustees deem this to be a reasonable reflection of fair value for accounting purposes however, given the history of political and economic uncertainties within the country, coupled with challenges in the Lusaka retail property sector at this time, there is a risk that this valuation could fluctuate in the future. The fair value will be considered on a regular and timely basis going forwards, to ensure that appropriate assumptions are taken into account with respect to accounting for this property in the future.

7. DEBTORS

	Year ended 30 April 2019 £	Year ended 30 April 2018 £
Amount due from Investment Manager re investment disposals	-	-
	<hr/>	<hr/>

8. CREDITORS: FALLING DUE WITHIN ONE YEAR

	At 30 April 2019 £	At 30 April 2018 £
Grants agreed but not yet paid: Amount due to Feed the Minds	38,833	8,332
Accruals	9,679	9,321
	<hr/>	<hr/>
	48,512	17,653
	<hr/>	<hr/>

9. OTHER FINANCIAL COMMITMENTS AND GUARANTEES

At 30 April 2019 no annual commitments under non-cancellable operating leases existed (2018: None).

In addition to the grants payable included within the statement of financial activities, at 30 April 2019, the trustees had made an additional grant offer to Feed the Minds of up to £20,000 in respect to matched funding for a project in South Sudan, to be progressed in conjunction with funding from the Department for International Development. As the exact amount to be drawn is still to be determined, as is the timing of payment, this has not been accrued in these accounts.

10. ANALYSIS OF CHARITABLE FUNDS

Analysis of Movements in Endowment Funds

	Balance at 1 May 2018 £	Incoming Resources £	Gains And Transfers £	Balance at 30 April 2019 £
Matthew Mowson Proctor Fund	57,237	-	4,903	62,140

The endowment fund represents capital received from the Matthew Mowson Proctor Fund, under the terms of which the capital must be retained and the income can be used for general purposes.

Analysis of Movements in Unrestricted Funds

	Balance at 1 May 2018 £	Incoming /(Outgoing) Resources £	Gains / (Losses) And Transfers £	Balance at 30 April 2019 £
General Fund	2,686,870	96,514	8,204	2,791,588
Legacy Fund	10,846	4,771	(8,204)	7,413
Designated Property Fund	-	310,000	-	310,000
	2,697,716	411,285	-	3,109,001

11. ANALYSIS OF THE CHARITY'S NET ASSETS BY FUND

	Unrestricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 30 April 2019 are represented by:			
Investments	3,150,335	62,140	3,212,475
Current assets	7,178	-	7,178
Current liabilities	(48,512)	-	(48,512)
Total net assets	3,109,001	62,140	3,171,141
Unrealised gains included above:			
On investment assets	224,098	4,903	229,001

12. TAXATION STATUS AND GIFT AID

USCL is a registered charity and no taxation is payable on its income arising in the United Kingdom.

13. CONNECTED CHARITY TRANSACTIONS

Throughout the year USCL worked in close association with Feed the Minds, (Charitable Incorporated Organisation (CIO) in England and Wales 1165603, in Scotland SCO46591), which is also registered at the same address.

Previously, up until 1 May 2016, the charity had worked closely in association with Feed the Minds (registered charity number 291333, in Scotland SC041999). But Feed the Minds changed its legal status from an Unincorporated Charity to that of a Charitable Incorporated Organisation (CIO) as of 1 May 2016.

As at that date, all assets and liabilities of charity 291333 transferred across to the new CIO, which continues to carry on the operational work of Feed the Minds, in line with the existing charitable objectives for the foreseeable future. It is USCL's intention to continue the cooperation with the new CIO Feed the Minds in the same way as with the previous Unincorporated Charity.

The organisations work together in accordance with a MoU signed on 13th July 2016. The charities plan to work together to increase their charitable work, improve cost to income ratios, improve administration and create a better service to beneficiaries. Feed the Minds is the managing partner in the MOU and all programme related decisions are made by Feed the Minds, with representatives of USCL sitting on the Feed the Minds Executive Committee. The Chair of USCL is regularly monitoring and revising Feed the Minds programme work. The Director of Feed the Minds is also the Company Secretary of USCL. The Feed the Minds Trustees have approved the waiver of membership fees for USCL.

During the year, USCL paid grants totalling £260,000 to Feed the Minds (2018: £269,000). At the year-end £38,833 (2018: £8,332) was due to Feed the Minds.

At 30 April 2019, Feed the Minds and USCL had 5 common Trustees. These were Dr Frances Shaw, Mr Garry Beech, Ms Christine Elliott, The Revd Philip Simpson and Mr Paul Langridge. None of the Trustees receive remuneration or other benefit from their work with either charity. Trustee expenses for USCL are paid by Feed the Minds. The aggregate amount of expenses reimbursed to Trustees to cover travel expenses for both Feed the Minds and USCL during 2018-19 was £660 (2018: £1,132).

14. COMPARATIVE 2018 STATEMENT OF FINANCIAL ACTIVITIES

	<u>Year ended 30 April 2018</u>			
<u>Statement of Financial Activities</u>	Unrestricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
<u>Income and endowments:</u>				
Donations	926	-	926	768
Legacies	6,000	-	6,000	-
Investment income	98,668	-	98,668	103,250
Other income	35,191	-	35,191	31,188
Total income	140,785	-	140,785	135,206
<u>Expenditure:</u>				
Expenditure on Charitable activities:				
Dissemination of Christian education	272,589	-	272,589	264,766
Total expenditure	272,589	-	272,589	264,766
Net income / (expenditure) and net movement in funds before gains and losses on investments	(131,804)	-	(131,804)	(129,560)
Net gains / (losses) on investments	100,711	2,076	102,787	378,793
Net movement in funds	(31,093)	2,076	(29,017)	249,233
Reconciliation of Funds				
Total Funds brought forward	2,728,809	55,161	2,783,970	2,534,737
Total Funds carried forward	2,697,716	57,237	2,754,953	2,783,970

The statement of financial activities includes all gains / losses recognised in the year. All income and expenditure derive from continuing activities.

15. COMPARATIVE 2018 ANALYSIS OF CHARITABLE FUNDS

Analysis of Movements in Endowment Funds

	Balance at 1 May 2017 £	Incoming Resources £	Gains And Transfers £	Balance at 30 April 2018 £
Matthew Mowson Proctor Fund	55,161	-	2,076	57,237

The endowment fund represents capital received from the Matthew Mowson Proctor Fund, under the terms of which the capital must be retained and the income can be used for general purposes.

Analysis of Movements in Unrestricted Funds

	Balance at 1 May 2017 £	Incoming /(Outgoing) Resources £	Gains / (Losses) And Transfers £	Balance at 30 April 2018 £
General Fund	2,714,324	(37,093)	9,639	2,686,870
Legacy Fund	14,485	6,000	(9,639)	10,846
	<u>2,728,809</u>	<u>(31,093)</u>	<u>-</u>	<u>2,697,716</u>

16. COMPARATIVE 2018 ANALYSIS OF THE CHARITY'S NET ASSETS BY FUND

	Unrestricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 30 April 2018 are represented by:			
Investments	2,713,645	57,237	2,770,882
Current assets	1,724	-	1,724
Current liabilities	(17,653)	-	(17,653)
Total net assets	<u>2,697,716</u>	<u>57,237</u>	<u>2,754,953</u>
Unrealised gains / (losses) included above:			
On investment assets	<u>98,435</u>	<u>2,076</u>	<u>100,511</u>