

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
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FOR THE YEAR ENDED 31 MARCH 2021

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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 Thaelke	
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:

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**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:


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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
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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.
- xvix 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.