

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND

England & Wales · Charity number 220466

Details

Status Registered

Legal form Other

Registered 1965-03-09

Register [View on the Charity Commission register](#)

Contact

Address 30 Huntingdon Road
Cambridge
CB3 0HH

Phone 07883740117

Email contact@lutheranchurch.org.uk

Website www.lutheranchurch.org.uk

Activities

Objects: THE PROCLAMATION OF THE GOSPEL AND THE STRENGTHENING AND ESTABLISHING OF CONGREGATIONS BY THE PREACHING OF THE GOSPEL. FOR FURTHER DETAILS SEE CONSTITUTION AND BYE-LAWS.

Activities: The ELCE exists to spread the Gospel of Christ. The ELCE has 13 member congregations and a theological college.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,232,057	£1,107,460	£7,868,358	18
2024-03-31	£1,090,046	£1,069,525	£7,743,760	14
2023-03-31	£1,160,134	£1,071,305	£7,722,488	21
2022-03-31	£1,356,169	£1,067,975	£7,633,660	14
2021-03-31	£894,446	£1,244,866	£7,345,466	17

Trustees

Name	Role	Appointed
DOREEN ROSSER		
Dr Cynthia Estelle Lumley		2016-10-06
Linda Mairi Cowie		2018-10-06
Mary Lynn Robinson		2023-11-18
REV ANSSI TAPANI SIMOJOKI		2025-11-15
Rev Claudio Lisias Flor		2024-11-02
Rev Jon Jay Ehlers		

Accounts

Charity number: 220466

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CONTENTS
FOR THE YEAR ENDED 31 MARCH 2025

	Page
Charity Information	1
Trustees' Report	2-7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Cash flow statement	13
Notes to the financial statements	14-27

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CHARITY INFORMATION

Trustees	Reverend G Samiec	Chairman (retired 24 November 2025)
	Rev A Simojoki	Chairman (appointed 15 November 2025)
	Reverend J Ehlers	Vice Chairman
	Mrs D Rosser	Secretary
	Dr C Lumley	Treasurer
	Reverend J Kriger	(retired November 2024)
	Mrs L M Cowie	
	Mrs M L Robinson	
Key management personnel	Rev C Flor	(appointed 2 November 2024)
	Reverend G Samiec	Chairman
	Reverend J Ehlers	Vice Chairman
	Mrs D Rosser	Secretary
	Dr C Lumley	ELCE Treasurer and Principal, Westfield House
	Dr J Humann	Preceptor, Westfield House
Charity number	220466	
Registered office	30 Huntingdon Road Cambridge CB3 0HH	
Congregations	Luther Tyndale, Kentish Town	Resurrection, Cambridge
	St Andrew's, Ruislip	Redeemer, Harlow
	Christ Church, Petts Wood	St Columba, East Kilbride
	St Paul's, Borehamwood	Good Shepherd, Coventry
	St Peter's, Plymouth	Our Saviour, Fareham
	St David, Cardiff	Ascension, Brandon, Suffolk
Auditors	Chater Allan LLP	
	7 Quay Court	
	Colliers Lane	
	Stow-cum-Quay	
	CB25 9AU	
Bankers	CAF Bank	HSBC Bank plc
	25 Kings Hill Avenue	63-64 St Andrews Street
	Kings Hill	Cambridge
	West Malling	CB2 3BZ
	ME19 4JQ	
	Cater Allen Private Bank	Cambridge & Counties Bank
	9 Nelson Street	Charnwood Court
	Bradford	5b New Walk
	BD1 5AN	Leicester
		LE1 6TE
Solicitors	Streeter Marshall	Anthony Collins
	12 Purley Parade	134 Edmund St
	High Street	Birmingham
	Purley	B3 2ES
	Surrey	
	CR8 2AB	

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

The trustees present their report and the audited financial statements for the period ended 31 March 2025.

Legal status

The Evangelical Lutheran Church of England is an unincorporated association and a registered charity. The governing document is a written constitution. In September 2019, the following resolution was passed by the General Synod of the Church meeting in conference:

“Be it resolved that the ELCE become a Charitable Incorporated Organisation of member CIOs from the following: individual congregations of the ELCE; and other CIOs which operate as auxiliaries of the Church (for example and not limited to education and social care).

Be it further resolved that all the Governing Documents pertaining to the Church, and to the charities, and to the relationships within the ELCE CIO be presented at the next Synod for adoption.”

Post balance sheet, an application was submitted to the Charity Commission of England and Wales for registration of ELCUK, which will replace ELCE and serve as an umbrella body for the member congregations and auxiliary organisations of ELCE. Work is ongoing to submit the individual congregation applications for CIO.

Objectives and structure

The Church exists to spread the gospel of Christ. At the beginning of the financial year there were 12 congregations throughout the United Kingdom, undertaking to spread the gospel. We acknowledge that Holy Trinity, Tottenham, although it has a separate charity registration (1179023) and therefore submits separate accounts, remains a member of the ELCE Church body. As of 31 March 2025, eight congregations had their own pastors (full-time or part-time), and five congregations had the support of locum pastors from adjacent congregations. Six congregations support missions. The Church continues to provide theological training through Westfield House and runs an internet radio station, Lutheran Radio UK (LRUK). [Post balance sheet, it was agreed to close the internet radio station with the final broadcast being Compline on 31 December 2025. Material generated to date will continue to be made available via podcasts.]

Each congregation has local independence with regard to the running of the congregation and each congregation is represented at General Synod where policy decisions and protocols of the whole Church are discussed and agreed which each congregation then follows.

Trustees

The trustees are members of the Executive Council, which is elected by the General Synod of the Church. The members of the Executive Council during the year and since the year end were:

Reverend G Samiec Chairman (Retired November 2025)

Reverend A Simojoki Chairman (Appointed November 2025)

Reverend J Ehlers Vice Chairman

Mrs D Rosser Secretary

Dr C Lumley Treasurer

Mrs L M Cowie

Mrs M L Robinson

Reverend J Kriger (Retired November 2024)

Reverend C Flor (Appointed November 2024)

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Trustees' responsibilities

As trustees of the charity, the Executive Council is responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the charity and its incoming resources and application of resources for the year. In preparing these financial statements, the trustees are required to:

- select accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards, 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Charities SORP (FRS 102) issued in 2019. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The trustees examine on a regular basis the major risks that the charity faces and have developed systems to monitor and control these risks and to mitigate their impact in the future. Four major risks which have a probability of occurring with serious consequences, in spite of mitigating factors, are highlighted in the risk register:

1. Governance Structure

The Executive Council recognises the importance of the completion of the restructure to CIOs despite concerns about this course of action and future viability of some congregations which were mitigated via the Synodical process. Material to support the movement to a CIO will be prepared and particular emphasis on a broad range of skills in governance will be sought at the 'Launch' Synod for the new CIO. The Executive Council is improving long term planning but this remains an area of concern.

2. Operational Issues: Health & Safety

The H&S Compliance Officer and Committee has not eventuated through lack of skilled and interested personnel in the ELCE. The Executive Council will work to fill these roles by Synod 2025. The ELCE has contracted with a H&S Provider to audit all policies and procedures. Congregations are improving in their H&S reporting and the Executive is encouraging further improvement. Post balance sheet, the process of obtaining Fire Risk Assessments for all church properties and manses that are occupied by a pastor was initiated.

3. Workforce Issues

There is a risk that 'tyranny of the urgent' will result in burn-out, loss of morale, failure to achieve the charity's potential and poor service delivery. The Executive Council is working with a specialist HR support company to ensure that appropriate and compliant HR programmes, policies and documentation are put in place.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

4. Operational: IT

Currently the ELCE lacks a co-ordinated plan for the supply, management and usage of Information Technology across the wider organisation. Generally, congregations and Pastors use their personal devices for access to and storage of data. This distributed estate causes lack of consistency and control over access and subsequently continuity of data access as circumstances or roles change. A group of IT policies has been drafted to address this situation, and will be presented to Synod 2025. Further work is also needed to improve the ELCE's cloud based storage and usage and this will be given a priority in 2025/26.

Other risks, with a lower probability of occurring and with less serious consequences, should they occur, are also monitored on a regular basis by the Executive Council.

Fundraising

During the year under review, the Evangelical Lutheran Church of England engaged in fundraising primarily in the form of receiving free-will offerings/donations, some of which were gift-aided, from those attending our worship services. On occasion we have publicly invited ELCE members to consider the option of making a bequest to the ELCE in their wills. During the year under review, one such bequest was received.

We did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. While we publicly invite an offering at every service and Lutheran Radio UK and Westfield House invite donations, we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people. We do not use the Means of Grace to fundraise. Our fundraising practices are ethical and in the spirit of the Biblical principles of stewardship. No complaints were received about our fundraising practices during the year under consideration.

Public benefit

The trustees have considered and referred to the Charity Commission's guidance on public benefit, when reviewing the charity's aims and objectives and in planning future activities. The spiritual goals of the Church are beyond empirical assessment, but the Church continues to undertake the mission of the Church and support the congregations in the same goal. Nevertheless, when asked to comment on the achievements and performance of the Church according to the Charity Commission's criterion of public benefit, specifically with regard to the advancement of religion, the ELCE notes the following:

- Our churches are open to all members of the public and there is no membership subscription payment;
- There are a variety of interactions with the community through child care, student accommodation, civic events, senior citizen events, and youth activities notwithstanding the regular activities occurring each Sunday;
- The interaction with other British educational institutions by our theological house of studies, Westfield House (Cambridge);
- The ELCE's internet radio station – Lutheran Radio UK – is global in reach and has a strong audience in the UK;
- The facilities of a number of our congregations allows them to be offered for hire for a variety of community groups and occasions.

Governance

The trustees meet as the Executive Council at least 6 times per year to review the objectives, structure and management of the Church. Trustees monitor the performance of funds, Church

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

operating cost centres and congregations, much of which is managed not by the trustees but by designated persons or committees who are operating under congregational constitutions and by-laws or Church policies. Trustees are inducted and trained through receipt of historical material and discussions with the Chairman and Secretary.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All members of the executive Council give of their time freely and no trustee received any remuneration in the year for their work as trustees. Details of trustees' expenses and related party transactions are disclosed in Note 11 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Salary scales are aligned to the Annual Survey of Hours and Earnings (Table 1.1a) for ordained clergy and to local salaries for non-ordained staff.

Voluntary Help and Donations in Kind

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function.

Land and Buildings

The Church, including the congregations and the theological college, operates from buildings that are held in trust for the Church by the Evangelical Lutheran Church of England Trust Limited ('the Trust'). The Trustees have been advised that the Trust is the custodian of these properties and ELCE (Church) is the beneficial owner. Accordingly, the property and associated income and expenditure are recorded in the ELCE (Church) financial statements, with the exception of the property in Sunderland for which the beneficial ownership was transferred to the Trust, as of 1 November 2020.

During 2023-24, one congregation purchased a flat utilising funds from a previous land sale which were being held in the Trust pending the purchase and which thus constituted a debt from the Trust to the Church. During the period under review, the remaining funds from the original sale were transferred to the Church, clearing the full 'Trust to Church' debt.

ELCE from time-to-time benefits from funds provided by the Trust to the Church for central running costs and special projects (for example, the legal costs of the restructure work). The terminology of 'loan' has been used for these transactions between ELCE and the Trust as, historically, the intention was that the money would be put back into the Trust. The Trustees of the Trust have now confirmed they are not seeking repayment of these amounts, and therefore the amounts previously recorded as loans were in fact grants to ELCE, which has the same objects as the Trust.

The Trust also, from time to time, provides concessional loans to member congregations of the ELCE. The majority of these loans bear interest and are repayable by instalments. No new loan applications were made to the Trust in the period under review. However, post balance sheet, ELCE received a donation of £30,000 from the Trust to support the maintenance of congregational buildings. The intention is that congregations can apply to this fund to help meet immediate costs, and that any monies they receive from this fund will be paid back over time, interest free.

Market value of land and buildings

The Council considers that the market value of land and buildings, all of which are in use for charitable purposes, is considerably higher than book value. It is estimated, without carrying out a professional valuation, that the market value could be in the region of between £20 to £25 million. However, the Council does not consider it of value to obtain a professional valuation. As a guide, the buildings alone are insured for more than £25 million.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

Financial Review

The Church had net surplus of £124,598 in the year (2024: net surplus of £20,522). At the end of the period net assets totalled £7,868,358 (2024: net assets £7,743,760).

i. Restricted Funds

Total restricted funds now stand at £561,602 (2024: £487,055). The movements on these are set out in Note 16.

ii. General Funds

The General Fund has increased by £41,267 to £589,867. Designated funds increased by £8,784 to £6,716,889 during the year. Post balance sheet, it was agreed to release £10,000 from the car loan fund to the general fund.

The Trustees established a policy of reviewing the designated funds each year and closing those which had been dormant for three years. The Welfare Fund and the Worship Committee Fund were therefore closed and the balance from each moved to the General Fund.

iii. Free Reserves

The Trustees intend to hold sufficient free reserves to cover 6 months of net operating costs, estimated at £25,000 per month.

The unrestricted general fund stands at £589,867, designated funds at £6,716,889 and restricted funds at £561,602. Total funds at the year end are £7,868,358. Tangible fixed assets now total £6,663,535.

During the period under review, the Trustees agreed to designate a further £1,596 to the Restructure fund.

Congregations

The Executive Council has been advised that the member congregations are not subsidiaries of the Evangelical Lutheran Church of England but are autonomous bodies. Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE member congregations and other auxiliary bodies. Until then the activities and assets and liabilities of the member congregations and other auxiliary bodies are included in these financial statements, with the exception of Holy Trinity which prepares and submits its own accounts to the Charity Commission for England and Wales.

The non property and non-bank assets of the congregations are not included in the balance sheet as they are inalienable and the cost of attempting a valuation would be burdensome. All assets are held for the charitable purposes of the Church.

The congregations had an overall deficit of £62,200 in the period (2024: surplus £1,550).

Connected Charity

The Evangelical Lutheran Church of England Trust Limited is connected to the Evangelical Lutheran Church of England due to the fact that both charities have as their object the spread of the gospel and the Executive Council members are Trustees of the Evangelical Lutheran Church of England and Directors of the Trust. The charitable company has agreed to meet the liabilities of the Evangelical Lutheran Church of England in the event that the Church is unable to meet them itself.

Plans for Future Periods

The Trustees are committed to ensuring that the new structure is finalised and implemented so that the charity can continue to focus on its objective of spreading the Gospel, whilst complying with all UK legal and charity requirements. The new umbrella charity, Evangelical Lutheran Church in the UK

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

(ELC-UK) was registered by the Charity Commission on 19 November 2025, registered number 1215838. It will remain a dormant shell charity until the congregations and Westfield House also obtain registration and can become members. In addition, work on mitigating the key risks will be prioritised.

One congregation, Christ Lutheran Church, is in the process of selling their Montessori school.

The internet radio station LRUUK closed on 31 December 2025. Going forward, the wealth of material produced by LRUUK will be made available via podcasts.

Site Re-developments

The members of Redeemer Lutheran Church, Harlow, wish to develop their site to provide affordable rental accommodation in a multi-storey redevelopment of the site which will include a new church and accommodation for the pastor and his family. Work is ongoing to progress this.

Auditors

Chater Allan LLP have expressed their willingness to be reappointed as auditors.

Approved by the Trustees on 17 January 2026 and signed on their behalf by:



Dr C Lumley

Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Evangelical Lutheran Church of England for the year ended 31 March 2025 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2025 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 Charities Act 2011.

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 the charitable company'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 trustees are responsible for the 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND FOR THE YEAR ENDED 31 MARCH 2025

Other information (continued)

We have nothing to report in this regard.

Matters on which we are to required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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.

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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2025**

Auditor's responsibilities for the audit of the financial statements (continued)

- We obtained an understanding of the legal and regulatory framework applicable to the charity and how it is complying with that framework;
- We obtained an understanding of the charity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the charities (Accounts and reports) regulations 2008. 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.

Chater Allan LLP

Chater Allan LLP
Chartered Accountants & Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

30 January 2026

Date:

Chater Allan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	2	281,741	136,754	418,495	292,165
Charitable activities	3	64,180	333,993	398,173	409,523
Other Income	4	381,420	19,488	400,908	376,512
Investments	5	2,548	11,933	14,481	11,847
Total income		729,889	502,169	1,232,058	1,090,047
Expenditure on:					
Charitable activities	6	708,295	399,165	1,107,460	1,069,525
Total expenditure		708,295	399,165	1,107,460	1,069,525
Net Income/(expenditure) before investment gains/losses		21,594	103,004	124,598	20,522
Net realised and unrealised gains/(losses) on investments		-	-	-	-
Net (expenditure)/Income before transfers		21,594	103,004	124,598	20,522
Transfers between funds	16	28,457	(28,457)	-	-
Net movement in funds		50,051	74,547	124,598	20,522
Reconciliation of movement in funds:					
Total funds brought forward		7,256,705	487,055	7,743,760	7,723,238
Total funds carried forward		7,306,756	561,602	7,868,358	7,743,760

All activities relate to continuing operations.

The notes on pages 14 to 27 form part of these financial statements.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
BALANCE SHEET
AS AT 31 MARCH 2025

	Note	Total 2025 £	Total 2024 £
Fixed assets			
Tangible assets	12	<u>6,663,535</u>	<u>6,663,096</u>
		<u>6,663,535</u>	<u>6,663,096</u>
Current assets			
Debtors	13	192,745	291,167
Cash at bank and in hand		<u>1,315,565</u>	<u>1,082,480</u>
		<u>1,508,310</u>	<u>1,373,647</u>
Liabilities			
Creditors: amounts falling due within one year	14	199,533	170,524
Net current assets		<u>1,308,777</u>	<u>1,203,123</u>
Creditors: amounts falling due after more than one year	15	103,954	122,459
Net assets		<u>7,868,358</u>	<u>7,743,760</u>
Charity funds			
Restricted funds	16	561,602	487,055
Unrestricted funds			
Designated funds	16	6,716,889	6,708,105
General Fund	16	589,867	548,600
		<u>7,868,358</u>	<u>7,743,760</u>

The financial statements were approved by the Trustees on 17 January 2026 and signed on their behalf by:

Cynthia Lumley

Dr C Lumley
Trustee

The notes on pages 14 to 27 form part of these financial statements.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Total 2025 £	Total 2024 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>221,324</u>	<u>198,496</u>
Cash flows from investing activities:		
Interest from investments	14,481	11,847
Purchase of property, plant and equipment	<u>(2,046)</u>	<u>(158,573)</u>
Net cash provided by investing activities	<u>12,435</u>	<u>(146,726)</u>
Cash flows from financing activities		
Interest paid	(674)	(895)
Change in cash and cash equivalents in the reporting period	<u>233,085</u>	<u>50,875</u>
Cash and cash equivalents at the beginning of the reporting period	1,082,480	1,031,605
Cash and cash equivalents at the end of the reporting period	<u><u>1,315,565</u></u>	<u><u>1,082,480</u></u>
Summary of the cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	1,315,565	1,082,480
	<u><u>1,315,565</u></u>	<u><u>1,082,480</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net (expenditure)/income for the reporting period	124,598	20,522
Adjustments for:		
Depreciation charges	1,607	1,921
Gift of operating asset	-	-
Interest from investments	(14,481)	(11,847)
Interest paid shown in financing activities	674	895
(Increase)/decrease in debtors	98,422	189,169
Increase/(decrease) in creditors	10,504	(2,164)
Net cash provided by operating activities	<u><u>221,324</u></u>	<u><u>198,496</u></u>

**THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Evangelical Lutheran Church of England meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income

Donations and legacies are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the charity for its use, these are capitalised at the estimated fair value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

The various congregations hold fundraising events throughout the year and costs associated with these events are netted off. Consequently, the figure in the accounts is shown net of these costs. In the opinion of the Trustees, the gross income and expenditure are not materially understated.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity benefits from many voluntary hours and unclaimed out-of-pocket expenses. It would be impossible to place a value on all these gifts in kind for which the charity is extremely grateful.

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function. To place a monetary value on the time donated by volunteers would be an onerous task for the Trustees and therefore has not been attempted.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Other costs, including support costs are charged directly to the activity when incurred.

1.5 Going concern

The Trustees have carefully considered the cashflow forecasts for future periods using all available information. They have taken steps to ensure that the funding available from the Evangelical Lutheran Church of England Trust Limited to the charity is adequate to meet the estimated cashflow requirements. The Trustees have a reasonable expectation that the charity has adequate arrangements in place to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All fixed assets acquired for the Charity's own use are capitalised at purchase price or cost of production, or at estimated value at the time of gift where received by way of gift. No depreciation is provided on freehold land. Where the charity adopts a policy of maintaining properties to a standard that prolongs their lives and enhances their residual value, the trustees consider any depreciation arising to be insignificant and the properties are not depreciated. Where impairments occur, these are provided for. Otherwise depreciation is provided at rates to write off the excess of cost over residual value amount, over estimated useful lives as follows:

Fixtures & fittings	10 years
Office equipment	4 years

**THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1.7 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Pensions

The charity makes contributions to defined contribution schemes, which are accounted for as they are paid.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
General Donations	23,522	136,754	160,276	38,673
Offerings	258,219	-	258,219	253,492
	<u>281,741</u>	<u>136,754</u>	<u>418,495</u>	<u>292,165</u>

Included in Restricted Fund donations are donations for Westfield House and Lutheran Radio UK (below).

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Westfield House income (see below)	-	324,429	324,429	330,598
Congregation Led Group income - Seedlings	59,548	-	59,548	66,810
Student Aid Fund	250	-	250	250
Youth Fund	3,949	-	3,949	1,187
Overseas Mission	371	-	371	3,346
Publications	62	-	62	65
Furlough fund	-	1,680	1,680	-
Westfield House Endowment	-	3,150	3,150	2,650
ELCE Retreat Launde Abbey	-	4,734	4,734	4,617
	<u>64,180</u>	<u>333,993</u>	<u>398,173</u>	<u>409,523</u>

Westfield House income:

Donations	(note 2)	-	35,446	35,446	26,104
Tuition fees	(note 3)	-	137,127	137,127	130,950
Other income	(note 3)	-	820	820	9,079
Rental income	(note 3)	-	186,482	186,482	190,569
		-	359,875	359,875	356,702

Included in Other income of Westfield House is £199 (2024: £137) interest received

Westfield House Building Fund:

Donations	(note 2)	-	50,000	50,000	11,368
		-	50,000	50,000	11,368

Westfield House Organ Fund:

Donations	(note 2)	-	50,000	50,000	-
		-	50,000	50,000	-

Lutheran Radio UK:

Donations	(note 2)	-	1,308	1,308	1,201
		-	1,308	1,308	1,201

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
4. OTHER INCOME				
Congregational income	362,910	-	362,910	342,908
Rental income receivable	18,510	19,488	37,998	33,604
	<u>381,420</u>	<u>19,488</u>	<u>400,908</u>	<u>376,512</u>
5. INVESTMENT INCOME				
Investment income	2,548	11,933	14,481	11,847
	<u>2,548</u>	<u>11,933</u>	<u>14,481</u>	<u>11,847</u>
6. COST OF CHARITABLE ACTIVITIES				
Central Administration				
Maintenance and cleaning	77	-	77	25
Legal Fees	457	-	457	1,923
Telephone/internet	929	-	929	834
Postage	(23)	-	(23)	21
Stationery, printing, duplicating and IT	3,380	-	3,380	2,848
Travel	-	-	-	1,075
Rates	-	-	-	482
Insurance	2,018	-	2,018	3,136
Bank charges	290	-	290	211
Audit fee - current year	9,840	-	9,840	10,600
Accountancy and bookkeeping fees	15,000	-	15,000	16,800
Property expenses	8,204	-	8,204	4,102
Sundries	1,348	-	1,348	131
Donations	27,250	-	27,250	300
	<u>68,770</u>	<u>-</u>	<u>68,770</u>	<u>42,488</u>
Congregational expenditure				
Pastors' salaries and costs	250,932	-	250,932	275,979
Establishment costs	200,990	-	200,990	163,370
Insurance and repairs	81,389	-	81,389	58,889
Other costs	11,567	-	11,567	9,714
Church Led Group costs - Seedlings	62,094	-	62,094	73,416
	<u>606,972</u>	<u>-</u>	<u>606,972</u>	<u>581,368</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
6. COST OF CHARITABLE ACTIVITIES (continued)				
Westfield House				
Direct costs	-	62,657	62,657	64,914
Salaries and wages	-	176,287	176,287	163,170
Property expenses	-	122,548	122,548	109,774
Accountancy and bookkeeping fees	-	6,000	6,000	6,000
Legal Fees	-	2,486	2,486	1,329
Other costs	-	2,617	2,617	4,421
	-	372,595	372,595	349,608
Fund Expenditure				
Furlough fund	-	1,194	1,194	2,000
Youth fund	4,564	-	4,564	4,459
Barnes conference	650	-	650	515
Board for overseas mission	4,025	-	4,025	5,405
ELCE Retreat Launde Abbey	-	4,481	4,481	3,960
LRUK (below)	-	18,771	18,771	24,725
Publications	1,607	-	1,607	1,862
Retirement	-	2,124	2,124	24,000
Student Aid payments	200	-	200	200
Westfield House Endowment	-	-	-	10
Restructure fund	1,596	-	1,596	3,274
Glen Zweck Scholarship Fund	-	-	-	7
HR/HS	6,997	-	6,997	1,132
Westfield House Building Fund	-	-	-	3
Dr. George Pearce Fund	5,000	-	5,000	-
	19,639	26,570	46,209	71,552
Lutheran Radio UK:				
Salaries	-	19,989	19,989	19,208
Other costs	-	(1,218)	(1,218)	5,517
	-	18,771	18,771	24,725
ELCE expenditure				
ELCE committees and Chairman expenses	10,633	-	10,633	11,402
	10,633	-	10,633	11,402
Miscellaneous expenses				
Depreciation	1,607	-	1,607	1,921
Interest payable	674	-	674	895
Cancellation of voluntary contributions (2011-2021)	-	-	-	6,835
Bad debts	-	-	-	3,456
	2,281	-	2,281	13,107
Total Expenditure	708,295	399,165	1,107,460	1,069,525

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Other	Depreciation		
	2025	2025	2025	2025	2024
	£	£	£	£	£
Charitable Activities	447,009	658,844	1,607	1,107,460	1,069,525
	<u>447,009</u>	<u>658,844</u>	<u>1,607</u>	<u>1,107,460</u>	<u>1,069,525</u>

8. NET INCOME/ EXPENDITURE

	2025	2024
	£	£
The excess of income over expenditure is stated after charging:		
Depreciation of tangible fixed assets: owned by the company	1,607	1,921
Auditors remuneration: audit	8,840	9,600
Auditors remuneration: non-audit	1,000	1,000
Auditors remuneration: audit in relation to the prior year	<u>-</u>	<u>1,600</u>

9. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	385,383	392,005
National insurance	41,812	39,829
Pension costs	19,814	22,019
	<u>447,009</u>	<u>453,853</u>

	2025	2024
	No.	No.
The average monthly number of employees during the year was as follows:		
Work with congregations	14	14
Theological training	<u>4</u>	<u>4</u>
	<u>18</u>	<u>18</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key Management Personnel

The total wages & salaries, social security costs and pension costs of the key management personnel of the charity as listed on page 1 were £179,953 (2024: £191,720).

