

USCL

UNITED SOCIETY FOR CHRISTIAN LITERATURE

**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
30 April 2021**

**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

Mr Jonathan Kerry (Chair) (from 25th November 2020)

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:

Mr Jonathan Kerry (co-opted 1st July 2020)

Dr Frances Shaw (previous Chair till 25th November 2020)

Mr Garry Beech

Ms Christine Elliott

The Revd Philip Simpson

Mr Paul Langridge

Dr Olubunmi Olayisade

Mrs Josephine Carlsson (co-opted 1st July 2020)

COMPANY SECRETARY

Ms Sandra Golding (appointed 1st September 2020)

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, and regularly monitoring FTM 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 CEO, 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 2021 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. This was primarily due to unrealised gains together with a reduced level of drawdown on the portfolio, required in order to meet grant commitments to Feed the Minds this year. The unit value of the investments has grown steadily over the last 12 months, showing resilience despite the impact of Covid 19 on world markets. By year-end, the unit value had improved by 17% versus the 30 April 2020 position.

A meeting with CCLA's Investment Client Manager and USCL's Investment Committee was held in November 2020 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.

The general economic climate in Zambia continues to be volatile due to a severe drought earlier in the financial year and towards the end a lockdown related to the Covid-19 crisis.

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 programme implementation with a strong emphasis on equipping partners with knowledge related to effective literacy programming. In particular, in 2020-21 the charity continued to support a strong literacy-based project in South Sudan with the partner Sudan Evangelical Mission (SEM) with match funding to enable a sizeable multi-year FCDO grant to be delivered. Feed the Minds' Overseas Book Service was put on hold due to Covid-19 restrictions and the global pandemic.

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 12 to 22. For the year ended 30 April 2021, USCL's total expenditure exceeded its income by £291,955 (2020: by £293,977).

Total income reduced by £37,636 (25%) versus the prior year, due mainly to reduced investment income, reduced remittance of rental income from Zambia and the lack of any legacy income this year.

Total charitable activity was (9)% lower than prior year at £404,797 (2020: £444,455), mainly reflecting the reduction to the grant payable to Feed the Minds in the year to 30 April 2021.

This year an additional £140,004 was paid to Feed the Minds, over and above the base grant of £260,000. This compares to £67,317 over and above the base grant last year. However, last year a further one-off grant of £111,177 was also granted to Feed the Minds, to provide funding for a 3 year project in South Sudan.

Realised and unrealised gains and losses on investment assets netted to a gain of £399,666 (2020: a loss of £70,099) and this left the charity with an overall surplus for the year of £107,711 (2020: deficit of £364,076).

The total value of net assets at 30 April 2021 was £2,914,776 (2020: £2,807,065) an increase of £107,711 on last year, reflecting the unrealised gain on investments during the year together with the reduced drawdown against the investment portfolio this year, in order to support Feed the Minds activities as described above.

Investments

The value of our investments at 30 April 2021 was £2,932,042 (2020: £2,772,376) which comprised £2,765,709 (2020: £2,554,003) in the COIF's Charities Ethical Investment Fund and £166,333 (2020: £218,373) 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 note 9. Total reserves at 30 April 2021 were £2,914,776 (2020: £2,807,065) made up of endowment funds of £73,502 (2020: £62,222) and unrestricted income funds of £2,841,274 (2020: £2,744,843). Unrestricted income funds are split into three parts: a general fund of £2,663,547 (2020: £2,510,161), a designated property fund of £166,334 (2020: £218,373) reflecting the value of the freehold property in Zambia, and a legacy fund of £11,393 (2020: £16,309) 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. This was reviewed and updated in May 2020.

The Society's objectives for the financial year 2021-22 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.

AUDITOR

Sayer Vincent LLP was reappointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 22 July 2021 and signed on their behalf by

Mr Jonathan Kerry
Chair of the Committee

Independent auditor's report to the to the members of United Society for Christian Literature

Opinion

We have audited the financial statements of United Society for Christian Literature (the 'charitable company') for the year ended 30 April 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 30 April 2021 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006

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 charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on United Society for Christian Literature's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, internal audit and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)
10 November 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

United Society for Christian Literature
Statement of Financial Activities for the year ended 30 April 2021

Year ended 30 April 2021					
<u>Statement of Financial Activities</u>		Unrestricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	Notes	£	£	£	£
<u>Income and endowments:</u>					
Donations		567	-	567	1,722
Legacies		-	-	-	13,812
Investment income	3	86,055	-	86,055	94,145
Other income		26,220	-	26,220	40,799
					-
Total income		112,842	-	112,842	150,478
					-
<u>Expenditure:</u>					
Expenditure on Charitable activities:					
	4	404,797	-	404,797	444,455
					-
Total expenditure		404,797	-	404,797	444,455
Net income / (expenditure) and net movement in funds before gains and losses on investments		(291,955)	-	(291,955)	(293,977)
Net gains / (losses) on investments	6	388,386	11,280	399,666	(70,099)
					-
Net movement in funds		96,431	11,280	107,711	(364,076)
Reconciliation of Funds					
Total Funds brought forward		2,744,843	62,222	2,807,065	3,171,141
Total Funds carried forward	10-11	2,841,274	73,502	2,914,776	2,807,065

