

Charity Registration No. 220467 (England and Wales)
Charity Registration No. SC041204 (Scotland)
Company Registration No. 579460 (England and Wales)

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
COMPANY INFORMATION

Directors	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 Treasurer and Principal, Westfield House Preceptor, Westfield House
Company number	579460	
Charity number	220467	
Scottish charity number	SC041204	
Registered office	28 Huntingdon Road Cambridge CB3 0HH	
Auditors	Chater Allan LLP Chartered Accountants & Statutory Auditors Beech House 4a Newmarket Road Cambridge CB5 8DT	
Bankers	Cater Allen Private Bank 9 Nelson Street Bradford BD1 5AN	
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 TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Executive Council presents its report and accounts for the year ended 31 March 2021, which are also prepared to meet the requirements for Companies Act purposes.

Principal activity

The principal activity of the charitable company in the period under review was that of advancing the objects and purposes of, and to hold in trust, the real and personal property belonging to, the Evangelical Lutheran Church of England (ELCE).

Legal status

The charity is a company limited by guarantee, which means that it has no share capital. The liability of each of its members is limited to 25p. The charitable company is governed by its Memorandum & Articles of Association.

Review of activities

The charitable company acts as custodian for properties belonging to any Church, Congregation, Mission, Society, Association, Fund, Committee or other body which is a member of, or affiliated to, or associated or connected with, or established under the constitution of, the Evangelical Lutheran Church of England, which is the beneficial owner. Rental income from the properties is paid to the beneficial owner to assist in the spread of the Gospel. The Trustees have been advised that the properties and the associated income and expenditure are to be shown in the accounts of the beneficial owner (ELCE Church) and they do not therefore appear in the Trust accounts.

During the year one ELCE congregation, St Timothy, Sunderland, made the decision to change their status from a congregation to a mission as of 1 November 2020. At that time, they transferred the beneficial ownership of their two properties (church and parsonage), together with their debts, to Evangelical Lutheran Church of England (ELCE) Trust Ltd. The result is an increase in assets of the Trust together with a debt to the church, as shown in these accounts. Although the General Fund has sufficient funds to repay the debt, the Trustees have made a decision to retain the capital against the possible purchase of a property to provide retirement housing for ELCE pastors.

In fulfilling its objective of promoting and supporting any agency, service, fund or mission of or connected with the Evangelical Lutheran Church of England, the Trust 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 congregational loans were made in the period under review.

In addition, from time to time the Trust has provided funds to the Church for central running costs and specific projects. The terminology of 'loan' has also been used for some of these transactions as, historically, the intention was that the money would be put back into the Trust. The Trustees have now confirmed they were not seeking repayment of these amounts, and therefore the amounts were in fact grants to ELCE.

Financial Review

The Trust had income from normal activities of £332,700 (2020: £2,131) and expenditure of £17,837 from normal activities (2020: £25,878).

At the year end net assets totalled £882,281 (2020: £567,418).

During the year ELCE Trust Ltd was notified by HSBC that it had been deducting bank fees in error, and that £870 (fees deducted plus interest) would be refunded to the Trust. This sum was received in August 2021.

The trustees intend to hold sufficient free reserves to cover 12 months of net operating costs, estimated at £40,000 per year.

At 31st March 2021 this was £490,459 (2020: £567,418).

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Fundraising activities

There were no fundraising activities in the year.

Directors

The members of the Executive Council, who are directors for the purpose of company law, who served during the period are:

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

Governance

The Executive Council acts as the directors and trustees of the charity. The representatives of the member congregations attend the annual general meeting of the charity which is held in conjunction with the annual synod of the Evangelical Lutheran Church of England. The directors meet at least 6 times per year to review the objectives and management of the charity. Directors monitor the performance of funds and represent the charity in relation to the congregations and other relevant bodies. All decisions relating to expenditure greater than £150,000 are made by the member congregations' representatives through ballot.

Directors are inducted and trained through receipt of historical material and discussions with the Chairman and Secretary. Individual directors may be designated to work with a congregation of the Evangelical Lutheran Church of England for the mutual benefit of the charity and the congregation.