10. PENSION COSTS

The charity contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to these funds and amounted to £19,814 (2024: £22,019).

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

11. TRUSTEES' REMUNERATION

During the period, expenses amounting to £17,338 were reimbursed to 5 trustees (2024: £15,664 to 3 trustees). No remuneration was paid to any trustees during the year in their capacity as trustees. Note 13 sets out details of car loans made to trustees. During the year, donations amounting to £106,797 were received from trustees.

Remuneration is paid to the following trustees who are employees of the charity in their positions as ordained ministers of member congregations and as Principal of Westfield House.

	Wages and salaries	Social security	Pension costs
	£	£	£
Rev G Samiec	36,337	3,759	2,550
Rev J Ehlers	33,309	3,341	2,395
Dr C E Lumley	28,050	2,616	-
Rev J Kriger	34,066	3,446	2,391
Rev C Flor	36,337	3,759	2,550
	<u>168,099</u>	<u>16,921</u>	<u>9,886</u>

During the period Rev G Samiec, Rev J Ehlers Rev J Kriger and Rev Flor were provided with accommodation. The key management personnel of the charity are considered to be related parties and their total employee benefits are set out in note 9.

12. TANGIBLE FIXED ASSETS

	Freehold property	Library books	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2024	6,627,990	192,932	58,970	15,838	6,895,730
Additions	1,553	-	-	493	2,046
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2025	<u>6,629,543</u>	<u>192,932</u>	<u>58,970</u>	<u>16,331</u>	<u>6,897,776</u>
Depreciation					
As at 1 April 2024	-	170,084	46,712	15,838	232,634
Charge for the year	-	-	1,597	10	1,607
As at 31 March 2025	<u>-</u>	<u>170,084</u>	<u>48,309</u>	<u>15,848</u>	<u>234,241</u>
Net book value					
As at 31 March 2025	<u>6,629,543</u>	<u>22,848</u>	<u>10,661</u>	<u>483</u>	<u>6,663,535</u>
As at 31 March 2024	<u>6,627,990</u>	<u>22,848</u>	<u>12,258</u>	<u>-</u>	<u>6,663,096</u>

13. DEBTORS

	2025	2024
	£	£
Due < 1 year		
Trade debtors	82,536	70,563
Car loans - concessionary loans	3,979	6,332
ELCE Trust Limited	-	89,944
Other debtors	1,754	12,039
Prepayments and Accrued Income	41,181	45,006
	<u>129,450</u>	<u>223,884</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13. DEBTORS

Included in car loans are amounts totalling £1,319 owed by one trustee in office at the period end (2024 - one trustee owed £2,000). All of the loans detailed are repayable by instalments within the next four years and no interest is charged with the exception of one car loan.

	2025	2024
	£	£
Due > 1 year		
Car loans - concessionary loans	7,847	11,835
Other concessional loans due from congregations as below	55,448	55,448
	<u>63,295</u>	<u>67,283</u>
Other concessional loans due from congregations:	£	£
Holy Trinity	55,448	55,448
	<u>55,448</u>	<u>55,448</u>
Total debtors	<u>192,745</u>	<u>291,167</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	44,046	31,882
Other creditors	10,310	7,248
Other taxation and social security	4,751	4,958
Accruals and deferred income	38,224	30,784
	<u>97,331</u>	<u>74,872</u>
Deferred income:		
As at 1 April 2024	12,812	17,845
Deferred income recognised in the year	(12,812)	(17,845)
Resources deferred during the year	18,833	12,812
As at 31 March 2025	<u>18,833</u>	<u>12,812</u>

Deferred income represents tuition income and rents received in advance

Congregation amounts owed to Evangelical Lutheran Church of England Trust Limited

	2025	2024
	£	£
Holy Trinity, Tottenham	139,360	139,360
St Peters	11,750	23,330
Redeemer building project	55,046	55,421
	<u>206,156</u>	<u>218,111</u>
Less: due after one year	<u>(103,954)</u>	<u>(122,459)</u>
	<u>102,202</u>	<u>95,652</u>
Total creditors falling due within one year	<u>199,533</u>	<u>170,524</u>

The majority of the loans bear interest and are repayable by instalment.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<i>Monies owed to Evangelical Lutheran Church of England Trust Limited</i>	2025	2024
	£	£
Holy Trinity, Tottenham	39,910	45,760
Redeemer building project	53,771	54,846
St Peters	10,273	21,853
	<u>103,954</u>	<u>122,459</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. STATEMENT OF FUNDS

	Note	Brought forward £	Income £	Expenditure £	Transfers in £	Transfers (out) £	Carried forward £
Designated Funds:							
Car fund	i	21,833			6,341	-	28,174
Sabbatical leave fund	iii	8,976	-	-	-	-	8,976
Student aid fund	iv	6,178	250	(200)	-	-	6,228
Youth fund	v	1,830	3,950	(4,564)	-	-	1,216
Rev Dr E Geo Pearce memorial fund	vi	17,510	-	(5,000)	251	-	12,761
Board for overseas mission	vii	3,672	371	(4,025)	368	-	386
Barnes conference	x	9,537	-	(650)	-	-	8,887
Property fund	xii	6,627,990	-	-	1,553	-	6,629,543
Restructure Fund	xiii	-	-	(1,596)	1,596	-	-
Publishing Fund	xiv	1,221	81	(1,607)	1,560	-	1,255
HR/H&S Fund - Designated	xv	9,358	14,250	(6,997)	2,852	-	19,463
		6,708,105	18,902	(24,639)	14,521	-	6,716,889
General Funds:							
General Funds:		548,600	710,987	(683,656)	(54,444)	68,380	589,867
Total Unrestricted Funds		7,256,705	729,889	(708,295)	(39,923)	68,380	7,306,756
Restricted Funds:							
Retirement reserve fund	xvi	6,073	19,488	(2,124)	4,690	-	28,127
LRUK	xvii	22,575	1,308	(18,772)	7,388	-	12,499
Westfield House Endowment	xviii	123,150	8,727	-	-	-	131,877
Glen Zweck Scholarship Fund	xix	79,667	3,564	-	-	-	83,231
ELCE Retreat	xx	1,597	4,734	(4,480)	-	-	1,851
Lutheran Women's League of Great Britain	xxi	200	-	-	-	-	200
Good Shepherd Property Fund	xxii	66,130	-	-	-	(66,130)	-
Westfield House Operating Fund	xxiii	145,316	359,876	(372,595)	-	(2,250)	130,347
Westfield House Building Fund	xxiv	40,535	52,792	-	27,845	-	121,172
Furlough fund	ii	1,812	1,680	(1,194)	-	-	2,298
Westfield House Organ Fund	xxv	-	50,000	-	-	-	50,000
		487,055	502,169	(399,165)	39,923	(68,380)	561,602
Total Funds		7,743,760	1,232,058	(1,107,460)	-	-	7,868,358

**THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. STATEMENT OF FUNDS (CONTINUED)

Designated Funds:

- i This fund is held to assist Pastors in purchasing motor vehicles.
- ii Every 5 years each Pastor and his family originating from outside the UK is entitled to visit his home country. The fund exists to pay for travelling expenses. Since Pastors come from as far afield as Australia and America these expenses can be substantial. This is a restricted fund so a transfer made in 2024 to restricted funds.
- iii This fund is used at the Council's discretion to pay for Pastors' costs related to the taking of a sabbatical.
- iv The fund is used at Council's discretion to help students in need.
- v This fund is operated by the Youth Board, who are elected by the General Synod.
- vi This fund's primary use is for mission and outreach based projects, but all requests for grants are carefully considered. Requests are to be supported by a written action plan.
- vii This fund was set aside from the proceeds of the sale of All Hallow's, Sunbury on Thames, to fund donations to overseas Lutheran missions work as requested by the Board for Overseas Missions. It now receives donations and contributions from congregations each year.
- x Funds have been allocated for the conference.
- xii This Fund reflects the funds utilised in freehold property
- xiii These funds were set aside by the Trustees to fund the reorganisation work
- xiv This fund is designated to support ELCE publications, in particular a quarterly newsletter (*The British Lutheran*). An initial sum of £2000 was allocated to the fund, in order to underwrite initial costs. Income received from any ELCE publication is allocated to this fund.
- xv This fund was established to support the appointment of external HR/HS advisor(s). Congregations and Westfield House make regular contributions to the fund through the quarterly invoices.

Restricted Funds:

- xvi This fund was set up to assist pastors to meet one of their major problems on retirement, namely that of finding suitable accommodation. Pastors who meet the conditions of the fund receive one-off payments into their pension funds when they reach 28 and 33 years of service with ELCE and at retirement.
- xvii This fund was set up for donations given specifically towards the costs of the Lutheran Radio UK.
- xviii This fund was set up to support the running costs of Westfield House by donating the interest earned on the capital sum. Interest is usually transferred to the Church on an annual basis to support the running costs of Westfield House, or in some years, it is left in the fund.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. STATEMENT OF FUNDS (CONTINUED)

- xix This fund was set up from a legacy to provide scholarship funding for students wishing to attend Westfield House. The fund will be administered by the Westfield House Admissions Committee.
- xx Payment is made for the Retreat before the financial year end, but the Retreat doesn't take place until the next financial year (i.e. April or May).
- xxi This fund was established by the LWLGB (Lutheran Women's League of Great Britain) to provide support to families of international students who are studying in a residential programme at Westfield House.
- xxii The Good Shepherd Property Fund was established from sales proceeds of land of Good Shepherd Lutheran Church and the majority was utilised to purchase a property to house a pastor for the congregation and for Lutherans in the Midlands. It has also helped Good Shepherd to repay their historic debt to the Trust. The remainder was moved to Good Shepherd in 2024/25.
- xxiii Funds to be utilised by Westfield House in the next financial year. It should be noted that the financial year does not align with the academic year, making it essential that some funds are carried forward each year.
- xxiv The Westfield Building Fund was established to collect donations to enable the renovation of 26A and the conversion of the former ELCE Office to a one-bed flat.
- xxv Organ Fund: Established by Westfield House to collect donations to purchase a replacement organ for St Titus Chapel/Resurrection Lutheran Church.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Tangible fixed assets	33,992	6,629,543	6,663,535	6,663,096
Current assets	7,576,251	(6,067,941)	1,508,310	1,373,647
Creditors due within one year	(199,533)	-	(199,533)	(170,524)
Creditors due after more than one year	(103,954)	-	(103,954)	(122,459)
	<u>7,306,756</u>	<u>561,602</u>	<u>7,868,358</u>	<u>7,743,760</u>

18. OPERATING LEASE COMMITMENTS

At 31 March 2025 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	Total 2025 £	Total 2024 £
Equipment		
Less than one year	608	1,377
Between one and five years	<u>1,776</u>	<u>584</u>
	<u>2,384</u>	<u>1,961</u>
Operating lease charges for the period:		
Hire of plant & machinery	<u>740</u>	<u>2,889</u>
	<u>740</u>	<u>2,889</u>

19. CONTINGENT LIABILITY

The Church has agreed to meet the liabilities of the Evangelical Lutheran Church of England Trust Limited in the event that the company is unable to meet them itself.

**THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

20. TRANSACTIONS WITH CONNECTED CHARITY

The Charity is connected to the Evangelical Lutheran Church of England Trust Limited, which acts as custodian for properties owned by the Church, which is the beneficial owner. Both the Church and the Trust have as their objectives the spread of the Gospel. The Executive Council of the Church are the Trustees of the Church and also the Directors of the charitable company, acting on behalf of the member congregations of the charitable company who are represented by the pastoral and lay delegates who attend the annual meeting of the charitable company held in conjunction with the annual synod of the Evangelical Lutheran Church of England Trust Limited. As at 31 March 2025 member congregations of the Church owed the charitable company £206,156 (2024: £218,111).

During the year ELCE Church donated £26,250 to the Trust. At 31st March 2025, the Evangelical Lutheran Church of England Trust owed ELCE Church £nil (2024: £89,944).

21. CONTROLLING PARTY

The Charity is controlled by its members, who make up the Synod of the Evangelical Lutheran Church of England.

22. STATUS OF CONGEGATIONS

Following further advice from the Charity Commission, the Executive Council have been advised that member congregations are not subsidiaries of the Evangelical Lutheran Church of England, but are autonomous bodies in membership of the Evangelical Lutheran Church of England. A Church wide consultation in response to this advice is underway and in the interim, as in previous years, these accounts have been prepared on a line by line consolidation basis, as if the congregations and Westfield House are subsidiaries of the Church.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (AS RESTATED)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Income from:			
Donations and legacies	253,492	38,673	292,165
Charitable activities	71,658	337,865	409,523
Other activities	363,608	12,904	376,512
Investments	2,396	9,451	11,847
Total income	691,154	398,893	1,090,047
Expenditure on:			
Charitable activities	667,212	402,313	1,069,525
Total expenditure	667,212	402,313	1,069,525
Net expenditure before investment gains/losses	23,942	(3,420)	20,522
Net realised and unrealised gains/(losses) on investments	-	-	-
Net (expenditure)/Income before transfers	23,942	(3,420)	20,522
Transfers between funds	130,974	(130,974)	-
Net movement in funds	154,916	(134,394)	20,522
Fund balances brought forward	7,101,039	621,449	7,722,488
Prior year adjustment	750	-	750
Fund balances brought forward as restated	7,101,789	621,449	7,723,238
Total funds carried forward	7,256,705	487,055	7,743,760

All activities relate to continuing operations.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND

England & Wales - Charity number 220466

Accounts

Charity number: 220466

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CONTENTS
FOR THE YEAR ENDED 31 MARCH 2024

	Page
Charity Information	1
Trustees' Report	2-7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Cash flow statement	13
Notes to the financial statements	14-26

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND

CHARITY INFORMATION

Trustees	Reverend G Samiec	Chairman
	Reverend J Ehlers	Vice Chairman
	Mrs D Rosser	Secretary
	Dr C Lumley	Treasurer
	Reverend J Kriger	
	Mrs L M Cowie	
	Mr R Thoeke	(Resigned 18th November 2023)
	Mrs M L Robinson	(Appointed 18th November 2023)
Key management personnel	Reverend G Samiec	Chairman
	Reverend J Ehlers	Vice Chairman
	Mrs D Rosser	Secretary
	Dr C Lumley	ELCE Treasurer and Principal, Westfield House
	Dr J Humann	Preceptor, Westfield House
Charity number	220466	
Registered office	28 Huntingdon Road Cambridge CB3 0HH	
Congregations	Luther Tyndale, Kentish Town	Resurrection, Cambridge
	St Andrew's, Ruislip	Redeemer, Harlow
	Christ Church, Petts Wood	St Columba, East Kilbride
	St Paul's, Borehamwood	Good Shepherd, Coventry
	St Peter's, Plymouth	Our Saviour, Fareham
	St David, Cardiff	Ascension, Brandon, Suffolk
Auditors	Chater Allan LLP 7 Quay Court Colliers Lane Stow-cum-Quay CB25 9AU	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ	HSBC Bank plc 63-64 St Andrews Street Cambridge CB2 3BZ
	Cater Allen Private Bank 9 Nelson Street Bradford BD1 5AN	Cambridge & Counties Bank Charnwood Court 5b New Walk Leicester LE1 6TE
Solicitors	Streeter Marshall 12 Purley Parade High Street Purley Surrey CR8 2AB	Anthony Collins 134 Edmund St Birmingham B3 2ES

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The trustees present their report and the audited financial statements for the period ended 31 March 2024.

Legal status

The Evangelical Lutheran Church of England is an unincorporated association and a registered charity. The governing document is a written constitution. In September 2019, the following resolution was passed by the General Synod of the Church meeting in conference:

"Be it resolved that the ELCE become a Charitable Incorporated Organisation of member CIOs from the following: individual congregations of the ELCE; and other CIOs which operate as auxiliaries of the Church (for example and not limited to education and social care).

Be it further resolved that all the Governing Documents pertaining to the Church, and to the charities, and to the relationships within the ELCE CIO be presented at the next Synod for adoption."

Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies.

Objectives and structure

The Church exists to spread the gospel of Christ. At the beginning of the financial year there were 12 congregations throughout the United Kingdom, undertaking to spread the gospel. We acknowledge that Holy Trinity, Tottenham, although it has a separate charity registration (1179023) and therefore submits separate accounts, remains a member of the ELCE Church Body. As of 31 March 2024, eight congregations had their own pastors (full-time or part-time), and five congregations had the support of locum pastors from adjacent congregations. Six congregations support missions. The Church continues to provide theological training through Westfield House and runs an internet radio station, Lutheran Radio UK (LRUK).

Each congregation has local independence with regard to the running of the congregation and each congregation is represented at General Synod where policy decisions and protocols of the whole Church are discussed and agreed which each congregation then follows.

Trustees

The trustees are members of the Executive Council, which is elected by the General Synod of the Church. The members of the Executive Council during the year were:

Reverend G Samiec Chairman
Reverend J Ehlers Vice Chairman
Mrs D Rosser Secretary
Dr C Lumley Treasurer
Mrs L M Cowie
Mrs M L Robinson (appointed November 2023)
Mr R Thoeke (Resigned November 2023)
Reverend J Kriger

Trustees' responsibilities

As trustees of the charity, the Executive Council is responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the charity and its incoming resources and application of resources for the year. In preparing these financial statements, the trustees are required to:

- select accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards, 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 charity will continue in operation.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Charities SORP (FRS 102) issued in 2019. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The trustees examine on a regular basis the major risks that the charity faces and have developed systems to monitor and control these risks and to mitigate their impact in the future. Four major risks which have a probability of occurring with serious consequences, in spite of mitigating factors, are highlighted in the risk register:

1. Governance Structure

The Trustees recognise the importance of the completion of the restructure to CIOs despite concerns about this course of action and future viability of some congregations which were mitigated via the Synodical process. Although we had hoped to be closer to applying for registration as CIOs by Synod 2024, there is further work to be done as material to support the movement to a CIO is still being prepared. In the meantime, an evaluation of skills represented in the current Board has been conducted to identify skills gaps which we will seek to fill at the 2024 Synod. The Executive Council is improving long term planning but this remains an area of concern.

2. Operational Issues: Health & Safety

The H&S Compliance Officer and Committee has not eventuated through lack of skilled and interested personnel in the ELCE. The Executive Council had hoped to fill these roles by Synod 2024, but prioritisation of other activities with potentially greater consequences has limited the time available. However, the ELCE has contracted with an H&S Provider to audit all policies and procedures and who now acts as our Health & Safety Advisor and has appointed a named competent person. Congregations are improving in their H&S reporting and the Executive is encouraging further improvement.

3. Workforce Issues

There is a risk that 'tyranny of the urgent' will result in burn-out, loss of morale, failure to achieve the charity's potential and poor service delivery. The Executive Council is working with a specialist HR support company to ensure that appropriate and compliant HR programmes, policies and documentation are put in place.

4. Operational: IT

Currently the ELCE lacks a co-ordinated plan for the supply, management and usage of Information Technology across the wider organisation. Generally, congregations and Pastors use their personal devices for access to and storage of data. This distributed estate causes lack of consistency and control over access and subsequently continuity of data access as circumstances or roles change. A group of IT policies has been drafted to address this situation, but the policies have not yet reached the stage where they can be presented to Synod. Further work is also needed to improve the ELCE's cloud based storage and usage and this will be given a priority in 2025.

Other risks, with a lower probability of occurring and with less serious consequences, should they occur, are also monitored on a regular basis by the Executive Council.

Fundraising

During the year under review, the Evangelical Lutheran Church of England engaged in fundraising primarily in the form of receiving free-will offerings/donations, some of which were gift-aided, from those attending our worship services. On occasion we have publicly invited ELCE members to consider the option of making a bequest to the ELCE in their wills. During the year under review, one such bequest was received.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

We did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. While we publicly invite an offering at every service and Lutheran Radio UK and Westfield House invite donations, we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people. We do not use the Means of Grace to fundraise. Our fundraising practices are ethical and in the spirit of the Biblical principles of stewardship. No complaints were received about our fundraising practices during the year under consideration.

Public benefit

The trustees have considered and referred to the Charity Commission's guidance on public benefit, when reviewing the charity's aims and objectives and in planning future activities. The spiritual goals of the Church are beyond empirical assessment, but the Church continues to undertake the mission of the Church and support the congregations in the same goal. Nevertheless, when asked to comment on the achievements and performance of the Church according to the Charity Commission's criterion of public benefit, specifically with regard to the advancement of religion, the ELCE notes the following:

- Our churches are open to all members of the public and there is no membership subscription payment;
- There are a variety of interactions with the community through child care, student accommodation, civic events, senior citizen events, and youth activities notwithstanding the regular activities occurring each Sunday;
- The interaction with other British educational institutions by our theological house of studies, Westfield House (Cambridge);
- The ELCE's internet radio station – Lutheran Radio UK – is global in reach and has a strong audience in the UK;
- The facilities of a number of our congregations allows them to be offered for hire for a variety of community groups and occasions.

Governance

The trustees meet as the Executive Council at least 6 times per year to review the objectives, structure and management of the Church. Trustees monitor the performance of funds, Church operating cost centres and congregations, much of which is managed not by the trustees but by designated persons or committees who are operating under congregational constitutions and by-laws or Church policies. Trustees are inducted and trained through receipt of historical material and discussions with the Chairman and Secretary.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All members of the executive Council give of their time freely and no trustee received any remuneration in the year for their work as trustees. Details of trustees' expenses and related party transactions are disclosed in Note 11 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Salary scales are aligned to the Annual Survey of Hours and Earnings (Table 1.1a) for ordained clergy and to local salaries for non-ordained staff.

Voluntary Help and Donations in Kind

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function.

Land and Buildings

The Church, including the congregations and the theological college, operates from buildings that are held in trust for the Church by the Evangelical Lutheran Church of England Trust Limited ('the Trust'). The Trustees have been advised that the Trust is the custodian of these properties and ELCE (Church) is the beneficial owner. Accordingly, the property and associated income and expenditure

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

are recorded in the ELCE (Church) financial statements, with the exception of the property in Sunderland for which the beneficial ownership was transferred to the Trust, as of 1 November 2020.

During the period under review one congregation purchased a flat utilising funds from a previous land sale which were being held in the Trust pending the purchase and which thus constituted a debt from the Trust to the Church. The purchase was made by the Trust as the registered custodian of properties, and the property was then transferred to the Church, reducing the debt of the Trust to the church. Post balance sheet the remaining funds from the original sale were transferred to the Church, clearing the full debt.