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 2021

		Unrestricted Funds	Endowment Funds	Total Funds	At 30 April
	Notes	2021 £	2021 £	2021 £	2020 £
Fixed assets					
Investments	6	2,858,540	73,502	2,932,042	2,772,376
Current assets:					
Debtors	7	8,024	-	8,024	-
Short term deposits		221	-	221	220
Cash at bank and in hand		30,822	-	30,822	64,939
		39,067	-	39,067	65,159
Liabilities:					
Creditors falling due within one year	8	(56,333)	-	(56,333)	(30,470)
Net current assets		(17,266)	-	(17,266)	34,689
Net assets	11	2,841,274	73,502	2,914,776	2,807,065
Funds:					
Endowment Funds	10	-	73,502	73,502	62,222
Unrestricted Income Funds	10	2,841,274	-	2,841,274	2,744,843
		2,841,274	73,502	2,914,776	2,807,065

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

The notes on pages 15 to 22 form part of these accounts.

Approved by the Trustees and authorised for issue on 22 July 2021
and signed on their behalf by

Mr Jonathan Kerry
Chair of the Committee

Statement of Cashflows
For the year ended 30 April 2021

	2021 £	2020 £
	<hr/>	<hr/>
Net Movement in Funds	107,711	(364,076)
Adjustments for:		
Investment income received	(86,055)	(94,145)
Gains/ losses on investments	(399,666)	70,099
Decrease (increase) in debtors	(8,024)	-
Increase (decrease) in creditors	25,863	(18,042)
	<hr/>	<hr/>
Net Cash used in Operating Activities	(360,171)	(406,164)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and dividends	86,055	94,145
Sale of Investments	240,000	370,000
	<hr/>	<hr/>
Net cash provided by investing activities	326,055	464,145
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(34,116)	57,981
Cash and cash equivalent brought forward	65,159	7,178
	<hr/>	<hr/>
Cash and cash equivalent carried forward	31,043	65,159
	<hr/>	<hr/>
Cash and cash equivalents can be analysed as follows:		
Cash in hand	30,822	64,939
Short term deposits	221	220
	<hr/>	<hr/>
	31,043	65,159
	<hr/>	<hr/>

Notes to the Accounts
for the Year Ended 30 April 2021

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, 2021-22, 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. The Trustees, at their discretion, may allocate any part of the income earned on the endowment capital 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. As a part of this, the Trustees have considered the potential impact of the covid 19 pandemic on future plans. The charity has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that the charity 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.

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 2021 £	<i>Year ended 30 April 2020 £</i>
Dividend income from investments: COIF Charities Investment Fund	86,050	94,133
Interest received	5	12
	86,055	94,145

4. ANALYSIS OF TOTAL EXPENDITURE

	Year ended 30 April 2021 £	Year ended 30 April 2020 £
Expenditure on Charitable activities		
Grants payable:		
Feed the Minds: Overseas grants and administration	400,004	438,494
Governance costs:		
Auditor's fees	4,620	4,920
Other expenses	173	1,041
Total governance costs	4,793	5,961
Total expenditure	404,797	444,455

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 (2020: £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, though in 2021 the value was £Nil. 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 (2020: Nil).

6. FIXED ASSET INVESTMENTS

	At 30 April 2021 £	At 30 April 2020 £
Investment funds	2,765,709	2,554,003
Freehold property	166,333	218,373
	2,932,042	2,772,376

	2021				2020
	Unrestricted		Endowed	Total	Total
	Freehold Property £	Investments £	Investments £	£	£
Market value at 1 May 2020	218,373	2,491,781	62,222	2,772,376	3,212,475
Additions	-	-	-	-	-
Disposals	-	(240,000)	-	(240,000)	(370,000)
Net gains / (losses) on investments	(52,040)	440,502	11,280	399,742	(70,099)
Market value at 30 April 2021	166,333	2,692,207	73,502	2,932,042	2,772,376
Historical cost at 30 April 2021	-	1,411,937	38,549	1,450,486	1,582,290

6. FIXED ASSET INVESTMENTS (continued)

Investment funds

	At 30 April 2021 £	At 30 April 2020 £
a) Unrestricted		
Investments at market value:		
COIF Charities Ethical Investment Fund	2,692,207	2,491,781
Investments at cost:		
COIF Charities Ethical Investment Fund	1,411,937	1,543,741
b) Endowed		
Investments at market value:		
COIF Charities Ethical Investment Fund	73,502	62,222
Investments at cost:		
COIF Charities Ethical Investment Fund	38,549	38,549

Freehold property

USCL owns one freehold property in Lusaka, Zambia. This is let commercially on short term leases. In April 2019, a valuation was undertaken by a local Zambia registered surveyor. The property was valued at 6.8 million Kwacha. It is included within these accounts at this value, as discounted to reflect net realisable value and as converted to UK pounds at the year-end exchange rate.