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. The directors give of their time freely and no director received any remuneration in the year. Details of directors' expenses and related party transactions are disclosed in Note 6 to the financial statements.

Public benefit

The directors 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 charitable company exists to support the work of the Evangelical Lutheran Church of England.

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

- Our churches are open to all members of the public
- There are a variety of interactions with the community through child care, student accommodation, civic events, senior citizen events, and youth activities not withstanding 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 offer them for hire for a variety of community groups and occasions.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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 manage their impact in the future.

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

- That the ability of the Trust to fulfill its aim to support the work of the Evangelical Lutheran Church of England reduces. This risk will be managed by promoting the work of the Trust and pro-active publicity concerning legacies.

Auditors

Chater Allan LLP has indicated that they are willing to be reappointed as auditors.

Summary of main achievements of the charity

As already stated, the principal activity of the charity is to advance the objects and purposes of, and to hold in trust, the real and personal property belonging to the Evangelical Lutheran Church of England (ELCE). The ELCE and its congregations may require financial support throughout the year to continue the work of spreading the Gospel, maintain the Church and manse properties and support the operation and development of Westfield House and Central Office.

Summary of future plans

It is expected that all areas of the ELCE - Westfield House, Central Office, Congregations - work together to make themselves self sufficient in the coming years. However, it is recognised that financial support will still be required in certain circumstances: building works, capital maintenance and repairs, support for congregations who do not realise sufficient income to pay their Pastor or statutory costs, the continuing development of our educational and training facility.

Two congregations are investigating the possibility of redeveloping their sites.

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

The beneficial interest of the two properties in Sunderland was transferred to the ELCE Trust Ltd by members of St Timothy Lutheran Church and the Church, as of 1 November 2020. As of that date, the former manse is valued at £180,000. The church building in its condition and established use as of 1 November 2020 is valued at £240,000.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Pension Arrangements for Pastors

The Trustees are considering ways to assist pastors of the ELCE to move from tied housing in retirement and wish to be prepared to provide affordable rental housing for retired ELCE Pastors in line with the ELCE Trust Ltd object: "To support Pastors, agents, preachers, teachers, colporteurs and such other persons as the Trust may think necessary or desirable for advancing the work of the Trust or of any Church, Congregation, Mission, Society, Association, Fund, Committee or other body or cause connected with the Evangelical Lutheran Church of England including in particular, but without prejudice to the generality of the foregoing, the lending upon mortgage or otherwise and with or without interest of any moneys of the Trust to any pastor retiring by reason of age or ill-health or to the widow or dependants of any pastor for the purpose of providing accommodation for any such retiring pastor, widow or dependant, and the investing of any moneys of the Trust in the purchase of property or some interest therein providing accommodation for such retiring pastor, widow or dependant." To this end, capital funds are being conserved against a future property purchase for this purpose.

Statement of Directors' Responsibilities

The trustees (who are also the directors of Evangelical Lutheran Church of England Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board

DocuSigned by:

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 C Lumley
Director

Date: 18 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Evangelical Lutheran Church of England Trust (the charitable company) for the year ended 31 March 2021 which comprise Statement of Financial Activities, the Balance Sheet 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on 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 other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the directors report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Other information (continued)

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 476 of the Companies Act 2006 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that act.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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

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:

The potential effect of these laws and regulations on the annual financial statements varies considerably. Firstly, the charitable company 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 charitable company 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 company. 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.