ELCE from time-to-time benefits from funds provided by the Trust to the Church for central running costs and special projects (for example, the legal costs of the restructure work). The terminology of 'loan' has been used for these transactions between ELCE and the Trust as, historically, the intention was that the money would be put back into the Trust. The Trustees of the Trust have now confirmed they are not seeking repayment of these amounts, and therefore the amounts previously recorded as loans were in fact grants to ELCE, which has the same objects as the Trust.

The Trust also, from time to time, provides concessional loans to member congregations of the ELCE. The majority of these loans bear interest and are repayable by instalments. No new loan applications were made to the Trust in the period under review.

Market value of land and buildings

The Council considers that the market value of land and buildings, all of which are in use for charitable purposes, is considerably higher than book value. It is estimated, without carrying out a professional valuation, that the market value could be in the region of between £20 to £25 million. However, the Council does not consider it of value to obtain a professional valuation. As a guide, the buildings alone are insured for more than £25 million.

Financial Review

The Church had net surplus of £20,522 in the year (2023: net surplus of £109,279). At the end of the period net assets totalled £7,743,760 (2023: net assets £7,723,238).

i. Restricted Funds

Total restricted funds now stand at £487,055 (2023: £621,449). The movements on these are set out in Note 16.

ii. General Funds

The General Fund has decreased by £138 to £548,600. Designated funds increased by £155,054 to £6,708,105 during the year.

The Trustees established a policy of reviewing the designated funds each year and closing those which had been dormant for three years. The Welfare Fund and the Worship Committee Fund were therefore closed and the balance from each moved to the General Fund.

iii. Free Reserves

The Trustees intend to hold sufficient free reserves to cover 6 months of net operating costs, estimated at £25,000 per month.

The unrestricted general fund stands at £548,600, designated funds at £6,708,105 and restricted funds at £487,055. Total funds at the year end are £7,743,760. Tangible fixed assets now total £6,663,096.

At the January 2020 meeting, the Trustees agreed that funds should be set aside to cover the legal costs of the restructure. In the first instance a total of £40,000 was allocated to this fund, comprising £15,000 designated from ELCE Church and Restricted donations of £25,000 from ELCE Trust Ltd. These funds have all been spent and an additional £1,928 was moved from the General fund to bring

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31MARCH 2024

the balance in the restructure fund to 0 at year end. Post-balance sheet, the Trustees agreed to designate a further £12,000 to this fund.

Congregations

The Executive Council has been advised that the member congregations are not subsidiaries of the Evangelical Lutheran Church of England but are autonomous bodies. Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies. Until then the activities and assets and liabilities of the member congregations and other auxiliary bodies are included in these financial statements, with the exception of Holy Trinity which prepares and submits its own accounts to the Charity Commission for England and Wales.

The non property and non-bank assets of the congregations are not included in the balance sheet as they are inalienable and the cost of attempting a valuation would be burdensome. All assets are held for the charitable purposes of the Church.

The congregations had an overall surplus of £1,550 in the period (2023: surplus £53,723).

Connected Charity

The Evangelical Lutheran Church of England Trust Limited is connected to the Evangelical Lutheran Church of England due to the fact that both charities have as their object the spread of the gospel and the Executive Council members are Trustees of the Evangelical Lutheran Church of England and Directors of the Trust. The charitable company has agreed to meet the liabilities of the Evangelical Lutheran Church of England in the event that the Church is unable to meet them itself.

Plans for Future Periods

The Trustees are committed to ensuring that the new structure is finalised and implemented so that the charity can continue to focus on its objective of spreading the Gospel, whilst complying with all UK legal and charity requirements. In addition, work on mitigating the key risks will be prioritised.

One congregation, Christ Lutheran Church, is in the process of selling their Montessori school.

Pension Arrangements for Pastors

As part of the restructure activities, the Trustees conducted a review of the current Employer's Pension arrangements – a 'defined contribution' scheme with The Pensions Trust – for pastors, which showed that the provisions, fees etc are suitable compared to other employers' pension schemes. However, the review of individual pastor's pension arrangements by an independent financial advisor established that for most of the current pastors there will be a shortfall between the projected income from their pensions and their income requirements. The main reason for this is that, as Ministers of Religion, ELCE pastors have been required to live in tied housing and their salaries have been adjusted downwards to take this into account (similar to other Christian denominations in the UK). The Trustees are therefore considering ways to assist pastors to move from tied housing in retirement and have reviewed the provisions made by other denominations for their ministers. A resolution was passed at the AGM of ELCE Trust Ltd in November 2023, approving the development of a 'Housing for Retirement' scheme for currently serving pastors. A draft scheme will be presented to the Trust AGM in November 2024 for approval.

Site Re-developments

Three congregations are investigating the possibility of redeveloping their sites.

- The members of Redeemer Lutheran Church, Harlow, wish to develop their site to provide affordable rental accommodation in a multi-storey redevelopment of the site which will include a new church and accommodation for the pastor and his family.
- During the period under review, Good Shepherd Lutheran Church, Coventry identified a property to purchase using the proceeds from the sale of their land and the purchase was completed post-balance sheet. In the first instance the property is being rented to raise income but it is intended that it will ultimately be used to house a pastor for the congregation

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

and for Lutherans in the Midlands, thus furthering the objects of the charity by maintaining an active Lutheran ministry in the Coventry area and fostering links with Lutherans in the wider area. To this end, Good Shepherd also has responsibility for St Timothy's Mission.

- St Peter's, Plymouth, received an unsolicited offer to purchase a small piece of land attached to their parsonage. Work is ongoing to assess the potential value of such a sale for the charitable work of St Peter's.

Auditors

Chater Allan LLP have expressed their willingness to be reappointed as auditors.

Approved by the Trustees on 18th January 2025 and signed on their behalf by:

Cynthia Lumley

Trustee

Dr C Lumley

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Evangelical Lutheran Church of England for the year ended 31 March 2024 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 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 Charities Act 2011.

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 the charitable company'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 trustees are responsible for the 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND FOR THE YEAR ENDED 31 MARCH 2024

Other information (continued)

We have nothing to report in this regard.

Matters on which we are to required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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.

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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2024**

Auditor's responsibilities for the audit of the financial statements (continued)

- We obtained an understanding of the legal and regulatory framework applicable to the charity and how it is complying with that framework;
- We obtained an understanding of the charity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the charities (Accounts and reports) regulations 2008. 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.

Chater Allan LLP

Chater Allan LLP
Chartered Accountants & Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

29 January 2025

Date:

Chater Allan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	2	253,492	38,673	292,165	330,394
Charitable activities	3	71,658	337,865	409,523	424,416
Other Income	4	363,608	12,903	376,511	346,128
Investments	5	2,396	9,451	11,847	660
Total income		691,154	398,893	1,090,047	1,101,598
Expenditure on:					
Charitable activities	6	667,212	402,313	1,069,525	992,319
Total expenditure		667,212	402,313	1,069,525	992,319
Net Income/(expenditure) before investment gains/losses		23,942	(3,420)	20,522	109,279
Net realised and unrealised gains/(losses) on investments		-	-	-	-
Net (expenditure)/Income before transfers		23,942	(3,420)	20,522	109,279
Transfers between funds	16	130,974	(130,974)	-	-
Net movement in funds		154,916	(134,394)	20,522	109,279
Reconciliation of movement in funds:					
Total funds brought forward		7,101,039	621,449	7,722,488	7,633,659
Prior year adjustment	23	750	-	750	(19,700)
Total funds brought forward as restated		7,101,789	621,449	7,723,238	7,613,959
Total funds carried forward		7,256,705	487,055	7,743,760	7,723,238

All activities relate to continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
BALANCE SHEET
AS AT 31 MARCH 2024

	Note	Total 2024 £	Total 2023 £
Fixed assets			
Tangible assets	12	6,663,096	6,506,444
		<u>6,663,096</u>	<u>6,506,444</u>
Current assets			
Debtors	13	291,167	480,336
Cash at bank and in hand		1,082,480	1,031,605
		<u>1,373,647</u>	<u>1,511,941</u>
Liabilities			
Creditors: amounts falling due within one year	14	170,524	155,533
Net current assets		<u>1,203,123</u>	<u>1,356,408</u>
Creditors: amounts falling due after more than one year	15	122,459	139,614
Net assets		<u>7,743,760</u>	<u>7,723,238</u>
Charity funds			
Restricted funds	16	487,055	621,449
Unrestricted funds			
Designated funds	16	6,708,105	6,553,051
General Fund	16	548,600	548,738
		<u>7,743,760</u>	<u>7,723,238</u>

The financial statements were approved by the Trustees on 18 January 2025 and signed on their behalf by:

Cynthia Lumley

Dr C Lumley
Trustee

The notes on pages 14 to 25 form part of these financial statements.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Total 2024 £	Total 2023 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>198,496</u>	<u>103,120</u>
Cash flows from investing activities:		
Interest from investments	11,847	810
Purchase of property, plant and equipment	<u>(158,573)</u>	<u>(27,776)</u>
Net cash provided by investing activities	<u>(146,726)</u>	<u>(26,966)</u>
Cash flows from financing activities		
Interest paid	(895)	(895)
Change in cash and cash equivalents in the reporting period	<u>50,875</u>	<u>75,259</u>
Cash and cash equivalents at the beginning of the reporting period	1,031,605	956,346
Cash and cash equivalents at the end of the reporting period	<u><u>1,082,480</u></u>	<u><u>1,031,605</u></u>
Summary of the cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	1,082,480	1,031,605
	<u><u>1,082,480</u></u>	<u><u>1,031,605</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net (expenditure)/income for the reporting period	20,522	109,279
Adjustments for:		
Depreciation charges	1,921	3,453
Gift of operating asset	-	-
Interest from investments	(11,847)	(810)
Interest paid shown in financing activities	895	895
(Increase)/decrease in debtors	189,169	47,873
Increase/(decrease) in creditors	(2,164)	(57,570)
Net cash provided by operating activities	<u><u>198,496</u></u>	<u><u>103,120</u></u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Evangelical Lutheran Church of England meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income

Donations and legacies are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the charity for its use, these are capitalised at the estimated fair value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

The various congregations hold fundraising events throughout the year and costs associated with these events are netted off. Consequently, the figure in the accounts is shown net of these costs. In the opinion of the Trustees, the gross income and expenditure are not materially understated.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity benefits from many voluntary hours and unclaimed out-of-pocket expenses. It would be impossible to place a value on all these gifts in kind for which the charity is extremely grateful.

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function. To place a monetary value on the time donated by volunteers would be an onerous task for the Trustees and therefore has not been attempted.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Other costs, including support costs are charged directly to the activity when incurred.

1.5 Going concern

The Trustees have carefully considered the cashflow forecasts for future periods using all available information. They have taken steps to ensure that the funding available from the Evangelical Lutheran Church of England Trust Limited to the charity is adequate to meet the estimated cashflow requirements. The Trustees have a reasonable expectation that the charity has adequate arrangements in place to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All fixed assets acquired for the Charity's own use are capitalised at purchase price or cost of production, or at estimated value at the time of gift where received by way of gift. No depreciation is provided on freehold land. Where the charity adopts a policy of maintaining properties to a standard that prolongs their lives and enhances their residual value, the trustees consider any depreciation arising to be insignificant and the properties are not depreciated. Where impairments occur, these are provided for. Otherwise depreciation is provided at rates to write off the excess of cost over residual value amount, over estimated useful lives as follows:

Fixtures & fittings	10 years
Office equipment	4 years

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1.7 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Pensions

The charity makes contributions to defined contribution schemes, which are accounted for as they are paid.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
General Donations	-	38,673	38,673	69,035
Offerings	253,492	-	253,492	261,359
	<u>253,492</u>	<u>38,673</u>	<u>292,165</u>	<u>330,394</u>

Included in Restricted Fund donations are donations from Westfield House and Lutheran Radio UK (below).

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Westfield House income (see below)	-	330,598	330,598	335,925
Congregation Led Group income - Seedlings	66,810	-	66,810	78,160
Student Aid Fund	250	-	250	291
Youth Fund	1,187	-	1,187	664
Overseas Mission	3,346	-	3,346	977
Publications	65	-	65	12
Westfield House Endowment	-	2,650	2,650	5,197
ELCE Retreat Launde Abbey	-	4,617	4,617	1,605
Glen Zweck Scholarship Fund	-	-	-	1,585
	<u>71,658</u>	<u>337,865</u>	<u>409,523</u>	<u>424,416</u>

Westfield House income:

Donations	(note 2)	-	26,104	26,104	63,177
Tuition fees	(note 3)	-	130,950	130,950	151,584
Other income	(note 3)	-	9,079	9,079	1,384
Rental income	(note 3)	-	190,569	190,569	182,957
		-	356,702	356,702	399,102

Included in Other income of Westfield House is £137 (2023: £86) interest received

Westfield House Building Fund

Donations	(note 2)	-	11,368	11,368	-
		-	11,368	11,368	-

Lutheran Radio UK:

Donations	(note 2)	-	1,201	1,201	4,553
		-	1,201	1,201	4,553

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
4. OTHER INCOME				
Congregational income	342,908	-	342,908	312,811
Rental income receivable	20,700	12,903	33,603	33,317
	<u>363,608</u>	<u>12,903</u>	<u>376,511</u>	<u>346,128</u>
5. INVESTMENT INCOME				
Investment income	2,396	9,451	11,847	660
	<u>2,396</u>	<u>9,451</u>	<u>11,847</u>	<u>660</u>
6. COST OF CHARITABLE ACTIVITIES				
Central Administration				
Maintenance and cleaning	25	-	25	102
Legal Fees	1,923	-	1,923	371
Telephone/internet	834	-	834	947
Postage	21	-	21	18
Stationery, printing, duplicating and IT	2,848	-	2,848	1,543
Travel	1,075	-	1,075	-
Rates	482	-	482	114
Insurance	3,136	-	3,136	844
Bank charges	211	-	211	288
Audit fee - current year	10,600	-	10,600	8,200
Accountancy and bookkeeping fees	16,800	-	16,800	19,000
Property expenses	4,102	-	4,102	3,865
Sundries	131	-	131	1,368
Donations	300	-	300	293
	<u>42,488</u>	<u>-</u>	<u>42,488</u>	<u>36,953</u>
Congregational expenditure				
Pastors' salaries and costs	275,979	-	275,979	240,478
Establishment costs	163,370	-	163,370	124,696
Insurance and repairs	58,889	-	58,889	65,796
Other costs	9,714	-	9,714	11,084
Church Led Group costs - Seedlings	73,416	-	73,416	68,233
	<u>581,368</u>	<u>-</u>	<u>581,368</u>	<u>510,287</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
6. COST OF CHARITABLE ACTIVITIES (continued)				
Westfield House				
Direct costs	-	64,914	64,914	72,871
Salaries and wages	-	163,170	163,170	162,063
Property expenses	-	109,774	109,774	77,673
Accountancy and bookkeeping fees	-	6,000	6,000	6,000
Legal Fees	-	1,329	1,329	1,944
Other costs	-	4,421	4,421	4,276
	-	349,608	349,608	324,827
Fund Expenditure				
Furlough fund	2,000	-	2,000	1,558
Sabbatical Leave Fund	-	-	-	250
Youth fund	4,459	-	4,459	1,595
Barnes conference	515	-	515	-
Board for overseas mission	5,405	-	5,405	1,484
ELCE Retreat Launde Abbey	-	3,960	3,960	2,470
LRUK (below)	-	24,725	24,725	21,805
Publications	1,862	-	1,862	409
Retirement	-	24,000	24,000	73,384
Student Aid payments	200	-	200	-
Westfield House Endowment	-	10	10	12
Restructure fund	3,274	-	3,274	3,835
Glen Zweck Scholarship Fund	-	7	7	8
HR/HS	1,132	-	1,132	-
Westfield House Building Fund	-	3	3	-
	18,847	52,705	71,552	106,810
Lutheran Radio UK:				
Salaries	-	19,208	19,208	18,475
Other costs	-	5,517	5,517	3,330
	-	24,725	24,725	21,805
ELCE expenditure				
ELCE committees and Chairman expenses	11,402	-	11,402	9,095
	11,402	-	11,402	9,095
Miscellaneous expenses				
Depreciation	1,921	-	1,921	3,452
Interest payable	895	-	895	895
Cancellation of voluntary contributions (2011-2021)	6,835	-	6,835	-
Bad debts	3,456	-	3,456	-
	13,107	-	13,107	4,347
Total Expenditure	667,212	402,313	1,069,525	992,319

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Other	Depreciation		
	2024	2024	2024	2024	2023
	£	£	£	£	£
Charitable Activities	479,602	588,002	1,921	1,069,525	992,319
	<u>479,602</u>	<u>588,002</u>	<u>1,921</u>	<u>1,069,525</u>	<u>992,319</u>

8. NET INCOME/ EXPENDITURE

	2024	2023
	£	£
The excess of income over expenditure is stated after charging:		
Depreciation of tangible fixed assets: owned by the company	1,921	3,452
Auditors remuneration: audit	8,000	8,200
Auditors remuneration: non-audit	1,000	800
Auditors remuneration: audit in relation to the prior year	<u>1,600</u>	<u>-</u>

9. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	394,389	420,766
National insurance	40,095	42,958
Pension costs	45,119	95,308
	<u>479,602</u>	<u>559,032</u>

	2024	2023
	No.	No.
The average monthly number of employees during the year was as follows:		
Work with congregations	14	17
Theological training	<u>4</u>	<u>4</u>
	<u>18</u>	<u>21</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key Management Personnel

The total wages & salaries, social security costs and pension costs of the key management personnel of the charity as listed on page 1 were £191,720 (2023: £162,197).

10. PENSION COSTS

The charity contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to these funds and amounted to £45,119 (2023: £81,924).

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. TRUSTEES' REMUNERATION

During the period, expenses amounting to £15,664 were reimbursed to 3 trustees (2023: £17,542 to 4 trustees). No remuneration was paid to any trustees during the year in their capacity as trustees. Note 13 sets out details of car loans made to trustees. During the year, donations amounting to £36,089 were received from trustees.

Remuneration is paid to the following trustees who are employees of the charity in their positions as ordained ministers of member congregations and as Principal of Westfield House.

	Wages and salaries	Social security	Pension costs
	£	£	£
Rev G Samiec	34,280	3,475	2,406
Rev J Ehlers	33,086	2,485	2,395
Dr C E Lumley	31,815	3,135	-
Rev J Kriger	32,138	3,180	2,255
	<u>131,319</u>	<u>12,275</u>	<u>7,056</u>

During the period Rev G Samiec, Rev J Ehlers and Rev J Kriger were provided with accommodation. The key management personnel of the charity are considered to be related parties and their total employee benefits are set out in note 9.

12. TANGIBLE FIXED ASSETS

	Freehold property	Library books	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2023	6,469,417	192,932	58,970	15,838	6,737,157
Additions	158,573	-	-	-	158,573
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2024	<u>6,627,990</u>	<u>192,932</u>	<u>58,970</u>	<u>15,838</u>	<u>6,895,730</u>
Depreciation					
As at 1 April 2023	-	170,084	45,115	15,514	230,713
Charge for the year	-	-	1,597	324	1,921
As at 31 March 2024	<u>-</u>	<u>170,084</u>	<u>46,712</u>	<u>15,838</u>	<u>232,634</u>
Net book value					
As at 31 March 2024	<u>6,627,990</u>	<u>22,848</u>	<u>12,258</u>	<u>-</u>	<u>6,663,096</u>
As at 31 March 2023	<u>6,469,417</u>	<u>22,848</u>	<u>13,855</u>	<u>324</u>	<u>6,506,444</u>

13. DEBTORS

	2024	2023
	£	£
Due < 1 year		
Trade debtors	70,563	45,001
Car loans - concessionary loans	6,332	6,942
ELCE Trust Limited	89,944	284,235
Other debtors	12,039	6,726
Prepayments and Accrued Income	45,006	60,446
	<u>223,884</u>	<u>403,350</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. DEBTORS

Included in car loans are amounts totalling £2,000 owed by one trustee in office at the period end (2023 - one trustee owed £4,800). All of the loans detailed are repayable by instalments within the next four years and no interest is charged with the exception of one car loan.

	2024	2023
	£	£
Due > 1 year		
Car loans - concessionary loans	11,835	11,937
Other concessional loans due from congregations as below	55,448	65,049
	<u>67,283</u>	<u>76,986</u>
Other concessional loans due from congregations:	£	£
Holy Trinity	55,448	65,049
	<u>55,448</u>	<u>65,049</u>
Total debtors	<u>291,167</u>	<u>480,336</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	31,882	17,525
Other creditors	7,248	9,011
Other taxation and social security	4,958	5,001
Accruals and deferred income	30,784	34,194
	<u>74,872</u>	<u>65,731</u>
Deferred income:		
As at 1 April 2023	17,845	11,640
Deferred income recognised in the year	(17,845)	(11,640)
Resources deferred during the year	12,812	17,845
As at 31 March 2024	<u>12,812</u>	<u>17,845</u>

Deferred income represents tuition income and rents received in advance

Congregation amounts owed to Evangelical Lutheran Church of England Trust Limited

	2024	2023
	£	£
Holy Trinity, Tottenham	139,360	138,710
St Peters	23,330	34,910
Redeemer building project	55,421	55,796
	<u>218,111</u>	<u>229,416</u>
Less: due after one year	<u>(122,459)</u>	<u>(139,614)</u>
	<u>95,652</u>	<u>89,802</u>
Total creditors falling due within one year	<u>170,524</u>	<u>155,533</u>

The majority of the loans bear interest and are repayable by instalment.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<i>Monies owed to Evangelical Lutheran Church of England Trust Limited</i>	2024	2023
	£	£
Holy Trinity, Tottenham	45,760	50,960
Redeemer building project	54,846	55,221
St Peters	21,853	33,433
	<u>122,459</u>	<u>139,614</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. STATEMENT OF FUNDS

	Note	Brought forward £	Income £	Expenditure £	Transfers in £	Transfers (out) £	Carried forward £
Designated Funds:							
Car fund	i	21,122			711	-	21,833
Furlough fund	ii	972	-	(2,000)	2,840	(1,812)	-
Sabbatical leave fund	iii	8,976	-	-	-	-	8,976
Student aid fund	iv	6,128	250	(200)	-	-	6,178
Youth fund	v	5,102	1,187	(4,459)	-	-	1,830
Rev Dr E Geo Pearce memorial fund	vi	17,127	-	-	383	-	17,510
Board for overseas mission	vii	1,395	3,346	(5,405)	4,336	-	3,672
Pastoral support fund	viii	373	-	-	-	(373)	-
Worship committee fund	ix	158	-	-	-	(158)	-
Barnes conference	x	10,052	-	(515)	-	-	9,537
Property fund	xii	6,469,417	-	-	158,573	-	6,627,990
Restructure Fund	xiii	1,346	-	(3,274)	1,928	-	-
Publishing Fund	xiv	2,073	65	(1,862)	945	-	1,221
HR/H&S Fund - Designated	xv	8,810	-	(1,132)	1,680	-	9,358
		6,553,051	4,848	(18,847)	171,396	(2,343)	6,708,105
General Funds:							
General Funds:		548,738	686,306	(648,365)	(213,840)	175,761	548,600
Total Unrestricted Funds		7,101,789	691,154	(667,212)	(42,444)	173,418	7,256,705
Restricted Funds:							
Retirement reserve fund	xvi	12,480	12,903	(24,000)	4,690	-	6,073
LRUK	xvii	38,002	1,201	(24,725)	8,097	-	22,575
Westfield House Endowment	xviii	115,601	7,559	(10)	-	-	123,150
Glen Zweck Scholarship Fund	xix	76,458	3,216	(7)	-	-	79,667
ELCE Retreat	xx	940	4,617	(3,960)	-	-	1,597
Lutheran Women's League of Great Britain	xxi	200	-	-	-	-	200
Good Shepherd Property Fund	xxii	239,548	-	-	-	(173,418)	66,130
Westfield House Operating Fund	xxiii	138,222	356,702	(349,608)	-	-	145,316
Westfield House Building Fund	xxiv	-	12,693	(3)	27,845	-	40,535
Furlough fund	ii	-	-	-	1,812	-	1,812
		621,449	398,891	(402,313)	42,444	(173,418)	487,055
Total Funds		7,723,238	1,090,045	(1,069,525)	-	-	7,743,761

**THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. STATEMENT OF FUNDS (CONTINUED)

Designated Funds:

- i This fund is held to assist Pastors in purchasing motor vehicles.
- ii Every 5 years each Pastor and his family originating from outside the UK is entitled to visit his home country. The fund exists to pay for travelling expenses. Since Pastors come from as far afield as Australia and America these expenses can be substantial. This is a restricted fund so a transfer made in 2024 to restricted funds.
- iii This fund is used at the Council's discretion to pay for Pastors' costs related to the taking of a sabbatical.
- iv The fund is used at Council's discretion to help students in need.
- v This fund is operated by the Youth Board, who are elected by the General Synod.
- vi This fund's primary use is for mission and outreach based projects, but all requests for grants are carefully considered. Requests are to be supported by a written action plan.
- vii This fund was set aside from the proceeds of the sale of All Hallow's, Sunbury on Thames, to fund donations to overseas Lutheran missions work as requested by the Board for Overseas Missions. It now receives donations and contributions from congregations each year.
- viii The fund is used to support Pastors with various needs including counselling.
- ix The fund pays committee expenses.
- x Funds have been allocated for the conference.
- xii This Fund reflects the funds utilised in freehold property
- xiii These funds were set aside by the Trustees to fund the reorganisation work
- xiv This fund is designated to support ELCE publications, in particular a quarterly newsletter (*The British Lutheran*). An initial sum of £2000 was allocated to the fund, in order to underwrite initial costs. Income received from any ELCE publication is allocated to this fund.
- xv This fund was established to support the appointment of external HR/HS advisor(s). Congregations and Westfield House make regular contributions to the fund through the quarterly invoices.