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 may 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 2021 £	Year ended 30 April 2020 £
Rental income from Property - held in Zambia	8,024	-

8. CREDITORS: FALLING DUE WITHIN ONE YEAR

	At 30 April 2021 £	At 30 April 2020 £
Grants agreed but not yet paid: Amount due to Feed the Minds	49,217	21,811
Accruals	7,116	8,659
	56,333	30,470

9. OTHER FINANCIAL COMMITMENTS AND GUARANTEES

At 30 April 2021 no annual commitments under non-cancellable operating leases existed (2020: None).

10. ANALYSIS OF CHARITABLE FUNDS

Analysis of Movements in Endowment Funds

	Balance at 1 May 2020 £	Incoming Resources £	Gains And Transfers £	Balance at 30 April 2021 £
Matthew Mowson Proctor Fund	62,222	-	11,280	73,502

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 2020 £	Incoming /(Outgoing) Resources £	Gains / (Losses) And Transfers £	Balance at 30 April 2021 £
General Fund	2,510,161	148,470	4,916	2,663,547
Legacy Fund	16,309	-	(4,916)	11,393
Designated Property Fund	218,373	(52,039)	-	166,334
	2,744,843	96,431	-	2,841,274

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

	Unrestricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 30 April 2021 are represented by:			
Investments	2,858,540	73,502	2,932,042
Current assets	39,067	-	39,067
Current liabilities	(56,333)	-	(56,333)
Total net assets	2,841,274	73,502	2,914,776
Unrealised gains included above:			
On investment assets	413,172	11,280	424,452

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 £400,004 to Feed the Minds (2020: £438,494). At the year-end £49,217 (2020: £21,811) was due to Feed the Minds.

At 30 April 2021, Feed the Minds and USCL had 4 common Trustees. These were 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 2020-21 was £Nil (2020: £897).

14. COMPARATIVE 2020 STATEMENT OF FINANCIAL ACTIVITIES

	Year ended 30 April 2020			
<u>Statement of Financial Activities</u>	Unrestricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
<u>Income and endowments:</u>				
Donations	1,722	-	1,722	792
Legacies	13,812	-	13,812	4,771
Investment income	94,145	-	94,145	98,594
Other income	40,799	-	40,799	35,789
Total income	150,478	-	150,478	139,946
<u>Expenditure:</u>				
<u>Expenditure on Charitable activities:</u>				
Dissemination of Christian education	444,455	-	444,455	265,351
Total expenditure	444,455	-	444,455	265,351
Net income / (expenditure) and net movement in funds before gains and losses on investments	(293,977)	-	(293,977)	(125,405)
Net gains / (losses) on investments	(70,181)	82	(70,099)	541,593
Net movement in funds	(364,158)	82	(364,076)	416,188
<u>Reconciliation of Funds</u>				
Total Funds brought forward	3,109,001	62,140	3,171,141	2,754,953
Total Funds carried forward	2,744,843	62,222	2,807,065	3,171,141

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

15. COMPARATIVE 2020 ANALYSIS OF CHARITABLE FUNDS

Analysis of Movements in Endowment Funds

	Balance at 1 May 2019 £	Incoming Resources £	Gains And Transfers £	Balance at 30 April 2020 £
Matthew Mowson Proctor Fund	62,140	-	82	62,222

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 2019 £	Incoming /(Outgoing) Resources £	Gains / (Losses) And Transfers £	Balance at 30 April 2020 £
General Fund	2,791,588	(286,343)	4,916	2,510,161
Legacy Fund	7,413	13,812	(4,916)	16,309
Designated property fund	310,000	(91,627)	-	218,373
	<hr/>	<hr/>	<hr/>	<hr/>
	3,109,001	(364,158)	-	2,744,843
	<hr/>	<hr/>	<hr/>	<hr/>

16. COMPARATIVE 2020 ANALYSIS OF THE CHARITY'S NET ASSETS BY FUND

	Unrestricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 30 April 2020 are represented by:			
Investments	2,710,154	62,222	2,772,376
Current assets	65,159	-	65,159
Current liabilities	(30,470)	-	(30,470)
	<hr/>	<hr/>	<hr/>
Total net assets	2,744,843	62,222	2,807,065
	<hr/>	<hr/>	<hr/>
Unrealised gains / (losses) included above:			
On investment assets	(88,333)	82	(88,251)
	<hr/>	<hr/>	<hr/>