

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
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FOR THE YEAR ENDED 31 MARCH 2022

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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
 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

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 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:

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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

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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

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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)

- 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 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	<u>4,228</u>	<u>4,838</u>
	<u>5,485</u>	<u>6,095</u>
Operating lease charges for the period:		
Hire of plant & machinery	<u>609</u>	<u>1,257</u>
	<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
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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.