Restricted Funds:

- xvi This fund was set up to assist pastors to meet one of their major problems on retirement, namely that of finding suitable accommodation. Pastors who meet the conditions of the fund receive one-off payments into their pension funds when they reach 28 and 33 years of service with ELCE and at retirement.
- xvii This fund was set up for donations given specifically towards the costs of the Lutheran Radio UK.
- xviii This fund was set up to support the running costs of Westfield House by donating the interest earned on the capital sum. Interest is usually transferred to the Church on an annual basis to support the running costs of Westfield House, or in some years, it is left in the fund.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. STATEMENT OF FUNDS (CONTINUED)

- xix This fund was set up from a legacy to provide scholarship funding for students wishing to attend Westfield House. The fund will be administered by the Westfield House Admissions Committee.
- xx Payment is made for the Retreat before the financial year end, but the Retreat doesn't take place until the next financial year (i.e. April or May).
- xxi This fund was established by the LWLGB (Lutheran Women's League of Great Britain) to provide support to families of international students who are studying in a residential programme at Westfield House.
- xxii The Good Shepherd Property Fund was established from sales proceeds of land of Good Shepherd Lutheran Church and the majority was utilised to purchase a property to house a pastor for the congregation and for Lutherans in the Midlands. It has also helped Good Shepherd to repay their historic debt to the Trust. The remainder is being moved to Good Shepherd in 2024/25.
- xxiii Funds to be utilised by Westfield House in the next financial year. It should be noted that the financial year does not align with the academic year, making it essential that some funds are carried forward each year.
- xxiv The Westfield Building Fund was established to collect donations to enable the renovation of 26A and the conversion of the former ELCE Office to a one-bed flat.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Tangible fixed assets	35,106	6,627,990	6,663,096	6,506,444
Current assets	7,514,582	(6,140,935)	1,373,647	1,511,941
Creditors due within one year	(170,524)	-	(170,524)	(155,533)
Creditors due after more than one year	(122,459)	-	(122,459)	(139,614)
	<u>7,256,705</u>	<u>487,055</u>	<u>7,743,759</u>	<u>7,723,238</u>

18. OPERATING LEASE COMMITMENTS

At 31 March 2024 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	Total 2024 £	Total 2023 £
Equipment		
Less than one year	1,377	3,298
Between one and five years	584	1,961
	<u>1,961</u>	<u>5,259</u>
Operating lease charges for the period:		
Hire of plant & machinery	2,889	3,298
	<u>2,889</u>	<u>3,298</u>

19. CONTINGENT LIABILITY

The Church has agreed to meet the liabilities of the Evangelical Lutheran Church of England Trust Limited in the event that the company is unable to meet them itself.

**THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

20. TRANSACTIONS WITH CONNECTED CHARITY

The Charity is connected to the Evangelical Lutheran Church of England Trust Limited, which acts as custodian for properties owned by the Church, which is the beneficial owner. Both the Church and the Trust have as their objectives the spread of the Gospel. The Executive Council of the Church are the Trustees of the Church and also the Directors of the charitable company, acting on behalf of the member congregations of the charitable company who are represented by the pastoral and lay delegates who attend the annual meeting of the charitable company held in conjunction with the annual synod of the Evangelical Lutheran Church of England Trust Limited. As at 31 March 2024 member congregations of the Church owed the charitable company £218,111 (2023: £229,461).

During the year the Trust donated £nil to ELCE Church (2023: £nil) for the restricted fund established to cover costs related to the restructure of ELCE. At 31st March 2024, the Evangelical Lutheran Church of England Trust owed ELCE Church £89,944 (2023: £284,235).

Post balance sheet, Good Shepherd purchased a flat utilising some of the proceeds of the sale of their land. The Trust property at 18 Tunstall Park, Sunderland was sold and the remaining St Timothy debt to the church was repaid.

21. CONTROLLING PARTY

The Charity is controlled by its members, who make up the Synod of the Evangelical Lutheran Church of England.

22. STATUS OF CONGEGATIONS

Following further advice from the Charity Commission, the Executive Council have been advised that member congregations are not subsidiaries of the Evangelical Lutheran Church of England, but are autonomous bodies in membership of the Evangelical Lutheran Church of England. A Church wide consultation in response to this advice is underway and in the interim, as in previous years, these accounts have been prepared on a line by line consolidation basis, as if the congregations and Westfield House are subsidiaries of the Church.

23. PRIOR YEAR ADJUSTMENT

The prior year adjustment made was in respect of:

1) To correct the accounting treatment for a loan made to a congregation in 2020. This corrects both the original amount loan and subsequent annual repayments and loan interest charged. The impact of this adjustment was to reduced opening debtors by £16,250, with an equal adjustment to opening reserves.

2) To correct the accounting treatment of the deposit paid in 2023 for the purchase of Monticello Way. The impact of this adjustment was to increase tangible fixed assets by £17,000 with an equal adjustment to opening reserves.

The net impact of these adjustments was to decrease opening reserves by £750.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (AS RESTATED)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Income from:			
Donations and legacies	246,647	83,747	330,394
Charitable activities	75,414	349,002	424,416
Other activities	346,128	-	346,128
Investments	660	-	660
Total income	668,849	432,749	1,101,598
Expenditure on:			
Charitable activities	569,813	422,506	992,319
Total expenditure	569,813	422,506	992,319
Net expenditure before investment gains/losses	99,036	10,243	109,279
Net realised and unrealised gains/(losses) on investments	-	-	-
Net (expenditure)/Income before transfers	99,036	10,243	109,279
Transfers between funds	(239,470)	239,470	-
Net movement in funds	(140,434)	249,713	109,279
Fund balances brought forward	7,261,923	371,736	7,633,659
Prior year adjustment	(19,700)	-	(19,700)
Fund balances brought forward as restated	7,242,223	371,736	7,613,959
Total funds carried forward	7,101,789	621,449	7,723,238

All activities relate to continuing operations.

Accounts

Charity number: 220466

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CONTENTS
FOR THE YEAR ENDED 31 MARCH 2023

	Page
Charity Information	1
Trustees' Report	2-6
Independent auditor's report	7-9
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13-25

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND**CHARITY INFORMATION**

Trustees	Reverend G Samiec Reverend J Ehlers Mrs D Rosser Dr C Lumley Reverend J Kriger Mrs M Cowie Mr R Thielke	Chairman Vice Chairman Secretary Treasurer
Key management personnel	Reverend G Samiec Reverend J Ehlers Mrs D Rosser Dr C Lumley Dr J Humann	Chairman Vice Chairman Secretary ELCE Treasurer and Principal, Westfield House Preceptor, Westfield House
Charity number	220466	
Registered office	28 Huntingdon Road Cambridge CB3 0HH	
Congregations	Luther Tyndale, Kentish Town St Andrew's, Ruislip Christ Church, Petts Wood St Paul's, Borehamwood St Peter's, Plymouth St David, Cardiff	Resurrection, Cambridge Redeemer, Harlow St Columba, East Kilbride Good Shepherd, Coventry Our Saviour, Fareham Ascension, Brandon, Suffolk
Auditors	Chater Allan LLP 7 Quay Court Colliers Lane Stow-cum-Quay CB25 9AU	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ Cater Allen Private Bank 9 Nelson Street Bradford BD1 5AN	HSBC Bank plc 63-64 St Andrews Street Cambridge CB2 3BZ Cambridge & Counties Bank Charnwood Court 5b New Walk Leicester LE1 6TE
Solicitors	Streeter Marshall 12 Purley Parade High Street Purley Surrey CR8 2AB	Anthony Collins 134 Edmund St Birmingham B3 2ES

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees present their report and the audited financial statements for the period ended 31 March 2023.

Legal status

The Evangelical Lutheran Church of England is an unincorporated association and a registered charity. The governing document is a written constitution.

In September 2019, the following resolution was passed by the General Synod of the Church meeting in conference:

"Be it resolved that the ELCE become a Charitable Incorporated Organisation of member CIOs from the following:

individual congregations of the ELCE; and other CIOs which operate as auxiliaries of the Church (for example and not limited to education and social care).

Be it further resolved that all the Governing Documents pertaining to the Church, and to the charities, and to the relationships within the ELCE CIO be presented at the next Synod for adoption."

Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies.

Objectives and structure

The Church exists to spread the gospel of Christ. At the beginning of the financial year there were 12 congregations throughout the United Kingdom, undertaking to spread the gospel. We acknowledge that Holy Trinity, Tottenham, although it has a separate charity registration (1179023) and therefore submits separate accounts, remains a member of the ELCE Church Body. As of 31 March 2023, nine congregations had their own pastors (full-time or part-time), and 3 congregations had the support of locum pastors from adjacent congregations. Seven congregations support missions. The Church continues to provide theological training through Westfield House and runs an internet radio station, Lutheran Radio UK (LRUK).

Each congregation has local independence with regard to the running of the Church and each congregation is represented at General Synod where policy decisions and protocols of the whole Church are discussed and agreed which each congregation then follows.

Trustees

The trustees are members of the Executive Council, which is elected by the General Synod of the Church. The members of the Executive Council during the year were:

Reverend G Samiec Chairman
Reverend J Ehlers Vice Chairman
Mrs D Rosser Secretary
Dr C Lumley Treasurer
Mrs M Cowie
Mr R Thielke
Reverend J Kriger

Trustees' responsibilities

As trustees of the charity, the Executive Council is responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the charity and its incoming resources and application of resources for the year. In preparing these financial statements, the trustees are required to:

- select accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

- comply with applicable accounting standards, 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The trustees examine on a regular basis the major risks that the charity faces and have developed systems to monitor and control these risks and to mitigate their impact in the future.

Three major risks which have a probability of occurring with serious consequences, in spite of mitigating factors, are highlighted in the risk register:

1. Governance Structure and Control Methodology

The Trustees recognise the need for ELCE to ensure that the governing body has knowledge and skills that align with future strategic challenges and that, more broadly, a new strategic plan is required. This is an issue that will need to be addressed and resolved as the new organisational design emerges. Strategic planning work was initiated in March 2023. There will be similar challenges for all new CIOs as they are created.

2. Operational Issues: Health & Safety

The lack of a fully integrated H&S management capability risks exposure to breach of statute or risks harm to individuals in the organisation or members of the public visiting ELCE sites. At its Synodical meeting in October 2022, ELCE agreed to appoint a H&S Compliance Officer. In addition, ELCE is working with a specialist H&S company whom we plan to engage to support ELCE in ensuring that safety plans and procedures are in place across ELCE and affiliated groups by March 2024.

3. Workforce Issues

There is a risk that 'tyranny of the urgent' will result in burn-out, loss of morale, failure to achieve the charity's potential and poor service delivery. The Executive Council is working with a specialist HR support company to ensure that appropriate and compliant HR programmes, policies and documentation are put in place.

Other risks, with a lower probability of occurring and with less serious consequences, should they occur, are also monitored on a regular basis by the Executive Council.

Fundraising

The Evangelical Lutheran Church of England engaged in fundraising primarily in the form of receiving free-will offerings/donations, some of which were gift-aided, from those attending our worship services. On occasion we have publicly invited ELCE members to consider the option of making a bequest to the ELCE in their wills. We did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. While we publicly invite an offering at every service and Lutheran Radio UK and Westfield House invite donations, we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people. We do not use the Means of Grace to fundraise. Our fundraising practices are ethical and in the spirit of the Biblical principles of stewardship. No complaints were received about our fundraising practices during the year under consideration.

Public benefit

The trustees have considered and referred to the Charity Commission's guidance on public benefit, when reviewing the charity's aims and objectives and in planning future activities. The spiritual goals of the Church are beyond empirical assessment, but the Church continues to undertake the mission

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

of the Church and support the congregations in the same goal. Nevertheless, when asked to comment on the achievements and performance of the Church according to the Charity Commission's criterion of public benefit, specifically with regard to the advancement of religion, the ELCE notes the following:

- Our churches are open to all members of the public and there is no membership subscription payment;
- There are a variety of interactions with the community through child care, student accommodation, civic events, senior citizen events, and youth activities notwithstanding the regular activities occurring each Sunday;
- The interaction with other British educational institutions by our theological house of studies, Westfield House (Cambridge);
- The ELCE's internet radio station – Lutheran Radio UK – is global in reach and has a strong audience in the UK;
- The facilities of a number of our congregations allows them to be offered for hire for a variety of community groups and occasions.

Governance

The trustees meet as the Executive Council at least 6 times per year to review the objectives, structure and management of the Church. Trustees monitor the performance of funds, Church operating cost centres, and congregations much of which is managed not by the trustees but by designated persons or committees who are operating under congregational constitutions and by-laws or church policies.

Trustees are inducted and trained through receipt of historical material and discussions with the Chairman and Secretary.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All members of the Executive Council give of their time freely and no trustee received any remuneration in the year for their work as trustees. Details of trustees' expenses and related party transactions are disclosed in Note 21 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Salary scales are aligned to the Annual Survey of Hours and Earnings (Table 1.1a) for ordained clergy and to local salaries for non-ordained staff.

Voluntary Help and Donations in Kind

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function.

Land and Buildings

The Church, including the congregations and the theological college, operates from buildings that are held in trust for the Church by the Evangelical Lutheran Church of England Trust Limited ('the Trust'). The Trustees have been advised that the Trust is the custodian of these properties and ELCE (Church) is the beneficial owner. Accordingly, the property and associated income and expenditure are recorded in the ELCE (Church) financial statements, with the exception of two properties in Sunderland for which the beneficial ownership was transferred to the Trust, as of 1 November 2020.

ELCE from time-to-time benefits from funds provided by the Trust to the Church for central running costs and special projects (for example, the legal costs of the restructure work). The terminology of 'loan' has been used for these transactions between ELCE and the Trust as, historically, the intention was that the money would be put back into the Trust. The Trustees of the Trust have now confirmed they are not seeking repayment of these amounts, and therefore the amounts previously recorded as loans were in fact grants to ELCE, which has the same objects as the Trust.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trust also, from time to time, provides concessional loans to member congregations of the ELCE. The majority of these loans bear interest and are repayable by instalments. No new loans were received in the period under review.

Market value of land and buildings

The Council considers that the market value of land and buildings, all of which are in use for charitable purposes, is considerably higher than book value. It is estimated, without carrying out a professional valuation, that the market value could be in the region of between £15 to £25 million. However, the Council does not consider it of value to obtain a professional valuation. As a guide, the buildings alone are insured for more than £20 million.

Financial Review

The Church had net surplus of £88,829 in the year (2022: net surplus of £288,194). At the end of the period net assets totalled £7,722,488 (2022: net assets £7,633,659).

- i. **Restricted Funds**
Total restricted funds now stand at £621,449 (2022: £371,736). The movements on these are set out in Note 16.
- ii. **General Funds**
The General Fund has increased by £88,029 to £564,988. Designated funds decreased by £248,913 to £6,536,051 during the year.

At the January 2020 meeting, the Trustees agreed that funds should be set aside to cover the legal costs of the restructure. In the first instance a total of £40,000 has been allocated to this fund, comprising £15,000 designated from ELCE Church and Restricted donations of £25,000 from ELCE Trust Ltd.

Congregations

The Executive Council has been advised that the member congregations are not subsidiaries of the Evangelical Lutheran Church of England but are autonomous bodies. Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies. Until then the activities and assets and liabilities of the member congregations and other auxiliary bodies are included in these financial statements, with the exception of Holy Trinity which prepares and submits its own accounts to the Charity Commission for England and Wales.

The non property and non bank assets of the congregations are not included in the balance sheet as they are inalienable and the cost of attempting a valuation would be burdensome. All assets are held for the charitable purposes of the Church.

The congregations had an overall surplus of £53,723 in the period (2022: surplus £4,323).

Reserves

The Trustees intend to hold sufficient free reserves to cover 6 months of net operating costs, estimated at £25,000 per month.

The unrestricted general fund stands at £564,988, designated funds at £6,536,051 and restricted funds at £621,449. Total funds at the year end are £7,722,488. Tangible fixed assets now total £6,489,444.

Connected Charity

The Evangelical Lutheran Church of England Trust Limited is connected to the Evangelical Lutheran Church of England due to the fact that both charities have as their object the spread of the gospel and the Executive Council members are Trustees of the Evangelical Lutheran Church of England and Directors of the Trust. The charitable company has agreed to meet the liabilities of the Evangelical Lutheran Church of England in the event that the Church is unable to meet them itself.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Plans for Future Periods

The Trustees are committed to ensuring that the new structure is finalised and implemented so that the charity can continue to focus on its objective of spreading the Gospel, whilst complying with all UK legal and charity requirements.

Pension Arrangements for Pastors

As part of the restructure activities, the Trustees conducted a review of the current Employer's Pension arrangements – a 'defined contribution' scheme with The Pensions Trust – for pastors, which showed that the provisions, fees etc are suitable compared to other employers' pension schemes. However, the review of individual pastor's pension arrangements by an independent financial advisor established that for most of the current pastors there will be a shortfall between the projected income from their pensions and their income requirements. The main reason for this is that, as Ministers of Religion, ELCE pastors have been required to live in tied housing and their salaries have been adjusted downwards to take this into account (similar to other Christian denominations in the UK). The Trustees are therefore considering ways to assist pastors to move from tied housing in retirement and have reviewed the provisions made by other denominations for their ministers. Three provisions are: increased employer contributions to pension funds; provision of retirement housing at affordable rents; equity sharing schemes to assist with house purchase. At the ELCE Extraordinary Synod held in May 2021 it was agreed that the terms of the Retirement Reserve Fund should be amended, and additional payments be made into this fund. It was further agreed that the net rental income from one of the ELCE properties, Okemore Gardens, would be paid into the Retirement Reserve Fund beginning with the net rental income for 2020-21. In addition to increasing the Retirement Reserve Fund, the Trustees are considering the possibility of providing affordable rental housing for retired ELCE Pastors via ELCE Trust Ltd, in line with its objects.

At the ELCE Extraordinary Synod held in May 2021 it was also agreed that the Retirement Reserve Fund will be closed to new employees, and alternative arrangements will be put in place.

Site Re-developments

Three congregations are investigating the possibility of redeveloping their sites.

- The members of Redeemer Lutheran Church, Harlow, wish to develop their site to provide affordable rental accommodation in a multi-storey redevelopment of the site which will include a new church and accommodation for the pastor and his family.
- During the period under review, Good Shepherd Lutheran Church, Coventry identified a property to purchase using the proceeds from the sale of their land and the purchase was completed post-balance sheet. In the first instance the property is being rented to raise income but it is intended that it will ultimately be used to house a pastor for the congregation and for Lutherans in the Midlands, thus furthering the objects of the charity by maintaining an active Lutheran ministry in the Coventry area and fostering links with Lutherans in the wider area. To this end, Good Shepherd also has responsibility for St Timothy's Mission.
- Post balance sheet, St Peter's, Plymouth, received an unsolicited offer to purchase a small piece of land attached to their parsonage. Work is ongoing to assess the potential value of such a sale for the charitable work of St Peter's.

Auditors

Chater Allan LLP have expressed their willingness to be reappointed as auditors.

Approved by the Trustees on 20th January 2024 and signed on their behalf by:

Cynthia Lumley

Trustee
Cynthia Lumley

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Evangelical Lutheran Church of England for the year ended 31 March 2023 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 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 Charities Act 2011.

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 the charitable company'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 trustees are responsible for the 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND FOR THE YEAR ENDED 31 MARCH 2023

Other information (continued)

We have nothing to report in this regard.

Matters on which we are to required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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.

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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2023**

Auditor's responsibilities for the audit of the financial statements (continued)

- We obtained an understanding of the legal and regulatory framework applicable to the charity and how it is complying with that framework;
- We obtained an understanding of the charity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the charities (Accounts and reports) regulations 2008. 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.

Chater Allan LLP

Chater Allan LLP
Chartered Accountants & Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

29 January 2024

Date:

Chater Allan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	2	327,136	83,747	410,883	301,878
Charitable activities	3	86,628	349,002	435,630	397,302
Other Income	4	312,811	-	312,811	656,734
Investments	5	810	-	810	255
Total income		727,385	432,749	1,160,134	1,356,169
Expenditure on:					
Charitable activities	6	648,799	422,506	1,071,305	1,067,975
Total expenditure		648,799	422,506	1,071,305	1,067,975
Net Income/(expenditure) before investment gains/losses		78,586	10,243	88,829	288,194
Net realised and unrealised gains/(losses) on investments		-	-	-	-
Net (expenditure)/Income before transfers		78,586	10,243	88,829	288,194
Transfers between funds	16	(239,470)	239,470	-	-
Net movement in funds		(160,884)	249,713	88,829	288,194
Reconciliation of movement in funds:					
Total funds brought forward		7,261,923	371,736	7,633,659	7,345,466
Total funds carried forward		7,101,039	621,449	7,722,488	7,633,660

All activities relate to continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
BALANCE SHEET
AS AT 31 MARCH 2023

	Note	Total 2023 £	Total 2022 £
Fixed assets			
Tangible assets	12	<u>6,489,444</u>	<u>6,482,121</u>
		<u>6,489,444</u>	<u>6,482,121</u>
Current assets			
Debtors	13	496,586	544,459
Cash at bank and in hand		<u>1,031,605</u>	<u>956,346</u>
		<u>1,528,191</u>	<u>1,500,805</u>
Liabilities			
Creditors: amounts falling due within one year	14	155,533	195,967
Net current assets		<u>1,372,658</u>	<u>1,304,838</u>
Creditors: amounts falling due after more than one year	15	139,614	153,300
Net assets		<u>7,722,488</u>	<u>7,633,659</u>
Charity funds			
Restricted funds	16	621,449	371,736
Unrestricted funds			
Designated funds	16	6,536,051	6,784,964
General Fund	16	564,988	476,959
		<u>7,722,488</u>	<u>7,633,659</u>

The financial statements were approved by the Trustees on 20th January 2024 and signed on their behalf by:

Cynthia Lumley

Dr C Lumley
Trustee

The notes on pages 13 to 26 form part of these financial statements.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Total 2023 £	Total 2022 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>86,120</u>	<u>(23,123)</u>
Cash flows from investing activities:		
Interest from investments	810	255
Purchase of property, plant and equipment	<u>(10,776)</u>	<u>(5,196)</u>
Net cash provided by investing activities	<u>(9,966)</u>	<u>(4,941)</u>
Cash flows from financing activities		
Interest paid	(895)	(941)
Change in cash and cash equivalents in the reporting period	<u>75,259</u>	<u>(29,005)</u>
Cash and cash equivalents at the beginning of the reporting period	956,346	985,351
Cash and cash equivalents at the end of the reporting period	<u><u>1,031,605</u></u>	<u><u>956,346</u></u>
Summary of the cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	1,031,605	956,346
	<u><u>1,031,605</u></u>	<u><u>956,346</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net (expenditure)/income for the reporting period	88,829	288,194
Adjustments for:		
Depreciation charges	3,453	1,752
Gift of operating asset	-	23,952
(Gains)/losses on investments	-	-
Interest from investments	(810)	(255)
Interest paid shown in financing activities	895	941
(Increase)/decrease in debtors	47,873	(354,722)
Increase/(decrease) in creditors	(54,120)	17,015
Net cash provided by operating activities	<u><u>86,120</u></u>	<u><u>(23,123)</u></u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Evangelical Lutheran Church of England meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income

Donations and legacies are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the charity for its use, these are capitalised at the estimated fair value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

The various congregations hold fundraising events throughout the year and costs associated with these events are netted off. Consequently, the figure in the accounts is shown net of these costs. In the opinion of the Trustees, the gross income and expenditure are not materially understated.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity benefits from many voluntary hours and unclaimed out-of-pocket expenses. It would be impossible to place a value on all these gifts in kind for which the charity is extremely grateful.

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function. To place a monetary value on the time donated by volunteers would be an onerous task for the Trustees and therefore has not been attempted.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Other costs, including support costs are charged directly to the activity when incurred.