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 charitable company specific experience, through discussion with the directors (as required by auditing standards), and from inspection of the charitable company's regulatory correspondence, and we discussed with the directors the policies and procedures regarding compliance with laws and regulations. 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.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance with laws and regulations. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

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

Use of report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Naomi Hedger (Senior Statutory Auditor)

For and on behalf of Chater Allan LLP

Chartered Accountants & Statutory Auditors

Beech House

4a Newmarket Road

Cambridge

CB5 8DT

22 December 2021

Date:

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

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	14 months Total funds 2020 £
	Note				
Income from:					
Donations and legacies	2	330,320	-	330,320	-
Investments	3	1,231	-	1,231	2,131
Other income		1,149	-	1,149	-
Total income		332,700	-	332,700	2,131
Expenditure on:					
Raising funds	4	-	-	-	15
Charitable activities	5	17,837	-	17,837	25,863
Total expenditure		17,837	-	17,837	25,878
Net income/(expenditure) before transfers		314,863	-	314,863	(23,747)
Transfers between funds		-	-	-	-
Net movement in funds		314,863	-	314,863	(23,747)
Reconciliation of movement in funds:					
Total funds brought forward		567,418	-	567,418	591,165
Total funds carried forward		882,281	-	882,281	567,418

All activities relate to continuing operations.

There are no recognised gains or losses other than those passing through the Statement of Financial Activities.

The notes on pages 12 to 17 form part of these financial statements.

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

Registered number: 579460

	Note	Total 2021 £	Total 2020 £
Fixed assets			
Tangible assets	8	420,000	-
		<u>420,000</u>	<u>-</u>
Current assets			
Debtors	9	236,970	243,092
Cash at bank and in hand		<u>325,488</u>	<u>377,322</u>
		562,458	620,414
Liabilities			
Creditors: amounts falling due within one year	10	72,000	52,996
Total assets less current liabilities		<u>910,458</u>	<u>567,418</u>
Creditors: amounts falling due after more than one year	11	(28,177)	-
Net assets		<u>882,281</u>	<u>567,418</u>
Finance by:			
Restricted funds		-	-
Unrestricted funds:			
General Fund	13	374,659	390,081
Designated Fund		<u>507,622</u>	<u>177,337</u>
		<u>882,281</u>	<u>567,418</u>

18 December 2021

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

DocuSigned by:

Cynthia Lumley

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Dr C Lumley
Trustee

The notes on pages 12 to 17 form part of these financial statements.

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019) 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 Trust meets the definition of a public benefit entity under FRS 102.

The presentation currency of the financial statements is the pound sterling (£).

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.

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 company for its use, these are capitalised at the estimated fair value at the date of the gift and included under income, except where it is impractical to measure reliably the fair value of the donated items, or there is no direct evidence of fair value for an equivalent item. In these cases, a value is derived from the cost of the item to the donor.

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.

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.

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

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.

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

Grants receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

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 Liabilities and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

1.11 Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

1.12 Taxation

As a registered charity the Company benefits from the rates relief and is generally exempt from corporation, income and capital gains tax, but not from value added tax. Irrecoverable VAT is included in the costs of those items to which it relates.

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

2. DONATIONS AND LEGACIES

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Donations		330,320	-	330,320	-
		330,320	-	330,320	-

3. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest receivable	231	-	231	2,131
Rental income	1,000	-	1,000	-
	1,231	-	1,231	2,131

4. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank charges	-	-	-	15
	-	-	-	15

5. CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Governance costs	4,915	-	4,915	5,850
Premises expenses	11,787	-	11,787	-
Legal and professional fees	1,135	-	1,135	13
Donation to ELCE Restructure Fund	-	-	-	20,000
	17,837	-	17,837	25,863

Governance costs	2021 £	2020 £
Auditor's remuneration	3,600	5,520
Under accrual of previous year	1,315	330
	4,915	5,850

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

6. DIRECTORS' REMUNERATION

During the year, no remuneration was paid to the Directors or Key Management Personnel by the charitable company.

During the year the charitable company took out Trustees' Indemnity Insurance at a cost of £202.

No Directors received any reimbursement of expenses (2020: £Nil)

7. STAFF COSTS

There were no staff costs incurred by the charitable company during the year.

