

Charity number: 220466

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

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

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

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

Trustees

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

Chairman
 Vice Chairman
 Secretary
 Treasurer

Key management personnel

Reverend G Samiec
 Reverend J Ehlers
 Mrs D Rosser
 Dr C Lumley

 Dr J Humann

Chairman
 Vice Chairman
 Secretary
 ELCE Treasurer and Principal,
 Westfield House
 Preceptor, Westfield House

Charity number

220466

Registered office

28 Huntingdon Road
 Cambridge
 CB3 0HH

Congregations

Luther Tyndale, Kentish Town
 St Andrew's, Ruislip
 Christ Church, Petts Wood
 St Paul's, Borehamwood
 St Peter's, Plymouth
 St David, Cardiff

Resurrection, Cambridge
 Redeemer, Harlow
 St Columba, East Kilbride
 Good Shepherd, Coventry
 Our Saviour, Fareham
 Ascension, Brandon, Suffolk

Auditors

Chater Allan LLP
 7 Quay Court
 Colliers Lane
 Stow-cum-Quay
 CB25 9AU

Bankers

CAF Bank
 25 Kings Hill Avenue
 Kings Hill
 West Malling
 ME19 4JQ

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 2023

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

Legal status

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

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

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

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

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

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

Objectives and structure

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

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

Trustees

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

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

Trustees' responsibilities

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

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

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

- comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Risk management

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

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

1. Governance Structure and Control Methodology

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

2. Operational Issues: Health & Safety

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

3. Workforce Issues

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

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

Fundraising

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

Public benefit

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

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

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

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

Governance

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

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

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

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

Voluntary Help and Donations in Kind

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

Land and Buildings

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

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

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

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

Market value of land and buildings

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

Financial Review

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

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

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

Congregations

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

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

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

Reserves

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

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

Connected Charity

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

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

Plans for Future Periods

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

Pension Arrangements for Pastors

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

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

Site Re-developments

Three congregations are investigating the possibility of redeveloping their sites.

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

Auditors

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

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



Trustee
Cynthia Lumley

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

Other information (continued)

We have nothing to report in this regard.

Matters on which we are to required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the charities (Accounts and reports) regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chater Allan LLP

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

29 January 2024

Date:

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

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

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

All activities relate to continuing operations.

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

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

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

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

Cynthia Lumley

 Dr C Lumley
 Trustee

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

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

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

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

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

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

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

1.2 Fund accounting

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

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

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

1.3 Income

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

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

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

1.3 Income (continued)

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

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

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

1.4 Expenditure

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

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

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

Fixtures & fittings	10 years
Office equipment	4 years

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

1.7 Financial instruments

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Pensions

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

1 Liabilities and provisions

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

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

2. INCOME FROM DONATIONS AND LEGACIES

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

3. INCOME FROM CHARITABLE ACTIVITIES

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

Westfield House income:

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

Lutheran Radio UK:

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

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

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

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

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

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

7. ANALYSIS OF TOTAL EXPENDITURE

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

8. NET INCOME/ EXPENDITURE

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

9. STAFF COSTS

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

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

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

Key Management Personnel

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

10. PENSION COSTS

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

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

11. TRUSTEES' REMUNERATION

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

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

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

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

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

12. TANGIBLE FIXED ASSETS

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

13. DEBTORS

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

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

13. DEBTORS

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

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

Deferred income:

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

Deferred income represents tuition income and rents received in advance

Congregation amounts owed to Evangelical Lutheran Church of England Trust Limited

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

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

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

Monies owed to Evangelical Lutheran Church of England Trust Limited

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

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

16. STATEMENT OF FUNDS

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

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

16. STATEMENT OF FUNDS (CONTINUED)

Designated Funds:

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

Restricted Funds:

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

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

16. STATEMENT OF FUNDS (CONTINUED)

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

18. OPERATING LEASE COMMITMENTS

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

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

19. CONTINGENT LIABILITY

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

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

20. TRANSACTIONS WITH CONNECTED CHARITY

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

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

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

21. CONTROLLING PARTY

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

22. STATUS OF CONGEGATIONS

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

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

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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

All activities relate to continuing operations.