1.5 Going concern

The Trustees have carefully considered the cashflow forecasts for future periods using all available information. They have taken steps to ensure that the funding available from the Evangelical Lutheran Church of England Trust Limited to the charity is adequate to meet the estimated cashflow requirements. The Trustees have a reasonable expectation that the charity has adequate arrangements in place to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All fixed assets acquired for the Charity's own use are capitalised at purchase price or cost of production, or at estimated value at the time of gift where received by way of gift. No depreciation is provided on freehold land. Where the charity adopts a policy of maintaining properties to a standard that prolongs their lives and enhances their residual value, the trustees consider any depreciation arising to be insignificant and the properties are not depreciated. Where impairments occur, these are provided for. Otherwise depreciation is provided at rates to write off the excess of cost over residual value amount, over estimated useful lives as follows:

Fixtures & fittings	10 years
Office equipment	4 years

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1.7 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Pensions

The charity makes contributions to defined contribution schemes, which are accounted for as they are paid.

1 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
General Donations	46,077	70,130	116,207	38,125
Rental income receivable	19,700	13,617	33,317	31,908
Offerings	261,359	-	261,359	231,845
Grants	-	-	-	-
	<u>327,136</u>	<u>83,747</u>	<u>410,883</u>	<u>301,878</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Westfield House income (see below)	-	335,925	335,925	300,533
Congregation Led Group income -Seedlings	78,160	-	78,160	67,278
Sabbatical Leave Fund	-	-	-	495
Student Aid Fund	291	-	291	600
Furlough fund	840	-	840	-
Youth Fund	664	-	664	1,179
Pearce/Home Missions	2,379	-	2,379	223
Overseas Mission	977	-	977	832
Lutheran Radio UK (see below)	-	-	-	8,340
Publications	467	-	467	933
Retirement Reserve Fund	-	4,690	4,690	4,690
Restructure Fund	-	-	-	5,000
Westfield House Endowment	-	5,197	5,197	2,701
ELCE Retreat Launde Abbey	-	1,605	1,605	-
Glen Zweck Scholarship Fund	-	1,585	1,585	748
HR/HS	2,850	-	2,850	3,750
	<u>86,628</u>	<u>349,002</u>	<u>435,630</u>	<u>397,302</u>

Westfield House income:

Donations		63,177	63,177	25,092
Tuition fees		151,584	151,584	115,362
Other income		1,384	1,384	9,985
Rental income		182,957	182,957	150,094
	-	<u>399,102</u>	<u>399,102</u>	<u>300,533</u>

Lutheran Radio UK:

Donations		6,953	6,953	8,340
	-	<u>6,953</u>	<u>6,953</u>	<u>8,340</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
4. OTHER INCOME				
Congregational income	312,811	-	312,811	344,866
Other charity income	-	-	-	256,420
Holy Trinity Debt due to the Church	-	-	-	55,448
	<u>312,811</u>	<u>-</u>	<u>312,811</u>	<u>656,734</u>
5. INVESTMENT INCOME				
Investment income	810	-	810	255
	<u>810</u>	<u>-</u>	<u>810</u>	<u>255</u>
6. COST OF CHARITABLE ACTIVITIES				
Central Administration				
Light and heat	-	-	-	428
Maintenance and cleaning	102	-	102	235
Legal Fees	17,371	-	17,371	1,265
Telephone	947	-	947	804
Postage	18	-	18	82
Stationery, printing, duplicating and IT	1,543	-	1,543	2,128
Rates	114	-	114	456
Insurance	844	-	844	532
Bank charges	288	-	288	375
Audit fee - current year	8,200	-	8,200	7,200
Accountancy and bookkeeping fees	19,000	-	19,000	19,400
Property expenses	3,865	-	3,865	3,001
Sundries	1,368	-	1,368	2,052
Donations	293	-	293	767
Donation to ELCE Trust	-	-	-	-
	<u>53,953</u>	<u>-</u>	<u>53,953</u>	<u>38,725</u>
Congregational expenditure				
Pastors' salaries and costs	248,387	-	248,387	280,506
Establishment costs	178,773	-	178,773	183,942
Insurance and repairs	65,796	-	65,796	86,486
Other costs	11,084	-	11,084	5,776
Church Led Group costs - Seedlings	68,233	-	68,233	66,564
	<u>572,273</u>	<u>-</u>	<u>572,273</u>	<u>623,274</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
6. COST OF CHARITABLE ACTIVITIES (continued)				
Westfield House				
Direct costs		72,871	72,871	46,072
Salaries and wages		162,063	162,063	147,230
Property expenses		77,673	77,673	66,204
Accountancy and bookkeeping fees		6,000	6,000	5,700
Legal Fees		1,944	1,944	4,606
Other costs		4,276	4,276	4,484
	-	324,827	324,827	274,296
Fund Expenditure				
Furlough fund	1,558	-	1,558	-
Sabbatical Leave Fund	250	-	250	3,342
Youth fund	1,595	-	1,595	318
Pearce/Home Missions	-	-	-	10,000
Barnes conference	-	-	-	3,822
Board for overseas mission	1,484	-	1,484	1,271
ELCE Retreat Launde Abbey	-	2,470	2,470	380
LRUK	-	21,805	21,805	19,031
Publications	409	-	409	643
Retirement	-	73,384	73,384	37,000
Student Aid payments	-	-	-	100
Westfield House Endowment	-	12	12	12
Restructure fund	3,835	-	3,835	19,538
Glen Zweck Scholarship Fund	-	8	8	8
	9,131	97,679	106,810	95,465
Lutheran Radio UK:				
Salaries	-	18,475	18,475	16,677
Other costs	-	3,329	3,329	2,354
	-	21,805	21,805	19,031
ELCE expenditure				
ELCE committees and Chairman expenses	9,095	-	9,095	9,570
	9,095	-	9,095	9,570
Miscellaneous expenses				
Depreciation	3,452	-	3,452	1,752
Interest payable	895	-	895	941
Loss on disposal of assets	-	-	-	23,952
	4,347	-	4,347	26,645
Total Expenditure	648,799	422,506	1,071,305	1,067,975

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Other	Depreciation		
	2023	2023	2023	2023	2022
	£	£	£	£	£
Charitable Activities	559,032	508,821	3,452	1,071,305	1,067,975
	<u>559,032</u>	<u>508,821</u>	<u>3,452</u>	<u>1,071,305</u>	<u>1,067,975</u>

8. NET INCOME/ EXPENDITURE

	2023	2022
	£	£
The excess of income over expenditure is stated after charging:		
Depreciation of tangible fixed assets: owned by the company	3,452	1,752
Auditors remuneration: audit	8,200	7,200
Auditors remuneration: non-audit	800	800
Auditors remuneration: audit in relation to the prior year	-	-

9. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	420,766	415,317
National insurance	42,958	40,837
Pension costs	95,308	46,225
	<u>559,032</u>	<u>502,379</u>

	2023	2022
	No.	No.
The average monthly number of employees during the year was as follows:		
Work with congregations	17	14
Theological training	4	4
	<u>21</u>	<u>18</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key Management Personnel

The total wages & salaries, social security costs and pension costs of the key management personnel of the charity as listed on page 1 were £162,197 (2022: £167,544).

10. PENSION COSTS

The charity contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to these funds and amounted to £81,924 (2022: £46,225).

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. TRUSTEES' REMUNERATION

During the period, expenses amounting to £17,542 were reimbursed to 4 trustees (2022: £4,175 to 4 trustees). No remuneration was paid to any trustees during the year in their capacity as trustees. Note 13 sets out details of car loans made to trustees. During the year, donations amounting to £61,717 were received from trustees.

Remuneration is paid to the following trustees who are employees of the charity in their positions as ordained ministers of member congregations and as Principal of Westfield House.

	Wages and salaries	Social security	Pension costs
	£	£	£
Rev G Samiec	33,086	3,486	2,322
Rev J Ehlers	33,086	3,486	2,395
Dr C E Lumley	30,390	3,083	-
Rev J Kriger	31,018	3,185	2,177
	<u>127,580</u>	<u>13,240</u>	<u>6,894</u>

During the period Rev G Samiec, Rev J Ehlers and Rev J Kriger were provided with accommodation.

The key management personnel of the charity are considered to be related parties and their total employee benefits are set out in note 9.

12. TANGIBLE FIXED ASSETS

	Freehold property	Library books	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2022	6,452,417	192,932	48,194	15,838	6,709,380
Additions	-	-	10,776	-	10,776
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2023	<u>6,452,417</u>	<u>192,932</u>	<u>58,970</u>	<u>15,838</u>	<u>6,720,156</u>
Depreciation					
As at 1 April 2022	-	170,084	42,270	14,905	227,259
Charge for the year	-	-	2,845	608	3,453
As at 31 March 2023	<u>-</u>	<u>170,084</u>	<u>45,115</u>	<u>15,513</u>	<u>230,712</u>
Net book value					
As at 31 March 2023	<u>6,452,417</u>	<u>22,848</u>	<u>13,855</u>	<u>325</u>	<u>6,489,444</u>
As at 31 March 2022	<u>6,452,417</u>	<u>22,848</u>	<u>5,924</u>	<u>933</u>	<u>6,482,121</u>

13. DEBTORS

	2023	2022
	£	£
Due < 1 year		
Trade debtors	61,251	71,734
Car loans - concessionary loans	6,942	9,118
ELCE Trust Limited	284,235	316,718
Other debtors	71,775	86,046
Prepayments and Accrued Income	60,446	25,912
	<u>484,649</u>	<u>509,528</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. DEBTORS

Included in car loans are amounts totalling £4,800 owed by one trustee in office at the period end (2022 - one trustee owed £6,800). All of the loans detailed are repayable by instalments within the next four years and no interest is charged with the exception of one car loan.

Due > 1 year	2023	2022
	£	£
Loans	-	17,000
Car loans	11,937	17,931
	<u>11,937</u>	<u>34,931</u>
Total debtors	<u>496,586</u>	<u>544,459</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	17,525	43,955
Other creditors	9,011	5,297
Other taxation and social security	5,001	223
Accruals and deferred income	34,194	69,070
	<u>65,731</u>	<u>118,545</u>

Deferred income:

As at 1 April 2022	11,640	7,510
Deferred income recognised in the year	(11,640)	(7,510)
Resources deferred during the year	17,845	11,640
As at 31 March 2023	<u>17,845</u>	<u>11,640</u>

Deferred income represents tuition income and rents received in advance

Congregation amounts owed to Evangelical Lutheran Church of England Trust Limited

	2023	2022
	£	£
Holy Trinity, Tottenham	138,710	138,060
St Peters	34,910	36,490
Redeemer building project	55,796	56,171
	<u>229,416</u>	<u>230,721</u>
Less: due after one year	<u>(139,614)</u>	<u>(153,300)</u>
	<u>89,802</u>	<u>77,421</u>
Total creditors falling due within one year	<u>155,533</u>	<u>195,967</u>

The majority of the loans bear interest and are repayable by instalment.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Monies owed to Evangelical Lutheran Church of England Trust Limited

	2023	2022
	£	£
Holy Trinity, Tottenham	50,960	62,400
Redeemer building project	55,221	55,671
St Peters	33,433	35,229
	<u>139,614</u>	<u>153,300</u>

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. STATEMENT OF FUNDS

	Note	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Carried forward £
Designated Funds:						
Car fund	i	12,951			8,171	21,122
Furlough fund	ii	1,690	840	(1,558)	-	972
Sabbatical leave fund	iii	9,226	-	(250)	-	8,976
Student aid fund	iv	5,837	291	-	-	6,128
Youth fund	v	6,033	664	(1,595)	-	5,102
Rev Dr E Geo Pearce memorial fund	vi	14,748	2,379	-	-	17,127
Board for overseas mission	vii	1,902	977	(1,484)	-	1,395
Pastoral support fund	viii	373	-	-	-	373
Worship committee fund	ix	158	-	-	-	158
Barnes conference	x	10,052	-	-	-	10,052
Property fund	xii	6,452,417	-	-	-	6,452,417
Restructure Fund	xiii	5,181	-	(3,835)	-	1,346
Publishing Fund	xiv	2,015	467	(409)	-	2,073
HR/H&S Fund - Designated	xv	5,960	2,850	-	-	8,810
Good Shepherd Property Fund	xvi	256,420	-	-	(256,420)	-
		6,784,964	8,468	(9,131)	(248,249)	6,536,051
General Funds:						
General Funds:		476,959	718,917	(639,668)	8,779	564,987
Total Unrestricted Funds		7,261,923	727,385	(648,799)	(239,470)	7,101,038
Restricted Funds:						
Retirement reserve fund	xvii	67,557	18,307	(73,384)	-	12,480
LRUK	xviii	52,854	6,953	(21,805)	-	38,002
Westfield House Endowment	xix	110,415	5,197	(12)	-	115,600
Westfield Project Fund	xx	-	-	-	-	-
Glen Zweck Scholarship Fund	xxi	74,880	1,585	(8)	-	76,457
Restructure Fund	xxii	-	-	-	-	-
ELCE Retreat	xxiii	1,805	1,605	(2,470)	-	940
Publishing Fund Restricted	xxiv	78	-	-	(78)	-
Lutheran Women's League of Great Britain	xxv	200	-	-	-	200
Good Shepherd Property Fund	xvi	-	-	-	239,548	239,548
Westfield House Operating Fund	xxvi	63,947	399,102	(324,827)	-	138,222
		371,736	432,749	(422,506)	239,470	621,449
Total Funds		7,633,659	1,160,134	(1,071,305)	-	7,722,488

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. STATEMENT OF FUNDS (CONTINUED)

Designated Funds:

- i This fund is held to assist Pastors in purchasing motor vehicles.
- ii Every 5 years each Pastor and his family originating from outside the UK is entitled to visit his home country. The fund exists to pay for travelling expenses. Since Pastors come from as far afield as Australia and America these expenses can be substantial.
- iii This fund is used at the Council's discretion to pay for Pastors' costs related to the taking of a sabbatical.
- iv The fund is used at Council's discretion to help students in need.
- v This fund is operated by the Youth Board, who are elected by the General Synod.
- vi This fund's primary use is for mission and outreach based projects, but all requests for grants are carefully considered. Requests are to be supported by a written action plan.
- vii This fund was set aside from the proceeds of the sale of All Hallow's, Sunbury on Thames, to fund donations to overseas Lutheran missions work as requested by the Board for Overseas Missions. It now receives donations and contributions from congregations each year.
- viii The fund is used to support Pastors with various needs including counselling.
- ix The fund pays committee expenses.
- x Funds have been allocated for the conference.
- xii This Fund reflects the funds utilised in freehold property
- xiii These funds were set aside by the Trustees to fund the reorganisation work
- xiv This fund is designated to support ELCE publications, in particular a quarterly newsletter (*The British Lutheran*). An initial sum of £2000 was allocated to the fund, in order to underwrite initial costs. Income received from any ELCE publication is allocated to this fund. Expenditure exceed the allocated amount so a transfer has been made from the General Fund to cover the deficit.
- xv This fund was established to support the appointment of external HR/HS advisor(s), once the new structure is in place. Congregations and Westfield House make regular contributions to the fund through the quarterly invoices.
- xvi The Good Shepherd Property Fund has been established from sales proceeds of land of Good Shepherd Lutheran Church for a future property purchase that could be used to house a pastor for the congregation and for Lutherans in the Midlands.

Restricted Funds:

- xvii This fund was set up to assist pastors to meet one of their major problems on retirement, namely that of finding suitable accommodation. The Executive Council may give lump sums to any pastor on their retirement.
- xviii This fund was set up for donations given specifically towards the costs of the Lutheran Radio UK.
- xix This fund was set up to support the running costs of Westfield House by donating the interest earned on the capital sum. Interest is usually transferred to the Church on an annual basis to support the running costs of Westfield House, or in some years, it is left in the fund.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. STATEMENT OF FUNDS (CONTINUED)

- xx Funds donated for special projects at Westfield House (e.g. new garden path).
- xxi This fund was set up from a legacy to provide scholarship funding for students wishing to attend Westfield House. The fund will be administered by the Westfield House Admissions Committee.
- xxii The Restructure fund contains restricted donations to be used to fund the reorganisation work.
- xxiii Funds paid to attend the 2020 ELCE Retreat which was cancelled, held against attendance in 2021
- xxiv A donation was received from Lutheran Heritage Foundation to print and distribute an English translation of Luther's Small Catechism.
- xxv This fund was established by the LWLGB (Lutheran Women's League of Great Britain) to provide support to families of international students who are studying in a residential programme at Westfield House.
- xxvi Funds to be utilised by Westfield House in the next financial year. It should be noted that the financial year does not align with the academic year, making it essential that some funds are carried forward each year.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Tangible fixed assets	37,028	6,452,417	6,489,445	6,482,121
Current assets	7,359,159	(5,830,968)	1,528,191	1,500,805
Creditors due within one year	(155,533)	-	(155,533)	(195,967)
Creditors due after more than one year	(139,614)	-	(139,614)	(153,300)
	<u>7,101,040</u>	<u>621,449</u>	<u>7,722,488</u>	<u>7,633,659</u>

18. OPERATING LEASE COMMITMENTS

At 31 March 2023 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	Total 2023 £	Total 2022 £
Equipment		
Less than one year	3,298	3,298
Between one and five years	<u>1,961</u>	<u>5,260</u>
	<u>5,259</u>	<u>8,558</u>
Operating lease charges for the period:		
Hire of plant & machinery	<u>3,298</u>	<u>3,298</u>
	<u>3,298</u>	<u>3,298</u>

19. CONTINGENT LIABILITY

The Church has agreed to meet the liabilities of the Evangelical Lutheran Church of England Trust Limited in the event that the company is unable to meet them itself.

**THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. TRANSACTIONS WITH CONNECTED CHARITY

The Charity is connected to the Evangelical Lutheran Church of England Trust Limited, which acts as custodian for properties owned by the Church, which is the beneficial owner. Both the Church and the Trust have as their objectives the spread of the Gospel. The Executive Council of the Church are the Trustees of the Church and also the Directors of the charitable company, acting on behalf of the member congregations of the charitable company who are represented by the pastoral and lay delegates who attend the annual meeting of the charitable company held in conjunction with the annual synod of the Evangelical Lutheran Church of England Trust Limited. As at 31 March 2023 member congregations of the Church owed the charitable company £229,461 (2021: £230,721).

During the year the Trust donated £nil to ELCE Church (2022: £nil) for the restricted fund established to cover costs related to the restructure of ELCE. At 31st March 2023, the Evangelical Lutheran Church of England Trust owed ELCE Church £284,235 (2022: £316,718).

Post balance sheet, Good Shepherd purchased a flat utilising some of the proceeds of the sale of their land. The Trust property at 18 Tunstall Park, Sunderland was sold and the remaining St Timothy debt to the church was repaid.

21. CONTROLLING PARTY

The Charity is controlled by its members, who make up the Synod of the Evangelical Lutheran Church of England.

22. STATUS OF CONGEGATIONS

Following further advice from the Charity Commission, the Executive Council have been advised that member congregations are not subsidiaries of the Evangelical Lutheran Church of England, but are autonomous bodies in membership of the Evangelical Lutheran Church of England. A Church wide consultation in response to this advice is underway and in the interim, as in previous years, these accounts have been prepared on a line by line consolidation basis, as if the congregations and Westfield House are subsidiaries of the Church.

THE EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from:			
Donations and legacies	291,095	10,783	301,878
Charitable activities	375,823	21,479	397,302
Other activities	656,734	-	656,734
Investments	235	20	255
Total income	1,323,887	32,282	1,356,169
Expenditure on:			
Charitable activities	992,006	75,969	1,067,975
Total expenditure	992,006	75,969	1,067,975
Net expenditure before investment gains/losses	331,881	(43,687)	288,194
Net realised and unrealised gains/(losses) on investments	-		-
Net (expenditure)/Income before transfers	331,881	(43,687)	288,194
Transfers between funds	(68,966)	68,966	-
Net movement in funds	262,915	25,279	288,194
Fund balances brought forward	6,999,009	346,457	7,345,466
Total funds carried forward	7,261,924	371,736	7,633,660

All activities relate to continuing operations.

Accounts

Charity number: 220466

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CONTENTS
FOR THE YEAR ENDED 31 MARCH 2022

	Page
Charity Information	1
Trustees' Report	2-6
Independent auditor's report	7-9
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13-25

EVANGELICAL LUTHERAN CHURCH OF ENGLAND**CHARITY INFORMATION**

Trustees	Reverend G Samiec Reverend J Ehlers Mrs D Rosser Dr C Lumley Reverend J Kriger Mrs M Cowie Mr R Thielke	Chairman Vice Chairman Secretary Treasurer
Key management personnel	Reverend G Samiec Reverend J Ehlers Mrs D Rosser Dr C Lumley Dr J Humann	Chairman Vice Chairman Secretary ELCE Treasurer and Principal, Westfield House Preceptor, Westfield House
Charity number	220466	
Registered office	28 Huntingdon Road Cambridge CB3 0HH	
Congregations	Luther Tyndale, Kentish Town St Andrew's, Ruislip Christ Church, Petts Wood St Paul's, Borehamwood St Peter's, Plymouth St David, Cardiff	Resurrection, Cambridge Redeemer, Harlow St Columba, East Kilbride Good Shepherd, Coventry Our Saviour, Fareham Ascension, Brandon, Suffolk
Auditors	Chater Allan LLP 7 Quay Court Colliers Lane Stow-cum-Quay CB25 9AU	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ Cater Allen Private Bank 9 Nelson Street Bradford BD1 5AN	HSBC Bank plc 63-64 St Andrews Street Cambridge CB2 3BZ Cambridge & Counties Bank Charnwood Court 5b New Walk Leicester LE1 6TE
Solicitors	Streeter Marshall 12 Purley Parade High Street Purley Surrey CR8 2AB	Anthony Collins 134 Edmund St Birmingham B3 2ES

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees present their report and the audited financial statements for the period ended 31 March 2022.

Legal status

The Evangelical Lutheran Church of England is an unincorporated association and a registered charity. The governing document is a written constitution.

In September 2019, the following resolution was passed by the General Synod of the Church meeting in conference:

"Be it resolved that the ELCE become a Charitable Incorporated Organisation of member CIOs from the following:

individual congregations of the ELCE; and other CIOs which operate as auxiliaries of the Church (for example and not limited to education and social care).

Be it further resolved that all the Governing Documents pertaining to the Church, and to the charities, and to the relationships within the ELCE CIO be presented at the next Synod for adoption."

Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies.

Objectives and structure

The Church exists to spread the gospel of Christ. At the beginning of the financial year there were 12 congregations throughout the United Kingdom, undertaking to spread the gospel. We acknowledge that Holy Trinity, Tottenham, although it has a separate charity registration (1179023) and therefore submits separate accounts, remains a member of the ELCE Church Body. Nine congregations have their own pastors (full-time or part-time) and three congregations have the support of locum pastors from adjacent congregations. Seven congregations support missions. The Church continues to provide theological training through Westfield House and runs an internet radio station, Lutheran Radio UK (LRUK).

Each congregation has local independence with regard to the running of the Church and each congregation is represented at General Synod where policy decisions and protocols of the whole Church are discussed and agreed which each congregation then follows.

Trustees

The trustees are members of the Executive Council, which is elected by the General Synod of the Church. The members of the Executive Council during the year were:

Reverend G Samiec Chairman
Reverend J Ehlers Vice Chairman
Mrs D Rosser Secretary
Dr C Lumley Treasurer
Mrs M Cowie
Mr R Thielke
Reverend J Kriger

Trustees' responsibilities

As trustees of the charity, the Executive Council is responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the charity and its incoming resources and application of resources for the year. In preparing these financial statements, the trustees are required to:

- select accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

- comply with applicable accounting standards, 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The trustees examine on a regular basis the major risks that the charity faces and have developed systems to monitor and control these risks and to mitigate their impact in the future.

Three major risks which have a probability of occurring with serious consequences, in spite of mitigating factors, are highlighted in the risk register:

1. Governance Structure and Control Methodology

The Trustees recognise the need for ELCE to ensure that the governing body has knowledge and skills that align with future strategic challenges and that, more broadly, a new strategic plan is required. This is an issue that will need to be addressed and resolved as the new organisational design emerges. The Trustees have therefore agreed to instigate strategic planning work. There will be similar challenges for all new CIOs as they are created.

2. Operational Issues: Health & Safety

The lack of a fully integrated H&S management capability risks exposure to breach of statute or risks harm to individuals in the organisation or members of the public visiting ELCE sites. At its Synodical meeting in October 2022, ELCE will appoint a H&S Compliance Officer who, together with members of a new Health & Safety Committee, will conduct a full audit of existing policies to identify any critical gaps and ensure that safety plans are in place across ELCE and affiliated groups by March 2023.

3. Workforce Issues

There is a risk that 'tyranny of the urgent' will result in burn-out, loss of morale, failure to achieve the charity's potential and poor service delivery. The Executive Council plans to go out to tender for HR support so that appropriate and compliant HR programmes, policies and documentation is put in place.