8. TANGIBLE FIXED ASSETS

	Freehold property £	Total £
Cost		
As at 1 April 2020	-	-
Additions	420,000	420,000
As at 31 March 2021	<u>420,000</u>	<u>420,000</u>
Depreciation		
As at 1 April 2020	-	-
Charge for the year	-	-
As at 31 March 2021	<u>-</u>	<u>-</u>
Net book value		
As at 31 March 2021	<u>420,000</u>	<u>420,000</u>
As at 31 March 2020	<u>-</u>	<u>-</u>

9. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	-	1,407
Concessional loans due from congregations	79,927	62,511
	<u>79,927</u>	<u>63,918</u>
Amounts falling due after more than one year:		
Concessional loans due from congregations	157,043	179,174
	<u>236,970</u>	<u>243,092</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	-	-
Church Extension Fund deposits	5,126	5,126
Amount due to Evangelical Lutheran Church of England	63,274	42,136
Accruals	3,600	5,734
	<u>72,000</u>	<u>52,996</u>
Amount due to Evangelical Lutheran Church of England:		
Restructure fund	-	20,000
Net rental income	1,735	22,136
St Timothy's	61,539	-
	<u>63,274</u>	<u>42,136</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
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11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021	2020
	£	£
Amount due to Evangelical Lutheran Church of England	28,177	-
	<u>28,177</u>	<u>-</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2021	2021	2021	2020
	£	£	£	£
Tangible fixed assets	420,000	-	420,000	-
Current assets	562,458	-	562,458	620,414
Creditors due within one year	(72,000)	-	(72,000)	(52,996)
Creditors due after more than one year	(28,177)	-	(28,177)	-
	<u>882,281</u>	<u>-</u>	<u>882,281</u>	<u>567,418</u>

13. FUNDS

	Brought forward	Income	Expenditure	Transfers in/(out)	Carried forward
	£	£	£	£	£
Designated Funds:					
Equity sharing (housing) fund	177,337	-	-	-	177,337
Property Fund	-	-	-	330,285	330,285
	<u>177,337</u>	<u>-</u>	<u>-</u>	<u>330,285</u>	<u>507,622</u>
General Funds:					
General Funds:	390,081	332,700	(17,837)	(330,285)	374,659
Total Unrestricted Funds	<u>567,418</u>	<u>332,700</u>	<u>(17,837)</u>	<u>-</u>	<u>882,281</u>

The equity sharing (housing) fund was set up to assist pastors wishing to buy property to live in upon their retirement or in the event of ill health. As at the end of the period, no loans had been made.

The Property fund has been established with the net transfer of the properties and debt previously owned by St Timothy. This fund is for the purpose of a possible property purchase to provide retirement housing for ELCE pastors.

14. TRANSACTIONS WITH CONNECTED CHARITY

The Evangelical Lutheran Church of England Trust Limited is connected to the Evangelical Lutheran Church of England due to the fact that one of the objects of the Trust is "to advance the objects and purposes and to promote the interests of the Church constituted and known as the Evangelical Lutheran Church of England" 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.

During the period the Trust also allocated a donation of £nil to ELCE (2020: £20k) for the fund established to cover costs related to the restructure of ELCE. At 31 March 2021 the Trust owed ELCE £91,451 (2020: £42,136).

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15. CONTROLLING PARTIES

The charitable company is controlled by its member congregations, who make up the Synod of the Evangelical Lutheran Church of England.

16. COMMITMENTS

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.

17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2020 £	14 months Restricted funds 2020 £	Total funds 2020 £
Income from:			
Donations and legacies	-	-	-
Investments	2,131	-	2,131
Total income	2,131	-	2,131
Expenditure on:			
Raising funds	28	-	28
Charitable activities	25,850	-	25,850
Total expenditure	25,878	-	25,878
Net expenditure before transfers	(23,747)	-	(23,747)
Transfers between funds	-	-	-
Net movement in funds	(23,747)	-	(23,747)
Reconciliation of movement in funds:			
Fund balances brought forward as previously stated	14,822,228	-	14,822,228
Prior year adjustment	(14,231,063)	-	(14,231,063)
Fund balances brought forward as restated	591,165	-	591,165
Total funds carried forward	567,418	-	567,418

All activities relate to continuing operations.