Fundraising

The Evangelical Lutheran Church of England engaged in fundraising primarily in the form of receiving free-will offerings/donations, some of which were gift-aided, from those attending our worship services. On occasion we have publicly invited ELCE members to consider the option of making a bequest to the ELCE in their wills. We did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. While we publicly invite an offering at every service and Lutheran Radio UK and Westfield House invite donations, we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people. We do not use the Means of Grace to fundraise. Our fundraising practices are ethical and in the spirit of the Biblical principles of stewardship. No complaints were received about our fundraising practices during the year under consideration.

Public benefit

The trustees have considered and referred to the Charity Commission's guidance on public benefit, when reviewing the charity's aims and objectives and in planning future activities. The spiritual goals of the Church are beyond empirical assessment but the Church continues to undertake the mission of the Church and support the congregations in the same goal. Nevertheless when asked to comment

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

on the achievements and performance of the Church according to the Charity Commission's criterion of public benefit, specifically with regard to the advancement of religion, the ELCE notes the following:

- Our churches are open to all members of the public and there is no membership subscription payment;
- There are a variety of interactions with the community through child care, student accommodation, civic events, senior citizen events, and youth activities notwithstanding the regular activities occurring each Sunday;
- The interaction with other British educational institutions by our theological house of studies, Westfield House (Cambridge);
- The ELCE's internet radio station -Lutheran Radio UK -is global in reach and has a strong audience in the UK;
- The facilities of a number of our congregations allows them to be offered for hire for a variety of community groups and occasions.

Governance

The trustees meet as the Executive Council at least 6 times per year to review the objectives, structure and management of the Church. Trustees monitor the performance of funds, Church operating cost centres, and congregations much of which is managed not by the trustees but by designated persons or committees who are operating under congregational constitutions and by-laws or church policies.

Trustees are inducted and trained through receipt of historical material and discussions with the Chairman and Secretary.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day to day basis. All members of the Executive Council give of their time freely and no trustee received any remuneration in the year for their work as trustees. Details of trustees' expenses and related party transactions are disclosed in Note 21 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Salary scales are aligned to the Annual Survey of Hours and Earnings (Table 1.1a) for ordained clergy and to local salaries for non-ordained staff.

Voluntary Help and Donations in Kind

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function.

Land and Buildings

The Church, including the congregations and the theological college, operates from buildings that are held in trust for the Church by the Evangelical Lutheran Church of England Trust Limited ('the Trust'). The Trustees have been advised that the Trust is the custodian of these properties and ELCE (Church) is the beneficial owner. Accordingly, the property and associated income and expenditure are recorded in the ELCE (Church) financial statements, with the exception of two properties in Sunderland for which the beneficial ownership was transferred to the Trust, as of 1 November 2020.

ELCE from time to time benefits from funds provided by the Trust to the Church for central running costs and special projects (for example, the legal costs of the restructure work). The terminology of 'loan' has been used for these transactions between ELCE and the Trust as, historically, the intention was that the money would be put back into the Trust. The Trustees of the Trust have now confirmed they are not seeking repayment of these amounts, and therefore the amounts previously recorded as loans were in fact grants to ELCE, which has the same objects as the Trust.

The Trust also, from time to time, provides concessional loans to member congregations of the ELCE. The majority of these loans bear interest and are repayable by instalments. No new loans were received in the period under review.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Market value of land and buildings

The Council considers that the market value of land and buildings, all of which are in use for charitable purposes, is considerably higher than book value. It is estimated, without carrying out a professional valuation, that the market value could be in the region of between £15 to £25 million. However, the Council does not consider it of value to obtain a professional valuation. As a guide, the buildings alone are insured for more than £20 million.

Financial Review

The Church had net surplus of £288,194 in the year (2021: net deficit of £68,264). At the end of the period net assets totalled £7,633,660 (2021: net assets £7,345,466).

- i. **Restricted Funds**
Total restricted funds now stand at £371,736 (2021: £346,457). The movements on these is set out in Note 17.
- ii. **General Funds**
The General Fund has increased by £82,806 to £476,961. Designated funds increased by £180,109 to £6,784,963 during the year.

At the January 2020 meeting, the Trustees agreed that funds should be set aside to cover the legal costs of the restructure. In the first instance a total of £40,000 has been allocated to this fund, comprising £15,000 designated from ELCE Church and Restricted donations of £25,000 from ELCE Trust Ltd.

Congregations

The Executive Council has been advised that the member congregations are not subsidiaries of the Evangelical Lutheran Church of England, but are autonomous bodies. Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies. Until then the activities and assets and liabilities of the member congregations and other auxiliary bodies are included in these financial statements, with the exception of Holy Trinity which prepares and submits its own accounts to the Charity Commission for England and Wales.

The non property and non bank assets of the congregations are not included in the balance sheet as they are inalienable and the cost of attempting a valuation would be burdensome. All assets are held for the charitable purposes of the Church.

The congregations had an overall surplus of £4,323 in the period (2021: surplus £5,858).

Reserves

The Trustees intend to hold sufficient free reserves to cover 6 months of net operating costs, estimated at £25,000 per month.

The unrestricted general fund stands at £476,961, designated funds at £6,784,963 and restricted funds at £371,736. Total funds at the year end are £7,633,660. Tangible fixed assets now total £6,482,121.

Connected Charity

The Evangelical Lutheran Church of England Trust Limited is connected to the Evangelical Lutheran Church of England due to the fact that both charities have as their object the spread of the gospel and the Executive Council members are Trustees of the Evangelical Lutheran Church of England and Directors of the Trust. The charitable company has agreed to meet the liabilities of the Evangelical Lutheran Church of England in the event that the Church is unable to meet them itself.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Plans for Future Periods

The Trustees are committed to ensuring that the new structure is finalised and implemented so that the charity can continue to focus on its objective of spreading the Gospel, whilst complying with all UK legal and charity requirements.

Pension Arrangements for Pastors

As part of the restructure activities, the Trustees conducted a review of the current Employer's Pension arrangements – a 'defined contribution' scheme with The Pensions Trust – for pastors, which showed that the provisions, fees etc are suitable compared to other employers' pension schemes. However, the review of individual pastor's pension arrangements by an independent financial advisor established that for most of the current pastors there will be a shortfall between the projected income from their pensions and their income requirements. The main reason for this is that, as Ministers of Religion, ELCE pastors have been required to live in tied housing and their salaries have been adjusted downwards to take this into account (similar to other Christian denominations in the UK). The Trustees are therefore considering ways to assist pastors to move from tied housing in retirement and have reviewed the provisions made by other denominations for their ministers. Three provisions are made by other denominations: increased employer contributions to pension funds; provision of retirement housing at affordable rents; equity sharing schemes to assist with house purchase. At the ELCE Extraordinary Synod held in May 2021 it was agreed that the terms of the Retirement Reserve Fund should be amended and additional payments be made into this fund. It was further agreed that the net rental income from one of the ELCE properties, Okemore Gardens, would be paid into the Retirement Reserve Fund beginning with the net rental income for 2020-21. In addition to increasing the Retirement Reserve Fund, the Trustees are considering the possibility of providing affordable rental housing for retired ELCE Pastors via ELCE Trust Ltd, in line with its objects.

At the ELCE Extraordinary Synod held in May 2021 it was also agreed that the Retirement Reserve Fund will be closed to new employees, and alternative arrangements will be put in place.

Site Re-developments

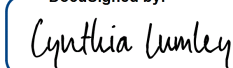
Two congregations are investigating the possibility of redeveloping their sites.

- The members of Redeemer Lutheran Church, Harlow, wish to develop their site to provide affordable rental accommodation in a multi-storey redevelopment of the site which will include a new church and accommodation for the pastor and his family.
- During the year under review, the members of Good Shepherd Lutheran Church, Coventry completed the sale of part of the land belonging to their property for re-development, having first obtained a 'Qualified Surveyors' Report' in line with Charity Commission requirements. The sale proceeds will be used to invest in another property in the area that could eventually be used to house a pastor for the congregation and for Lutherans in the Midlands. In the meantime, the funds are being held by ELCE Trust Ltd. as a Restricted Fund. The purpose of the sale is not to remain solvent but rather to further the objects of the charity by maintaining an active Lutheran ministry in the Coventry area and to foster links with Lutherans in the wider area. To this end, Good Shepherd has taken on responsibility for St Timothy's Mission.

Auditors

Chater Allan LLP have expressed their willingness to be reappointed as auditors.

Approved by the Trustees on 21st January 2023 and signed on their behalf by:

DocuSigned by:

 5569DB3F5371469...
 Trustee
 Cynthia Lumley

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EVANGELICAL LUTHERAN CHURCH OF ENGLAND FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Evangelical Lutheran Church of England for the year ended 31 March 2022 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 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 Charities Act 2011.

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 the charitable company'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 trustees are responsible for the 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2022**

Other information (continued)

We have nothing to report in this regard.

Matters on which we are to required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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.

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 is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the annual financial statements from our general commercial and charity specific experience, through discussion with the Council of Members (as required by auditing standards), and from inspection of the charity's regulatory correspondence, and we discussed with the Council of Members the policies and procedures regarding compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2022**

Auditor's responsibilities for the audit of the financial statements (continued)

We communicated identified laws and regulations throughout our team and remained alert to any indication to non-compliance throughout the audit; the audit team are deemed both competent and capable of identifying non-compliance with rules and regulations. 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.

The potential effect of these laws and regulations on the annual financial statements varies considerably. Firstly, the charity is subject to laws and regulations that directly affect the annual financial statements including financial reporting legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related annual account items. Secondly, the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance non-compliance with industry regulations. We assessed the risk of fraud in the financial statements through discussion with management and from our experience of the charity. We communicated identified fraud risk areas throughout our team and remained alert to any indication of fraud throughout the audit. In particular, we assessed the potential impact of the global pandemic known as Covid-19 on the risk of fraud. We did not identify any instances of fraud during the course of our audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the charities (Accounts and reports) regulations 2008. 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.

DocuSigned by:

Chater Allan LLP

DC0F4A3717254A1...
Chater Allan LLP

Chartered Accountants & Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

31 January 2023

Date:

Chater Allan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	2	291,095	10,783	301,878	279,023
Charitable activities	3	375,823	21,479	397,302	345,329
Other Income	4	656,734	-	656,734	270,019
Investments	5	235	20	255	75
Total income		1,323,887	32,282	1,356,169	894,446
Expenditure on:					
Charitable activities	6	992,006	75,969	1,067,975	1,244,866
Total expenditure		992,006	75,969	1,067,975	1,244,866
Net Income/(expenditure) before investment gains/losses		331,881	(43,687)	288,194	(350,420)
Net realised and unrealised gains/(losses) on investments		-	-	-	282,156
Net (expenditure)/Income before transfers		331,881	(43,687)	288,194	(68,264)
Transfers between funds	16	(68,966)	68,966	-	-
Net movement in funds		262,915	25,279	288,194	(68,264)
Reconciliation of movement in funds:					
Total funds brought forward		6,999,009	346,457	7,345,466	7,413,730
Total funds carried forward		7,261,924	371,736	7,633,660	7,345,466

All activities relate to continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
BALANCE SHEET
AS AT 31 MARCH 2022

	Note	Total 2022 £	Total 2021 £
Fixed assets			
Tangible assets	12	6,482,121	6,502,629
		<u>6,482,121</u>	<u>6,502,629</u>
Current assets			
Debtors	13	544,459	189,737
Cash at bank and in hand		956,346	985,351
		<u>1,500,805</u>	<u>1,175,088</u>
Liabilities			
Creditors: amounts falling due within one year	14	195,966	175,209
Net current assets		<u>1,304,839</u>	<u>999,879</u>
Creditors: amounts falling due after more than one year	15	153,300	157,042
Net assets		<u>7,633,660</u>	<u>7,345,466</u>
Charity funds			
Restricted funds	16	371,736	346,457
Unrestricted funds			
Designated funds	16	6,784,963	6,604,854
General Fund	16	476,961	394,155
		<u>7,633,660</u>	<u>7,345,466</u>

The financial statements were approved by the Trustees on 21st January 2023 and signed on their behalf by:

DocuSigned by:

Cynthia Lumley

.....5569DB3F5371469.....

Dr C Lumley
Trustee

The notes on pages 13 to 26 form part of these financial statements.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Total 2022 £	Total 2021 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>(23,123)</u>	<u>76,854</u>
Cash flows from investing activities:		
Interest from investments	255	75
Purchase of property, plant and equipment	<u>(5,196)</u>	<u>-</u>
Net cash provided by investing activities	<u>(4,941)</u>	<u>75</u>
Cash flows from financing activities		
Interest paid	(941)	(1,199)
Change in cash and cash equivalents in the reporting period	<u>(29,005)</u>	<u>75,730</u>
Cash and cash equivalents at the beginning of the reporting period	985,351	909,621
Cash and cash equivalents at the end of the reporting period	<u><u>956,346</u></u>	<u><u>985,351</u></u>
Summary of the cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	956,346	985,351
	<u><u>956,346</u></u>	<u><u>985,351</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net (expenditure)/income for the reporting period	288,194	(68,264)
Adjustments for:		
Depreciation charges	1,752	1,358
Gift of operating asset	23,952	420,000
(Gains)/losses on investments	-	(282,156)
Interest from investments	(255)	(75)
Interest paid shown in financing activities	941	1,199
(Increase)/decrease in debtors	(354,722)	(7,771)
Increase/(decrease) in creditors	17,015	12,563
Net cash provided by operating activities	<u><u>(23,123)</u></u>	<u><u>76,854</u></u>

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Evangelical Lutheran Church of England meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income

Donations and legacies are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the charity for its use, these are capitalised at the estimated fair value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

The various congregations hold fundraising events throughout the year and costs associated with these events are netted off. Consequently, the figure in the accounts is shown net of these costs. In the opinion of the Trustees, the gross income and expenditure are not materially understated.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity benefits from many voluntary hours and unclaimed out-of-pocket expenses. It would be impossible to place a value on all these gifts in kind for which the charity is extremely grateful.

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function. To place a monetary value on the time donated by volunteers would be an onerous task for the Trustees and therefore has not been attempted.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Other costs, including support costs are charged directly to the activity when incurred.

1.5 Going concern

The Trustees have carefully considered the cashflow forecasts for future periods using all available information. They have taken steps to ensure that the funding available from the Evangelical Lutheran Church of England Trust Limited to the charity is adequate to meet the estimated cashflow requirements. The Trustees have a reasonable expectation that the charity has adequate arrangements in place to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All fixed assets acquired for the Charity's own use are capitalised at purchase price or cost of production, or at estimated value at the time of gift where received by way of gift. No depreciation is provided on freehold land. Where the charity adopts a policy of maintaining properties to a standard that prolongs their lives and enhances their residual value, the trustees consider any depreciation arising to be insignificant and the properties are not depreciated. Where impairments occur, these are provided for. Otherwise depreciation is provided at rates to write off the excess of cost over residual value amount, over estimated useful lives as follows:

Fixtures & fittings	10 years
Office equipment	4 years

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1.7 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Pensions

The charity makes contributions to defined contribution schemes, which are accounted for as they are paid.

1 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
General Donations	38,125	-	38,125	6,963
Rental income receivable	21,125	10,783	31,908	32,877
Offerings	231,845	-	231,845	208,530
Grants	-	-	-	30,653
	<u>291,095</u>	<u>10,783</u>	<u>301,878</u>	<u>279,023</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Westfield House income	300,533	-	300,533	246,998
Congregation Led Group income -Seedlings	67,278	-	67,278	63,387
Car Loan Fund	-	-	-	-
Sabbatical Leave Fund	495	-	495	468
Student Aid Fund	600	-	600	400
Youth Fund	1,179	-	1,179	429
Pearce/Home Missions	223	-	223	2,231
Overseas Mission	832	-	832	1,277
Lutheran Radio UK	-	8,340	8,340	22,735
Publications	933	-	933	1,241
Retirement	-	4,690	4,690	-
Restructure Fund	-	5,000	5,000	-
Westfield House Endowment	-	2,701	2,701	3,039
Glen Zweck Scholarship Fund	-	748	748	914
HR/HS	3,750	-	3,750	2,210
	<u>375,823</u>	<u>21,479</u>	<u>397,302</u>	<u>345,329</u>

Westfield House income:

Donations	25,092	-	25,092	20,919
Westfield House projects	-	-	-	46,654
Tuition fees	115,362	-	115,362	73,445
Other income	9,985	-	9,985	3,015
Rental income	150,094	-	150,094	102,965
	<u>300,533</u>	<u>-</u>	<u>300,533</u>	<u>246,998</u>

Lutheran Radio UK:

Donations	8,340	-	8,340	22,735
	<u>8,340</u>	<u>-</u>	<u>8,340</u>	<u>22,735</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
4. OTHER INCOME				
Congregational income	344,866	-	344,866	269,695
Other charity income	256,420	-	256,420	324
Holy Trinity Debt due to the Church	55,448	-	55,448	-
	<u>656,734</u>	<u>-</u>	<u>656,734</u>	<u>270,019</u>
5. INVESTMENT INCOME				
Investment income	235	20	255	75
	<u>235</u>	<u>20</u>	<u>255</u>	<u>75</u>
6. COST OF CHARITABLE ACTIVITIES				
Central Administration				
Advisory and consultancy fees	-	-	-	9,297
Light and heat	428	-	428	415
Maintenance and cleaning	235	-	235	360
Legal Fees	1,265	-	1,265	2,356
Westfield 2022/2021 corrections	-	-	-	(114)
Telephone	804	-	804	586
Postage	82	-	82	80
Stationery, printing, duplicating and IT	2,128	-	2,128	2,995
Rates	456	-	456	456
Insurance	532	-	532	260
Bank charges	375	-	375	(9,515)
Audit fee - current year	7,200	-	7,200	6,000
Audit fee - prior year	-	-	-	2,340
Accountancy and bookkeeping fees	19,400	-	19,400	-
Subscriptions	-	-	-	614
Property expenses	3,001	-	3,001	8,714
Sundries	2,052	-	2,052	134
Donations	767	-	767	-
Donation to ELCE Trust	-	-	-	332,946
	<u>38,725</u>	<u>-</u>	<u>38,725</u>	<u>357,924</u>
Congregational expenditure				
Pastors' salaries and costs	280,506	-	280,506	251,807
Establishment costs	183,942	-	183,942	135,836
Insurance and repairs	86,486	-	86,486	86,509
Other costs	5,776	-	5,776	3,568
Church Led Group costs - Seedlings	66,564	-	66,564	58,035
	<u>623,274</u>	<u>-</u>	<u>623,274</u>	<u>535,755</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
6. COST OF CHARITABLE ACTIVITIES (continued)				
Westfield House				
Direct costs	46,072	-	46,072	30,261
Westfield House projects	-	-	-	55,603
Salaries and wages	147,230	-	147,230	137,091
Property expenses	66,204	-	66,204	76,308
Accountancy and bookkeeping fees	5,700	-	5,700	6,758
Legal Fees	4,606	-	4,606	4,721
Other costs	4,484	-	4,484	1,161
	<u>274,297</u>	<u>-</u>	<u>274,297</u>	<u>311,902</u>
Fund Expenditure				
Furlough fund	3,341	-	3,341	-
Youth fund	318	-	318	270
Pearce/Home Missions	10,000	-	10,000	-
Barnes conference	3,822	-	3,822	-
Board for overseas mission	1,271	-	1,271	1,199
ELCE Retreat Launde Abbey	-	380	380	190
Training and recruitment	-	-	-	-
LRUK	-	19,031	19,031	19,191
Publications	643	-	643	1,438
Retirement	-	37,000	37,000	-
Student Aid payments	100	-	100	-
Westfield House Endowment	-	12	12	12
Westfield House Special projects	-	-	-	1,568
Restructure fund	-	19,538	19,538	10,281
Glen Zweck Scholarship Fund	-	8	8	8
	<u>19,495</u>	<u>75,969</u>	<u>95,464</u>	<u>34,157</u>
Lutheran Radio UK:				
Salaries	16,677	-	16,677	12,587
Other costs	2,354	-	2,354	6,604
	<u>19,031</u>	<u>-</u>	<u>19,031</u>	<u>19,191</u>
ELCE expenditure				
ELCE committees and Chairman expenses	9,570	-	9,570	2,571
	<u>9,570</u>	<u>-</u>	<u>9,570</u>	<u>2,571</u>
Miscellaneous expenses				
Depreciation	1,752	-	1,752	1,358
Interest payable	941	-	941	1,199
Loss on disposal of assets	23,952	-	23,952	-
	<u>26,645</u>	<u>-</u>	<u>26,645</u>	<u>2,557</u>
Total Expenditure	<u>992,006</u>	<u>75,969</u>	<u>1,067,975</u>	<u>1,244,866</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Other	Depreciation		
	2022	2022	2022	2022	2021
	£	£	£	£	£
Charitable Activities	502,379	563,844	1,752	1,067,975	1,244,866
	<u>502,379</u>	<u>563,844</u>	<u>1,752</u>	<u>1,067,975</u>	<u>1,244,866</u>

8. NET INCOME/ EXPENDITURE

	2022	2021
	£	£
The excess of income over expenditure is stated after charging:		
Depreciation of tangible fixed assets: owned by the company	1,752	1,358
Auditors remuneration: audit	7,200	6,000
Auditors remuneration: non-audit	800	4,000
Auditors remuneration: audit in relation to the prior year	-	2,340

9. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	415,317	388,085
National insurance	40,837	37,729
Pension costs	46,225	22,581
	<u>502,379</u>	<u>448,395</u>

	2022	2021
	No.	No.
The average monthly number of employees during the year was as follows:		
Work with congregations	14	13
Theological training	4	4
	<u>18</u>	<u>17</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key Management Personnel

The total wages & salaries, social security costs and pension costs of the key management personnel of the charity as listed on page 1 were £178,296 (2021: £144,440).

10. PENSION COSTS

The charity contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to these funds and amounted to £46,225 (2021: £22,581).

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. TRUSTEES' REMUNERATION

During the period, expenses amounting to £4,175 were reimbursed to 4 trustees (2021: £9,530 to 7 trustees). No remuneration was paid to any trustees during the year in their capacity as trustees. Note 13 sets out details of car loans made to trustees. During the year, donations amounting to £36,737 were received from trustees.

Remuneration is paid to the following trustees who are employees of the charity in their positions as ordained ministers of member congregations and as Principal of Westfield House.

	Wages and salaries	Social security	Pension costs
	£	£	£
Rev G Samiec	32,180	3,220	2,256
Rev J Ehlers	32,180	3,220	2,395
Dr C E Lumley	36,956	3,880	-
Rev J Kriger	29,164	2,804	1,637
	<u>130,480</u>	<u>13,124</u>	<u>6,288</u>

During the period Rev G Samiec, Rev J Ehlers and Rev J Kriger were provided with accommodation.

The key management personnel of the charity are considered to be related parties and their total employee benefits are set out in note 9.

12. TANGIBLE FIXED ASSETS

	Freehold property	Library books	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2021	6,476,369	192,932	42,998	15,838	6,728,136
Additions	-	-	5,196	-	5,196
Revaluation	-	-	-	-	-
Disposals	(23,952)	-	-	-	(23,952)
As at 31 March 2022	<u>6,452,417</u>	<u>192,932</u>	<u>48,194</u>	<u>15,838</u>	<u>6,709,380</u>
Depreciation					
As at 1 April 2021	-	170,084	41,125	14,298	225,507
Charge for the year	-	-	1,145	607	1,752
As at 31 March 2022	<u>-</u>	<u>170,084</u>	<u>42,270</u>	<u>14,905</u>	<u>227,259</u>
Net book value					
As at 31 March 2022	<u>6,452,417</u>	<u>22,848</u>	<u>5,924</u>	<u>933</u>	<u>6,482,121</u>
As at 31 March 2021	<u>6,476,369</u>	<u>22,848</u>	<u>1,873</u>	<u>1,540</u>	<u>6,502,629</u>

13. DEBTORS

	2022	2021
	£	£
Due < 1 year		
Trade debtors	71,734	31,505
Car loans - concessionary loans	27,049	28,903
ELCE Trust Limited	316,718	88,789
Other debtors	86,046	20,763
Prepayments and Accrued Income	25,912	19,777
	<u>527,459</u>	<u>189,737</u>

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. DEBTORS

Included in car loans are amounts totalling £6,800 owed by one trustee in office at the period end (2021 - one trustee owed £9,200). All of the loans detailed are repayable by instalments within the next four years and no interest is charged with the exception of one car loan.

Due > 1 year	2022	2021
	£	£
Loans	17,000	-
	<u>17,000</u>	<u>-</u>
Total debtors	<u>544,459</u>	<u>189,737</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	43,955	14,426
Other creditors	5,297	920
Other taxation and social security	223	-
Accruals and deferred income	69,070	79,936
	<u>118,545</u>	<u>95,282</u>

Deferred income:

As at 1 April 2021	7,510	17,500
Deferred income recognised in the year	(7,510)	(17,500)
Resources deferred during the year	11,640	7,510
As at 31 March 2022	<u>11,640</u>	<u>7,510</u>

Deferred income represents tuition income and rents received in advance

Congregation amounts owed to Evangelical Lutheran Church of England Trust Limited

	2022	2021
	£	£
Holy Trinity, Tottenham	138,060	137,410
St Peters	36,490	38,220
Redeemer building project	56,171	56,545
Our Saviour	-	4,793
	<u>230,721</u>	<u>236,968</u>
Less: due after one year	<u>(153,300)</u>	<u>(157,042)</u>
	<u>77,421</u>	<u>79,926</u>
Total creditors falling due within one year	<u>195,966</u>	<u>175,209</u>

The majority of the loans bear interest and are repayable by instalment.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<i>Monies owed to Evangelical Lutheran Church of England Trust Limited</i>	2022	2021
	£	£
Holy Trinity, Tottenham	62,400	62,400
Our Saviour	-	1,633
Redeemer building project	55,671	56,046
St Peters	35,229	36,963
	<u>153,300</u>	<u>157,042</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. STATEMENT OF FUNDS

	Note	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Carried forward £
Designated Funds:						
Car fund	i	11,097	-	(6,735)	8,589	12,951
Furlough fund	ii	5,031	-	(3,341)	-	1,690
Sabbatical leave fund	iii	8,731	495	-	-	9,226
Student aid fund	iv	5,337	600	(100)	-	5,837
Youth fund	v	5,172	1,179	(318)	-	6,033
Rev Dr E Geo Pearce memorial fund	vi	24,525	223	(10,000)	-	14,748
Board for overseas mission	vii	2,341	832	(1,271)	-	1,902
Pastoral support fund	viii	373	-	-	-	373
Worship committee fund	ix	158	-	-	-	158
Barnes conference	x	13,874	-	(3,822)	-	10,052
Westfield House General Fund	xi	37,910	300,533	(274,297)	(64,147)	0
Property fund	xii	6,476,369	-	-	(23,952)	6,452,417
Restructure Fund	xiii	10,000	-	-	(4,819)	5,181
Publishing Fund	xiv	1,725	933	(643)	-	2,015
HR/H&S Fund - Designated	xv	2,210	3,750	-	-	5,960
Good Shepherd Property Fund	xvi		256,420	-	-	256,420
		6,604,854	564,965	(300,527)	(84,329)	6,784,963
General Funds:						
General Funds:		394,155	758,922	(691,479)	15,363	476,961
Total Unrestricted Funds		6,999,009	1,323,887	(992,006)	(68,966)	7,261,924
Restricted Funds:						
Retirement reserve fund	xvii	89,084	21,910	(43,437)	-	67,557
LRUK	xviii	63,545	8,340	(19,031)	-	52,854
Westfield House Endowment	xiv	107,706	2,721	(12)	-	110,415
Glen Zweck Scholarship Fund	xxi	74,140	748	(8)	-	74,880
Restructure Fund	xxii	9,719	5,000	(19,538)	4,819	-
ELCE Retreat	xxiii	2,185	-	(380)	-	1,805
Publishing Fund Restricted	xxiv	78	-	-	-	78
Lutheran Women's League of Great Britain	xxv	-	-	-	200	200
Westfield House Operating Fund		-	-	-	63,947	63,947
		346,457	38,719	(82,406)	68,966	371,736
Total Funds		7,345,466	1,362,606	(1,074,412)	-	7,633,660

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. STATEMENT OF FUNDS (CONTINUED)

Designated Funds:

- i This fund is held to assist Pastors in purchasing motor vehicles.
- ii Every 5 years each Pastor and his family originating from outside the UK is entitled to visit his home country. The fund exists to pay for travelling expenses. Since Pastors come from as far afield as Australia and America these expenses can be substantial.
- iii This fund is used at the Council's discretion to pay for Pastors' costs related to the taking of a sabbatical.
- iv The fund is used at Council's discretion to help students in need.
- v This fund is operated by the Youth Board, who are elected by the General Synod.
- vi This fund's primary use is for mission and outreach based projects, but all requests for grants are carefully considered. Requests are to be supported by a written action plan.
- vii This fund was set aside from the proceeds of the sale of All Hallow's, Sunbury on Thames, to fund donations to overseas Lutheran missions work as requested by the Board for Overseas Missions. It now receives donations and contributions from congregations each year.
- viii The fund is used to support Pastors with various needs including counselling.
- ix The fund pays committee expenses.
- x Funds have been allocated for the conference.
- xi Funds to be utilised by Westfield House in the next financial year. It should be noted that the financial year does not align with the academic year, making it essential that some funds are carried forward each year.
- xii This Fund reflects the funds utilised in freehold property
- xiii These funds were set aside by the Trustees to fund the reorganisation work
- xiv This fund is designated to support ELCE publications, in particular a quarterly newsletter (*The British Lutheran*). An initial sum of £2000 was allocated to the fund, in order to underwrite initial costs. Income received from any ELCE publication is allocated to this fund. Expenditure exceed the allocated amount so a transfer has been made from the General Fund to cover the deficit.
- xv This fund was established to support the appointment of external HR/HS advisor(s), once the new structure is in place. Congregations and Westfield House make regular contributions to the fund through the quarterly invoices.
- xvi The Good Shepherd Property Fund has been established from sales proceeds of land of Good Shepherd Lutheran Church for a future property purchase that could be used to house a pastor for the congregation and for Lutherans in the Midlands.

Restricted Funds:

- xvii This fund was set up to assist pastors to meet one of their major problems on retirement, namely that of finding suitable accommodation. The Executive Council may give lump sums to any pastor on their retirement.
- xviii This fund was set up for donations given specifically towards the costs of the Lutheran Radio UK.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. STATEMENT OF FUNDS (CONTINUED)

- xviii This fund was set up to support the running costs of Westfield House by donating the interest earned on the capital sum. Interest is usually transferred to the Church on an annual basis to support the running costs of Westfield House, or in some years, it is left in the fund.
- xx Funds donated for special projects at Westfield House (e.g. new garden path).
- xxi This fund was set up from a legacy to provide scholarship funding for students wishing to attend Westfield House. The fund will be administered by the Westfield House Admissions Committee.
- xxii The Restructure fund contains restricted donations to be used to fund the reorganisation work.
- xxiii Funds paid to attend the 2020 ELCE Retreat which was cancelled, held against attendance in 2021
- xxiv A donation was received from Lutheran Heritage Foundation to print and distribute an English translation of Luther's Small Catechism.
- xxv This fund was established by the LWLGB (Lutheran Women's League of Great Britain) to provide support to families of international students who are studying in a residential programme at Westfield House.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Tangible fixed assets	29,705	6,452,417	6,482,122	6,502,629
Current assets	7,581,486	(6,080,681)	1,500,805	1,175,088
Creditors due within one year	(195,966)	-	(195,966)	(175,209)
Creditors due after more than one year	(153,300)	-	(153,300)	(157,042)
	<u>7,261,925</u>	<u>371,736</u>	<u>7,633,660</u>	<u>7,345,466</u>

18. OPERATING LEASE COMMITMENTS

At 31 March 2022 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	Total 2022 £	Total 2021 £
Equipment		
Less than one year	1,257	1,257
Between one and five years	4,228	4,838
	<u>5,485</u>	<u>6,095</u>
Operating lease charges for the period:		
Hire of plant & machinery	609	1,257
	<u>609</u>	<u>1,257</u>

19. CONTINGENT LIABILITY

The Church has agreed to meet the liabilities of the Evangelical Lutheran Church of England Trust Limited in the event that the company is unable to meet them itself.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. TRANSACTIONS WITH CONNECTED CHARITY

The Charity is connected to the Evangelical Lutheran Church of England Trust Limited, which acts as custodian for properties owned by the Church, which is the beneficial owner. Both the Church and the Trust have as their objectives the spread of the Gospel. The Executive Council of the Church are the Trustees of the Church and also the Directors of the charitable company, acting on behalf of the member congregations of the charitable company who are represented by the pastoral and lay delegates who attend the annual meeting of the charitable company held in conjunction with the annual synod of the Evangelical Lutheran Church of England Trust Limited. As at 31 March 2022 member congregations of the Church owed the charitable company 230,721 (2021: £424,836).

During the year the Trust donated £nil to ELCE Church (2021: £nil) for the restricted fund established to cover costs related to the restructure of ELCE. At 31st March 2022, the Evangelical Lutheran Church of England Trust owed ELCE Church £316,718 (2021: £88,789).

21. CONTROLLING PARTY

The Charity is controlled by its members, who make up the Synod of the Evangelical Lutheran Church of England.

22. STATUS OF CONGEGATIONS

Following further advice from the Charity Commission, the Executive Council have been advised that member congregations are not subsidiaries of the Evangelical Lutheran Church of England, but are autonomous bodies in membership of the Evangelical Lutheran Church of England. A Church wide consultation in response to this advice is underway and in the interim, as in previous years, these accounts have been prepared on a line by line consolidation basis, as if the congregations and Westfield House are subsidiaries of the Church.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from:			
Donations and legacies	264,957	14,066	279,023
Charitable activities	317,413	27,916	345,329
Other activities	270,019	-	270,019
Investments	75		75
Total income	852,464	41,982	894,446
Expenditure on:			
Charitable activities	1,214,034	30,832	1,244,866
Total expenditure	1,214,034	30,832	1,244,866
Net expenditure before investment gains/losses	(361,570)	11,150	(350,420)
Net realised and unrealised gains/(losses) on investments	282,156		282,156
Net (expenditure)/Income before transfers	(79,414)	11,150	(68,264)
Transfers between funds	-	-	-
Net movement in funds	(79,414)	11,150	(68,264)
Fund balances brought forward	7,078,422	335,308	7,413,730
Total funds carried forward	6,999,008	346,458	7,345,466

All activities relate to continuing operations.

Accounts

Charity number: 220466

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CONTENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Page
Charity Information	1
Trustees' Report	2-6
Independent auditor's report	7-9
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13-25

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CHARITY INFORMATION

Trustees	Reverend G Samiec Reverend J Ehlers Mrs D Rosser Dr C Lumley Reverend J Kriger Mrs M Cowie Mr R Thaelke	Chairman Vice Chairman Secretary Treasurer
Key management personnel	Reverend G Samiec Reverend J Ehlers Mrs D Rosser Dr C Lumley Dr J Humann	Chairman Vice Chairman Secretary ELCE Treasurer and Principal, Westfield House Preceptor, Westfield House
Charity number	220466	
Registered office	28 Huntingdon Road Cambridge CB3 0HH	
Congregations	Luther Tyndale, Kentish Town St Andrew's, Ruislip St Timothy's, Sunderland Christ Church, Petts Wood St Paul's, Borehamwood St Peter's, Plymouth St David, Cardiff Resurrection, Cambridge Redeemer, Harlow St Columba, East Kilbride Good Shepherd, Coventry Our Saviour, Fareham Ascension, Brandon, Suffolk	(reverted to Mission status in November 2020)
Auditors	Chater Allan LLP Beech House, 4a Newmarket Road Cambridge Cambridgeshire CB5 8DT	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ Cater Allen Private Bank 9 Nelson Street Bradford BD1 5AN	HSBC Bank plc 63-64 St Andrews Street Cambridge CB2 3BZ Cambridge & Counties Bank Charnwood Court 5b New Walk Leicester LE1 6TE
Solicitors	Streeter Marshall 12 Purley Parade High Street Purley Surrey CR8 2AB	Anthony Collins 134 Edmund St Birmingham B3 2ES

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees present their report and the audited financial statements for the period ended 31 March 2021.

Legal status

The Evangelical Lutheran Church of England is an unincorporated association and a registered charity.
The governing document is a written constitution.

In September 2019, the following resolution was passed by the General Synod of the Church meeting in conference:

“Be it resolved that the ELCE become a Charitable Incorporated Organisation of member CIOs from the following: - individual congregations of the ELCE; and other CIOs which operate as auxiliaries of the Church (for example and not limited to education and social care).

Be it further resolved that all the Governing Documents pertaining to the Church, and to the charities, and to the relationships within the ELCE CIO be presented at the next Synod for adoption.”

Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies.

Objectives and structure

The Church exists to spread the gospel of Christ. At the beginning of the financial year there were 13 congregations throughout the United Kingdom, undertaking to spread the gospel. One congregation, St Timothy, Sunderland, made the decision to change their status from a congregation to a mission as of 1 November 2020. At that time, they transferred the beneficial ownership of their two properties (church and parsonage), together with their debts, to Evangelical Lutheran Church of England Trust Ltd. We acknowledge that Holy Trinity, Tottenham, although it has a separate charity registration (1179023), remains a member of the ELCE Church Body. Nine congregations have their own pastors (full-time or half-time) and three congregations have the support of locum pastors from adjacent congregations. Seven congregations support missions. The Church continues to provide theological training through Westfield House and runs an internet radio station, Lutheran Radio UK (LRUK).

Each congregation has local independence with regard to the running of the Church and each congregation is represented at General Synod where policy decisions and protocols of the whole Church are discussed and agreed which each congregation then follows.

Trustees

The trustees are members of the Executive Council, which is elected by the General Synod of the Church.

The members of the Executive Council during the year were:

Reverend G Samiec	Chairman
Reverend J Ehlers	Vice Chairman
Mrs D Rosser	Secretary
Dr C Lumley	Treasurer
Mrs M Cowie	
Mr R Thoelke	
Reverend J Kriger	

Trustees' responsibilities

As trustees of the charity, the Executive Council is responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the charity and its incoming resources and application of resources for the year. In preparing these financial statements, the trustees are required to:

- select accounting policies and apply them consistently
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent
- comply with applicable accounting standards, 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 charity will continue in operation.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk management

The trustees examine on a regular basis the major risks that the charity faces and have developed systems to monitor and control these risks and to mitigate their impact in the future.

The trustees consider the principal risks and uncertainties facing the charity and their plans and strategies for managing these risks to be:

- There is a global risk that components of the ELCE are not always financially self sustaining. To this end mitigation is in place to: 1) promote good stewardship throughout the Synod, 2) promote the work of the Church through the establishment of an Endowment Fund, 3) rationalise the work of the Church where possible.
- There is a risk that not all congregations will be able to take on the responsibilities of an independent charity. Mitigation includes: 1) support for preparing governing documents through the provision of a 'template' constitution; 2) Assistance with identifying individuals with the required skill set to act as Trustees; 3) options for congregations to contract with the central body (ELCE) to carry out various required activities, such as managing payroll, on behalf of the congregation.
- The global pandemic, COVID-19, is impacting all parts of ELCE in that it has restricted the ability of congregations to meet together, has caused a lengthy period with no rental income from church buildings and has had a significant impact on Westfield House through a reduction in student numbers. Mitigation is in place through: 1) holding services over the internet; 2) encouraging members to move to online donations, either via CAF Donate or by setting up standing orders for electronic transfer of funds; 3) investing in options such as credit card giving directly to the congregation; 4) accessing government support; 5) establishing a 'hardship fund', to provide grants to congregations who are facing financial difficulties as a result of COVID- 19. To date, no congregation has applied as parts of the ELCE have accessed government support and most congregations have indicated that they are coping.
- During the year one congregation (St Peter's) and Westfield House received city council discretionary (Covid-19) grants of £5,000 and £10,000, respectively. Due to restrictions on places of worship during the 2020-21 financial year, St Peter's placed their pastor on furlough (part-time) and received total payments of £1300 under the JRS scheme. Similarly, due to the severe reduction in the number of students able to travel to the UK to study at Westfield House and the concomitant reduction in need for teaching and administration, Westfield House placed 3 of its 4 staff on furlough and received total payments of £29,353 under the JRS scheme during 2020-21.

Fundraising

The Evangelical Lutheran Church of England engaged in fundraising primarily in the form of receiving free-will offerings/donations, some of which were gift-aided, from those attending our worship services. On occasion we have publicly invited ELCE members to consider the option of making a bequest to the ELCE in their wills. We did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. While we publicly invite an offering at every service and Lutheran Radio UK and Westfield House invite donations, we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people. We do not use the Means of Grace to fundraise. Our fundraising practices are ethical and in the spirit of the Biblical principles of stewardship. No complaints were received about our fundraising practices during the year under consideration.

Public benefit

The trustees have considered and referred to the Charity Commission's guidance on public benefit, when reviewing the charity's aims and objectives and in planning future activities.

The spiritual goals of the Church are beyond empirical assessment but the Church continues to undertake the mission of the Church and support the congregations in the same goal. Nevertheless when asked to comment on the achievements and performance of the Church according to the Charity Commission's criterion of public benefit, specifically with regard to the advancement of religion, the ELCE notes the following:

- Our churches are open to all members of the public
- There are a variety of interactions with the community through child care, student accommodation, civic events, senior citizen events, and youth activities notwithstanding the regular activities occurring each Sunday;

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Public benefit (continued)

- The interaction with other British educational institutions by our theological house of studies, Westfield House (Cambridge);
- The ELCE's internet radio station - Lutheran Radio UK - is global in reach and has a strong audience in the UK;
- The facilities of a number of our congregations allows them to offer them for hire for a variety of community groups and occasions.

Governance

The Executive Council meets at least 6 times per year to review the objectives, structure and management of the Church. Trustees monitor the performance of funds, Church operating cost centres, and congregations much of which is managed not by the trustees but by designated persons or committees who are operating under congregational constitutions and by-laws or church policies.

Trustees are inducted and trained through receipt of historical material and discussions with the Chairman and Secretary.

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day to day basis. All members of the Executive Council give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 21 to the financial statements.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Salary scales are aligned to the Annual Survey of Hours and Earnings (Table 1.1a).

Voluntary Help and Donations in Kind

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function.

Land and Buildings

The Church, including the congregations and the theological college, operates from buildings that are held in trust for the Church by the Evangelical Lutheran Church of England Trust Limited ('the Trust').

The Trustees have been advised that the Trust is the custodian of these properties and ELCE (Church) is the beneficial owner. Accordingly the property and associated income and expenditure have been moved from the Trust financial statements to the ELCE (Church) financial statements, with the exception of the two Sunderland properties for which the members of St Timothy Lutheran Church and the Church transferred the beneficial ownership to the Trust, as of 1 November 2020. As of that date, the former manse is valued at £180,000. The church building in its condition and established use as of 1 November 2020 is valued at £240,000.

ELCE from time to time benefits from funds provided by the Trust to the Church for central running costs and special projects. The terminology of 'loan' has been used for these transactions as, historically, the intention was that the money would be put back into the Trust. The Trustees of the Trust have now confirmed they are not seeking repayment of these amounts, and therefore the amounts previously recorded as loans were in fact grants to ELCE, which has the same objects as the Trust.

The Trust also, from time to time, provides concessional loans to member congregations of the ELCE. The majority of these loans bear interest and are repayable by instalments. No new loans were received in the period under review.

Market value of land and buildings

The Council considers that the market value of land and buildings, all of which are in use for charitable purposes, is considerably higher than book value. It is estimated, without carrying out a professional valuation, that the market value could be in the region of between £15 to £25 million. However, the Council does not consider it of value to obtain a professional valuation. As a guide, the buildings alone are insured for approximately £20 million.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Financial Review

The Church had net deficit of £68,264 in the year (2020: net surplus of £123,792). At the end of the period net assets totalled £7,345,466 (2020: net assets £7,413,729).

Restricted Funds

Total restricted funds now stand at £346,458 (2020: £335,308). The movements on these is set out in Note 17.

General Funds

The General Fund has increased by £118,643 to £394,154. Designated funds have decreased by £198,056 to £6,604,854 during the year.

At the January 2020 meeting, the Trustees agreed that funds should be set aside to cover the legal costs of the restructure. In the first instance a total of £30,000 has been allocated to this fund, comprising £10,000 designated from ELCE Church and a £20,000 Restricted donation from ELCE Trust Ltd.

Congregations

The Executive Council has been advised that the member congregations are not subsidiaries of the Evangelical Lutheran Church of England, but are autonomous bodies. Work is ongoing to prepare new governing documents so that applications for CIO status can be made by ELCE, its member congregations and other auxiliary bodies. Until then the activities and assets and liabilities of the member congregations and other auxiliary bodies are included in these financial statements, with the exception of Holy Trinity which prepares and submits its own accounts to the Charity Commission for England and Wales.

The non property and non bank assets of the congregations are not included in the balance sheet as they are inalienable and the cost of attempting a valuation would be burdensome. All assets are held for the charitable purposes of the Church.

The congregations had an overall surplus of £5,858 in the period (2020: surplus £64,081).

Reserves

The Trustees intend to hold sufficient free reserves to cover 6 months of net operating costs, estimated at £25,000 per month. The unrestricted general fund stands at £394.154 and restricted funds at £346,458. Tangible fixed assets now total £6,502,628.

Connected Charity

The Evangelical Lutheran Church of England Trust Limited is connected to the Evangelical Lutheran Church of England due to the fact that both charities have as their object the spread of the gospel and the Executive Council members are Trustees of the Evangelical Lutheran Church of England and Directors of the Trust. The charitable company has agreed to meet the liabilities of the Evangelical Lutheran Church of England in the event that the Church is unable to meet them itself.

Plans for Future Periods

The Trustees are committed to ensuring that the new structure is finalised and implemented so that the charity can continue to focus on its objective of spreading the Gospel, whilst complying with all UK legal and charity requirements.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Pension Arrangements for Pastors

As part of the restructure activities, the Trustees conducted a review of the current Employer's Pension arrangements – a 'defined contribution' scheme with The Pensions Trust – for pastors, which showed that the provisions, fees etc are suitable compared to other employers' pension schemes. However, the review of individual pastor's pension arrangements by an independent financial advisor established that for most of the current pastors there will be a shortfall between the projected income from their pensions and their income requirements. The main reason for this is that, as Ministers of Religion, ELCE pastors have been required to live in tied housing and their salaries have been adjusted downwards to take this into account (similar to other Christian denominations in the UK). The Trustees are therefore considering ways to assist pastors to move from tied housing in retirement and have reviewed the provisions made by other denominations for their ministers. Three provisions are made by other denominations: increased employer contributions to pension funds; provision of retirement housing at affordable rents; equity sharing schemes to assist with house purchase. At the ELCE Extraordinary Synod held in May 2021 it was agreed that the terms of the Retirement Reserve Fund should be amended and additional payments be made into this fund. It was further agreed that the net rental income from one of the ELCE properties, Okemore Gardens, would be paid into the Retirement Reserve Fund beginning with the net rental income for 2020-21. In addition to increasing the Retirement Reserve Fund, the Trustees are considering the possibility of providing affordable rental housing for retired ELCE Pastors via ELCE Trust Ltd, which has as one of its objects, "To support Pastors, agents, preachers, teachers, colporteurs and such other persons as the Trust may think necessary or desirable for advancing the work of the Trust or of any Church, Congregation, Mission, Society, Association, Fund, Committee or other body or cause connected with the Evangelical Lutheran Church of England including in particular, but without prejudice to the generality of the foregoing, the lending upon mortgage or otherwise and with or without interest of any moneys of the Trust to any pastor retiring by reason of age or ill-health or to the widow or dependants of any pastor for the purpose of providing accommodation for any such retiring pastor, widow or dependant, and the investing of any moneys of the Trust in the purchase of property or some interest therein providing accommodation for such retiring pastor, widow or dependant."

At the ELCE Extraordinary Synod held in May 2021 it was agreed that the terms of the Retirement Reserve Fund should be amended and additional payments be made into this fund to facilitate increased employer contributions to pastors' pension funds. It was also agreed that this Fund will be closed to new employees, and alternative arrangements will be put in place.

Site Re-developments

Two congregations are investigating the possibility of redeveloping their sites.

- The members of Redeemer Lutheran Church, Harlow, wish to develop their site to provide affordable rental accommodation in a multi-storey redevelopment of the site which will include a new church and accommodation for the pastor and his family.
- Post balance sheet, the members of Good Shepherd Lutheran Church, Coventry sold part of the land belonging to their property for re-development, having first obtained a 'Qualified Surveyors' Report' in line with Charity Commission requirements. The sale proceeds will be used to invest in another property in the area that could eventually be used to house a pastor for the congregation and for Lutherans in the Midlands. The purpose of the sale is not to remain solvent but rather to further the objects of the charity by maintaining an active Lutheran ministry in the Coventry area and to foster links with Lutherans in the wider area. Already Good Shepherd has taken on responsibility for St Timothy's Mission.

Auditors

Chater Allan LLP have expressed their willingness to be reappointed as auditors.

Approved by the Trustees on 22nd January 2022 and signed on their behalf by:

Trustee

DocuSigned by:

5569DB3F5371469...

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of Evangelical Lutheran Church of England for the year ended 31 March 2021 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 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 Charities Act 2011.

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 the charitable company'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 trustees are responsible for the 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2021**

Other information (continued)

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

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit.

As explained more fully in the trustees' responsibilities statement, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
EVANGELICAL LUTHERAN CHURCH OF ENGLAND
FOR THE YEAR ENDED 31 MARCH 2021**

Auditor's responsibilities for the audit of the financial statements

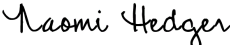
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that act.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the charities (Accounts and reports) regulations 2008. 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.

DocuSigned by:


DC0F4A3717254A1...
Chater Allan LLP

Chartered Accountants & Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

31 January 2022

Date:

Chater Allan LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	14 months Total funds 2020 £
	Note				
Income from:					
Donations and legacies	2	264,957	14,066	279,023	301,646
Charitable activities	3	317,413	27,916	345,329	552,416
Other activities	4	270,019	-	270,019	396,213
Investments	5	75	-	75	62
Total income		852,464	41,982	894,446	1,250,337
Expenditure on:					
Charitable activities	6	1,214,034	30,832	1,244,866	1,126,545
Total expenditure		1,214,034	30,832	1,244,866	1,126,545
Net Income/(expenditure) before investment gains/losses		(361,570)	11,150	(350,420)	123,792
Net realised and unrealised gains/(losses) on investments	7	282,156	-	282,156	-
Net (expenditure)/Income before transfers		(79,414)	11,150	(68,264)	123,792
Transfers between funds	17	-	-	-	-
Net movement in funds		(79,414)	11,150	(68,264)	123,792
Reconciliation of movement in funds:					
Total funds brought forward		7,078,422	335,308	7,413,730	7,289,938
Total funds carried forward		6,999,008	346,458	7,345,466	7,413,730

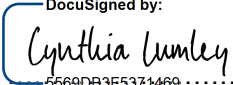
All activities relate to continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
BALANCE SHEET
AS AT 31 MARCH 2021

	Note	Total 2021 £	Total 2020 £
Fixed assets			
Tangible assets	13	6,502,629	6,641,831
		<u>6,502,629</u>	<u>6,641,831</u>
Current assets			
Debtors	14	189,737	181,966
Cash at bank and in hand		985,351	909,621
		<u>1,175,088</u>	<u>1,091,587</u>
Liabilities			
Creditors: amounts falling due within one year	15	175,209	140,514
Net current assets		<u>999,879</u>	<u>951,073</u>
Creditors: amounts falling due after more than one year	16	157,042	179,174
Net assets		<u>7,345,466</u>	<u>7,413,730</u>
Charity funds			
Restricted funds	17	346,458	335,308
Unrestricted funds			
Designated funds	17	6,604,854	6,802,911
General Fund	17	394,154	275,511
		<u>7,345,466</u>	<u>7,413,730</u>

The financial statements were approved by the Trustees on 22nd January 2022 and signed on their behalf by:

DocuSigned by:

 5569DB3F5371469.....
 Dr C Lumley
 Trustee

The notes on pages 13 to 25 form part of these financial statements.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Total 2021 £	Total 2020 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>76,854</u>	<u>21,326</u>
Cash flows from investing activities:		
Interest from investments	75	62
Purchase of property, plant and equipment	-	(2,429)
Net cash provided by investing activities	<u>75</u>	<u>(2,367)</u>
Cash flows from financing activities		
Interest paid	(1,199)	(999)
Change in cash and cash equivalents in the reporting period	<u>75,730</u>	<u>17,960</u>
Cash and cash equivalents at the beginning of the reporting period	909,621	891,661
Cash and cash equivalents at the end of the reporting period	<u><u>985,351</u></u>	<u><u>909,621</u></u>
Summary of the cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	985,351	909,621
	<u><u>985,351</u></u>	<u><u>909,621</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net (expenditure)/income for the reporting period	(68,264)	123,792
Adjustments for:		
Depreciation charges	1,358	1,411
Gift of operating asset	420,000	
(Gains)/losses on investments	(282,156)	-
Interest from investments	(75)	(62)
Interest paid shown in financing activities	1,199	999
(Increase)/decrease in debtors	(7,771)	(155,983)
Increase/(decrease) in creditors	12,563	51,169
Net cash provided by operating activities	<u><u>76,854</u></u>	<u><u>21,326</u></u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Evangelical Lutheran Church of England meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income

Donations and legacies are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the charity for its use, these are capitalised at the estimated fair value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

The various congregations hold fundraising events throughout the year and costs associated with these events are netted off. Consequently, the figure in the accounts is shown net of these costs. In the opinion of the Trustees, the gross income and expenditure are not materially understated.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity benefits from many voluntary hours and unclaimed out-of-pocket expenses. It would be impossible to place a value on all these gifts in kind for which the charity is extremely grateful.

All the congregations rely on the voluntary help of many people, including their treasurers, without whose generosity the congregations could not function. To place a monetary value on the time donated by volunteers would be an onerous task for the Trustees and therefore has not been attempted.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Other costs, including support costs are charged directly to the activity when incurred.

1.5 Going concern

The Trustees have carefully considered the cashflow forecasts for future periods using all available information. They have taken steps to ensure that the funding available from the Evangelical Lutheran Church of England Trust Limited to the charity is adequate to meet the estimated cashflow requirements. The Trustees have a reasonable expectation that the charity has adequate arrangements in place to continue in operation for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All fixed assets acquired for the Charity's own use are capitalised at purchase price or cost of production, or at estimated value at the time of gift where received by way of gift. No depreciation is provided on freehold land. Where the charity adopts a policy of maintaining properties to a standard that prolongs their lives and enhances their residual value, the trustees consider any depreciation arising to be insignificant and the properties are not depreciated. Where impairments occur, these are provided for. Otherwise depreciation is provided at rates to write off the excess of cost over residual value amount, over estimated useful lives as follows:

Fixtures & fittings	10 years
Office equipment	4 years

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1.7 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Pensions

The charity makes contributions to defined contribution schemes, which are accounted for as they are paid.

1 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	14 months Total funds 2020 £
General Donations	6,963	-	6,963	5,232
From ELCE Trust for Restructure Fund	-	-	-	20,000
Legacies	-	-	-	-
Rental income receivable	18,811	14,066	32,877	24,041
Offerings	208,530	-	208,530	252,373
Grants	30,653	-	30,653	-
	264,957	14,066	279,023	301,646

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	14 months Total funds 2020 £
Westfield House income	246,998	-	246,998	425,830
Congregation Led Group income	63,387	-	63,387	73,238
Car Loan Fund	-	-	-	4,999
Sabbatical Leave Fund	468	-	468	360
Student Aid Fund	400	-	400	393
Youth Fund	429	-	429	1,833
Pearce/Home Missions	2,231	-	2,231	2,891
Overseas Mission	1,277	-	1,277	1,241
Books Project	-	-	-	38
Retreat Launde Abbey	-	-	-	2,375
Lutheran Radio UK	-	22,735	22,735	34,279
Publications	13	1,228	1,241	-
Westfield House Endowment	-	3,039	3,039	4,456
Glen Zweck Scholarship Fund	-	914	914	483
HR/HS	2,210	-	2,210	-
	317,413	27,916	345,329	552,416

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	14 months Total funds 2020 £
4. OTHER ACTIVITIES				
Congregational income	269,695	-	269,695	395,705
Other charity income	324	-	324	508
	<u>270,019</u>	<u>-</u>	<u>270,019</u>	<u>396,213</u>
5. INVESTMENT INCOME				
Investment income	75	-	75	62
	<u>75</u>	<u>-</u>	<u>75</u>	<u>62</u>
6. COST OF CHARITABLE ACTIVITIES				
<i>Central Administration</i>				
Salaries and national insurance	-	-	-	17,097
Advisory and consultancy fees	9,297	-	9,297	8,030
Light and heat	415	-	415	812
Maintenance and cleaning	360	-	360	429
Legal Fees	2,356	-	2,356	3,009
Westfield 2020/2019 corrections	(114)	-	(114)	(4,349)
Telephone	586	-	586	786
Postage	80	-	80	272
Stationery, printing, duplicating and IT	2,995	-	2,995	3,010
Travel	-	-	-	845
Rates	456	-	456	449
Insurance	260	-	260	415
Bank charges	(9,515)	-	(9,515)	532
Audit fee - current year	6,000	-	6,000	7,200
Audit fee - prior year	2,340	-	2,340	-
Subscriptions	614	-	614	-
Property expenses	8,714	-	8,714	-
Sundries	134	-	134	1,129
Donation to ELCE Trust	332,946	-	332,946	-
	<u>357,924</u>	<u>-</u>	<u>357,924</u>	<u>39,666</u>
<i>Congregational expenditure</i>				
Pastors' salaries and costs	251,807	-	251,807	310,808
Establishment costs	135,836	-	135,836	134,653
Insurance and repairs	86,509	-	86,509	80,654
Other costs	3,568	-	3,568	50,304
Church Led Group costs	58,035	-	58,035	83,181
	<u>535,755</u>	<u>-</u>	<u>535,755</u>	<u>659,600</u>
<i>Westfield House</i>	<u>311,902</u>		<u>311,902</u>	<u>378,016</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	14 months Total funds 2020 £
6. COST OF CHARITABLE ACTIVITIES (continued)				
<i>Fund Expenditure</i>				
Furlough fund	-	-	-	401
Youth fund	270	-	270	1,704
Barnes conference	-	-	-	425
Board for overseas mission	1,199	-	1,199	660
Books Project	-	-	-	42
ELCE Retreat Launde Abbey	-	190	190	
Training and recruitment	-	-	-	2,364
LRUK	-	19,191	19,191	40,906
Publications	288	1,150	1,438	-
Westfield House Endowment	-	12	12	-
Westfield House Special projects	1,568	-	1,568	-
Restructure fund	-	10,281	10,281	
Glen Zweck Scholarship Fund	-	8	8	1,050
	<u>3,325</u>	<u>30,832</u>	<u>34,157</u>	<u>47,552</u>
<i>ELCE expenditure</i>				
ELCE committees and Chairman expenses	2,571		2,571	4,898
International Lutheran conferences	-		-	(6,902)
Portals of Prayer expenditure	-		-	68
Churches Together	-		-	530
Pension costs	-		-	566
Retreat expenses	-		-	141
	<u>2,571</u>	<u>-</u>	<u>2,571</u>	<u>(699)</u>
<i>Miscellaneous expenses</i>				
Depreciation	1,358		1,358	1,411
Interest payable	1,199		1,199	999
	<u>2,557</u>	<u>-</u>	<u>2,557</u>	<u>2,410</u>
Total Expenditure	<u>1,214,034</u>	<u>30,832</u>	<u>1,244,866</u>	<u>1,126,545</u>

7. NET REALISED AND UNREALISED GAINS/(LOSSES) ON INVESTMENTS

The market value of the two St Timothy properties obtained at the time of their transfer to the Trust (£420,000) represented an increase on the 'book value' of £282,156.

	Book value	Valuation	Gain/(loss)
St Timothy Church	25,546	240,000	214,454
18 Tunstell Park	112,298	180,000	67,702
	<u>137,844</u>	<u>420,000</u>	<u>282,156</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs	Other	Depreciation	2021	14 months
	£	£	£	£	2020
		2021	2021	2021	£
					2020
					£
Charitable Activities	448,395	795,113	1,358	1,244,866	1,126,545
	<u>448,395</u>	<u>795,113</u>	<u>1,358</u>	<u>1,244,866</u>	<u>1,126,545</u>

9. NET INCOME/ EXPENDITURE

	2021	2020
	£	£
The excess of income over expenditure is stated after charging:		
Depreciation of tangible fixed assets: owned by the company	1,358	1,411
Auditors remuneration: audit	6,000	7,200
Auditors remuneration: non-audit	4,000	-
Auditors remuneration: audit in relation to the prior year	<u>2,340</u>	<u>-</u>

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	388,085	488,273
National insurance	37,729	50,429
Pension costs	22,581	24,770
	<u>448,395</u>	<u>563,472</u>

	2021	2020
	No.	No.
The average monthly number of employees during the year was as follows:		
Work with congregations	13	16
Theological training	4	4
Central office	-	1
	<u>17</u>	<u>21</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key Management Personnel

The total wages & salaries, social security costs and pension costs of the key management personnel of the charity as listed on page 1 were £144,440 (2020: £240,534).

11. PENSION COSTS

The charity contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to these funds and amounted to £22,581 (2020: £24,770).

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. TRUSTEES' REMUNERATION

During the period, expenses amounting to £9,530 were reimbursed to 7 trustees (2020: £2,017 to 7 trustees). No remuneration was paid to any trustees during the year in their capacity as trustees. Note 13 sets out details of car loans made to trustees. During the year, donations amounting to £37,738 were received from trustees.

During the year the charity took out Trustees' Indemnity Insurance at a cost of £202.

Remuneration is paid to the following trustees who are employees of the charity in their positions as ordained ministers of member congregations and as Principal of Westfield House.

	Wages and salaries	Social security	Pension costs
	£	£	£
Rev G Samiec	32,180	3,229	2,256
Rev J Ehlers	32,180	3,229	2,256
Dr C E Lumley	27,349	2,561	-
Rev J Kriger	29,164	2,812	1,636
	<u>120,873</u>	<u>11,831</u>	<u>6,148</u>

During the period Rev G Samiec, Rev J Ehlers and Rev J Kriger were provided with accommodation.

The key management personnel of the charity are considered to be related parties and their total employee benefits are set out in note 10.

13. TANGIBLE FIXED ASSETS

	Freehold property	Library books	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2020	6,614,213	192,932	42,998	15,838	6,865,980
Additions	-	-	-	-	-
Revaluation	282,156	-	-	-	282,156
Disposals	(420,000)	-	-	-	(420,000)
As at 31 March 2021	<u>6,476,369</u>	<u>192,932</u>	<u>42,998</u>	<u>15,838</u>	<u>6,728,136</u>
Depreciation					
As at 1 April 2020	-	170,084	40,375	13,690	224,149
Charge for the year	-	-	750	608	1,358
As at 31 March 2021	<u>-</u>	<u>170,084</u>	<u>41,125</u>	<u>14,298</u>	<u>225,507</u>
Net book value					
As at 31 March 2021	<u>6,476,369</u>	<u>22,848</u>	<u>1,873</u>	<u>1,540</u>	<u>6,502,629</u>
As at 31 March 2020	<u>6,614,213</u>	<u>22,848</u>	<u>2,623</u>	<u>2,148</u>	<u>6,641,831</u>

14. DEBTORS

	2021	2020
	£	£
Trade debtors	31,505	80,787
Car loans - concessionary loans	28,903	27,891
ELCE Trust Limited	88,789	42,136
Other debtors	20,763	8,945
Prepayments and Accrued Income	19,777	22,207
	<u>189,737</u>	<u>181,966</u>

Included in car loans are amounts totalling £9,200 owed by one trustee in office at the period end (2020 - one trustee owed £1,750). All of the loans detailed are repayable by instalments within the next four years and no interest is charged with the exception of one car loan.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	14,426	14,387
Other creditors	920	5,082
Other taxation and social security	-	8,733
Accruals and deferred income	79,936	49,801
	<u>95,282</u>	<u>78,003</u>

Deferred income:

As at 1 April 2020	17,500	-
Deferred income recognised in the year	(17,500)	-
Resources deferred during the year	7,510	17,500
	<u>7,510</u>	<u>17,500</u>

As at 31 March 2021

Deferred income represents tuition income received in advance

Congregation amounts owed to Evangelical Lutheran Church of England Trust Limited

	2021	2020
	£	£
Holy Trinity, Tottenham	137,410	136,760
Ascension	-	1,000
St Peters	38,220	39,650
Redeemer building project	56,546	56,921
Our Saviour	4,793	7,354
	<u>236,969</u>	<u>241,685</u>
Less: due after one year	<u>(157,042)</u>	<u>(179,174)</u>
	<u>79,927</u>	<u>62,511</u>
	<u>175,209</u>	<u>140,514</u>

Total creditors falling due within one year

The majority of the loans bear interest and are repayable by instalment.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Monies owed to Evangelical Lutheran Church of England Trust Limited

	2021	2020
	£	£
Ascension	-	-
Holy Trinity, Tottenham	62,400	79,560
Our Saviour	1,633	4,273
Redeemer building project	56,046	56,671
St Peters	36,963	38,670
	<u>157,042</u>	<u>179,174</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. STATEMENT OF FUNDS

	Note	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Carried forward £
Designated Funds:						
Car fund	i	12,108	7,170	(9,600)	1,419	11,097
Furlough fund	ii	5,031	-	-	-	5,031
Sabbatical leave fund	iii	8,263	468	-	-	8,731
Student aid fund	iv	4,937	400	-	-	5,337
Youth fund	v	5,013	429	(270)	-	5,172
Rev Dr E Geo Pearce memorial fund	vi	22,294	2,231	-	-	24,525
Board for overseas mission	vii	2,264	1,277	(1,199)	-	2,342
Pastoral support fund	viii	373	-	-	-	373
Worship committee fund	ix	158	-	-	-	158
Barnes conference	x	13,874	-	-	-	13,874
Westfield House special projects	xi	1,568	-	(1,568)	-	-
Westfield House General Fund	xii	102,814	246,998	(311,902)	-	37,910
Property fund	xiii	6,614,213	-	-	(137,844)	6,476,369
Restructure Fund	xiv	10,000	-	-	-	10,000
Publishing Fund	xv	-	13	(288)	2,000	1,725
HR/H&S Fund - Designated	xvi	-	2,210	-	-	2,210
		6,802,911	261,196	(324,827)	(134,425)	6,604,854
General Funds:						
General Funds:		275,511	873,424	(889,207)	134,425	394,153
Total Unrestricted Funds		7,078,422	1,134,620	(1,214,034)	-	6,999,007
Restricted Funds:						
Retirement reserve fund	xvii	75,018	14,066	-	-	89,084
LRUK	xviii	60,000	22,735	(19,191)	-	63,544
Westfield House Endowment	xiv	105,728	3,039	(12)	(1,048)	107,707
Glen Zweck	xx	72,187	914	(8)	1,048	74,141
Restructure Fund	xxi	20,000	-	(10,281)	-	9,719
ELCE Retreat	xxii	2,375	-	(190)	-	2,185
Publishing Fund Restricted	xxiii	-	1,228	(1,150)	-	78
		335,308	41,982	(30,832)	-	346,458
Total Funds		7,413,730	1,176,602	(1,244,866)	-	7,345,465

Designated Funds:

- i This fund is held to assist Pastors in purchasing motor vehicles.
- ii Every 5 years each Pastor and his family originating from outside the UK is entitled to visit his home country. The fund exists to pay for travelling expenses. Since Pastors come from as far afield as Australia and America these expenses can be substantial.
- iii This fund is used at the Council's discretion to pay for Pastors' costs related to the taking of a sabbatical.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. STATEMENT OF FUNDS (CONTINUED)

- iv The fund is used at Council's discretion to help students in need.
- v This fund is operated by the Youth Board, who are elected by the General Synod.
- vi This fund's primary use is for mission and outreach based projects, but all requests for grants are carefully considered. Requests are to be supported by a written action plan.
- vii This fund was set aside from the proceeds of the sale of All Hallow's, Sunbury on Thames, to fund donations to overseas Lutheran missions work as requested by the Board for Overseas Missions. It now receives donations and contributions from congregations each year.
- viii The fund is used to support Pastors with various needs including counselling.
- ix The fund pays committee expenses.
- x Funds have been allocated for the conference.
- xi Funds donated for special projects at Westfield House (e.g. new garden path).
- xii Funds to be utilised by Westfield House in the next financial year. It should be noted that the financial year does not align with the academic year, making it essential that some funds are carried forward each year.
- xiii This Fund reflects the funds utilised in freehold property
- xiv These funds were set aside by the Trustees to fund the reorganisation work
- xv This fund is designated to support ELCE publications, in particular a quarterly newsletter (*The British Lutheran*). An initial sum of £2000 was allocated to the fund, in order to underwrite initial costs. Income received from any ELCE publication is allocated to this fund.
- xvi This fund was established to support the appointment of external HR/HS advisor(s), once the new structure is in place. Congregations and Westfield House make regular contributions to the fund through the quarterly invoices.

Restricted Funds:

- xvii This fund was set up to assist pastors to meet one of their major problems on retirement, namely that of finding suitable accommodation. The Executive Council may give lump sums to any pastor on their retirement.
- xviii This fund was set up for donations given specifically towards the costs of the Lutheran Radio UK.
- xvii This fund was set up to support the running costs of Westfield House by donating the interest earned on the capital sum. Interest is usually transferred to the Church on an annual basis to support the running costs of Westfield House, or in some years, it is left in the fund.
- xx This fund was set up from a legacy to provide scholarship funding for students wishing to attend Westfield House. The fund will be administered by the Westfield House Admissions Committee.
- xxi The Restructure fund contains restricted donations to be used to fund the reorganisation work.
- xxii Funds paid to attend the 2020 ELCE Retreat which was cancelled, held against attendance in 2021
- xxi A donation was received from Lutheran Heritage Foundation to print and distribute an English translation of Luther's Small Catechism.

**EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tangible fixed assets	26,261	6,476,369	6,502,630	6,641,831
Current assets	7,304,999	(6,129,911)	1,175,088	1,091,587
Creditors due within one year	(175,209)	-	(175,209)	(140,514)
Creditors due after more than one year	(157,042)	-	(157,042)	(179,174)
	<u>6,999,009</u>	<u>346,458</u>	<u>7,345,466</u>	<u>7,413,730</u>

19. OPERATING LEASE COMMITMENTS

At 31 March 2021 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	Total 2021 £	Total 2020 £
Equipment		
Less than one year	1,257	4,055
Between one and five years	<u>4,838</u>	<u>3,526</u>
	<u>6,095</u>	<u>7,581</u>
Operating lease charges for the period:		
Hire of plant & machinery	<u>1,257</u>	<u>3,687</u>
	<u>1,257</u>	<u>3,687</u>

20. CONTINGENT LIABILITY

The Church has agreed to meet the liabilities of the Evangelical Lutheran Church of England Trust Limited in the event that the company is unable to meet them itself.

21. TRANSACTIONS WITH CONNECTED CHARITY

The Charity is connected to the Evangelical Lutheran Church of England Trust Limited, which acts as custodian for properties owned by the Church, which is the beneficial owner. Both the Church and the Trust have as their objectives the spread of the Gospel. The Executive Council of the Church are the Trustees of the Church and also the Directors of the charitable company, acting on behalf of the member congregations of the charitable company who are represented by the pastoral and lay delegates who attend the annual meeting of the charitable company held in conjunction with the annual synod of the Evangelical Lutheran Church of England Trust Limited. As at 31 March 2021 member congregations of the Church owed the charitable company £424,836 (2020: £241,685).

The Trustees have been advised that the Trust is the custodian of these properties and ELCE (Church) is the beneficial owner. Accordingly the property and associated income and expenditure have been moved from the Trust financial statements to the ELCE (Church) financial statements, with the exception of the two Sunderland properties for which the members of St Timothy Lutheran Church and the Church transferred the beneficial ownership to the Trust, as of 1 November 2020. As of that date, the former manse is valued at £180,000. The church building in its condition and established use as of 1 November 2020 is valued at £240,000. This has resulted in a donation of £332,946.

During the year the Trust donated £nil to ELCE Church (2020: £20,000) for the restricted fund established to cover costs related to the restructure of ELCE. At 31st March 2021, the Evangelical Lutheran Church of England Trust owed ELCE Church £91,451 (2020: £42,136).

EVANGELICAL LUTHERAN CHURCH OF ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. CONTROLLING PARTY

The Charity is controlled by its members, who make up the Synod of the Evangelical Lutheran Church of England.

23. STATUS OF CONGEGATIONS

Following further advice from the Charity Commission, the Executive Council have been advised that member congregations are not subsidiaries of the Evangelical Lutheran Church of England, but are autonomous bodies in membership of the Evangelical Lutheran Church of England. A Church wide consultation in response to this advice is underway and in the interim, as in previous years, these accounts have been prepared on a line by line consolidation basis, as if the congregations and Westfield House are subsidiaries of the Church.

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	14 months		
	Unrestricted	Restricted	Total
	funds	funds	funds
	2020	2020	2020
	£	£	£
Income from:			
Donations and legacies	281,646	20,000	301,646
Charitable activities	510,823	41,593	552,416
Other activities	396,213		396,213
Investments	62		62
Total income	1,188,744	61,593	1,250,337
Expenditure on:			
Charitable activities	1,084,589	41,956	1,126,545
Total expenditure	1,084,589	41,956	1,126,545
Net expenditure before investment gains/losses	104,155	19,637	123,792
Net expenditure before transfers	104,155	19,637	123,792
Transfers between funds	(47,772)	47,772	-
Net movement in funds	56,383	67,409	123,792
Fund balances brought forward as previously stated	(268,620)	267,899	(721)
Prior year adjustment	7,290,659		7,290,659
Fund balances brought forward as restated	7,022,039	267,899	7,289,938
Total funds carried forward	7,078,422	335,308	7,413,730

All activities relate to continuing operations.