

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 2023

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

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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 Thoeke

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
 7 Quay Court
 Colliers Lane
 Stow-cum-Quay
 CB25 9AU

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 2023

The Executive Council presents its report and accounts for the year ended 31 March 2023, 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 the Evangelical Lutheran Church of England (ELCE), and to hold in trust the real and personal property 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.

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 directors 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.

The Trust retains two properties in Sunderland, as the beneficial ownership was transferred to the Trust in 2020 by St Timothy's congregation, which changed its status to that of a Mission under the care of Good Shepherd Lutheran Church. During the year, the Trust made repayment of £17,411 to the Church of the St Timothy loan debt which covers the financial years 2022/23 and £17,411 for 2021/22 which was accrued for in the previous year's financial statements.

In fulfilling its objectives, 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 from the Trust in the period under review.

Historically, each congregation contributed funds to the Trust up to the original purchase cost of their properties, plus annual interest. Not all congregations finished paying the full amount due, but after the end of subsidy by the US based Lutheran Church Missouri Synod it was agreed that payments should be frozen, with no further interest, until the eventuality of a property being sold.

During the year under review, the members of Good Shepherd Lutheran Church, Coventry identified a property for purchase that could eventually be used to house a pastor for the congregation and for Lutherans in the Midlands. Some of the proceeds of their land sale were utilised for this purpose and the purchase was completed on 27 April 2023. For the time being the remaining funds are held in the Trust and are noted as a designated fund in the accounts. Good Shepherd continues to make annual payments to the Trust for their historic property debt.

Financial Review

The Trust had income from normal activities of £26,557 (2022: £35,852) and expenditure of £23,095 from normal activities (2022: £41,883).

At the financial year end net assets totalled £879,712 (2022: £876,250).

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

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

At 31st March 2023 free reserves totalled £459,712 (2022: £456,250). Total reserves were £879,712 (2022: £876,250) with restricted funds of £239,548 (2022: £nil).

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 Thoeke	
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 Trust continues to undertake the mission of the Church and to support the congregations in the same goal. Nevertheless when asked to comment on the achievements and performance of the Trust 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 notwithstanding the regular activities occurring each Sunday;

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

- 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 can be offered for hire for a variety of community groups and occasions.

Risk management

The directors 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 directors have identified one major risk that has a probability of occurring with serious consequences, in spite of mitigating factors: the lack of a fully integrated Health and Safety management capability risks exposure to breach of statute or risks harm to individuals in the organisation or members of the public visiting ELCE Trust sites. It is imperative that the Trust engages external advice to ensure appropriate plans and procedures are in place and, to that end, we are in advanced discussions with a firm whom we plan to contract to provide support for Health & Safety and Human Resources.

The firm will help the Trust to develop up to date policies. In addition, a basic cloud based storage system has been implemented to provide easy access from all sites. ELCE Trust Ltd has established a basic set of requirements such as risk assessments, accident books and a basic policy. However, a Compliance Officer / Nominated lead is required urgently.

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 Trustees.

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.

Post balance sheet, Good Shepherd purchased a flat utilising some of the proceeds of the sale of their land and the Trust property 18 Tunstall Park, Sunderland was sold. St Peter's congregation is investigating the possible sale of an unused piece of their land. 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.

Pension Arrangements for Pastors

The directors 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

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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 such as the proceeds of the sale of the Sunderland property are being conserved against a future property purchase for this purpose.

Statement of Directors' Responsibilities

The members of the Executive Council (who are also the directors of Evangelical Lutheran Church of England Trust Limited for the purposes of company law) are responsible for preparing the Directors' Report 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 directors 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 director has taken all the steps that they ought to have taken as a director 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

C Lumley *Cynthia Lumley*

Director

Date: 18 December 2023

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

Opinion

We have audited the financial statements of Evangelical Lutheran Church of England Trust (the charitable company) for the year ended 31 March 2023 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 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 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 2023**

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 2023

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:

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 charitable company through discussions with trustees and other management, and from our knowledge and experience;
- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and how it is complying with that framework;
- We obtained an understanding of the charitable company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;

We assessed the susceptibility of the charitable company'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.

Through the above 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 2023**

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.

Naomi Hedger

Naomi Hedger (Senior Statutory Auditor)
For and on behalf of Chater Allan LLP
Chartered Accountants & Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

19 December 2023

Date:

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
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	15,375	-	15,375	23,170
Investments	3	10,287	-	10,287	11,891
Other income		895	-	895	791
Total income		26,557	-	26,557	35,852
Expenditure on:					
Raising funds	4	-	-	-	(870)
Charitable activities	5	23,095	-	23,095	42,753
Total expenditure		23,095	-	23,095	41,883
Net income/(expenditure) before transfers		3,462	-	3,462	(6,031)
Transfers between funds		(239,548)	239,548	-	-
Net movement in funds		(236,086)	239,548	3,462	(6,031)
Reconciliation of movement in funds:					
Total funds brought forward		876,250	-	876,250	882,281
Total funds carried forward		640,164	239,548	879,712	876,250

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 2023

Registered number: 579460

	Note	Total 2023 £	Total 2022 £
Fixed assets			
Tangible assets	8	420,000	420,000
		<u>420,000</u>	<u>420,000</u>
Current assets			
Debtors	9	235,993	235,794
Cash at bank and in hand		<u>518,904</u>	<u>575,113</u>
		754,897	810,907
Liabilities			
Creditors: amounts falling due within one year	10	275,113	317,175
Total assets less current liabilities		<u>899,784</u>	<u>913,732</u>
Creditors: amounts falling due after more than one year	11	(20,072)	(37,482)
Net assets		<u>879,712</u>	<u>876,250</u>
Finance by:			
Restricted funds		239,548	-
Unrestricted funds:			
General Fund	13	354,088	343,372
Designated Fund	13	286,077	532,878
		<u>879,712</u>	<u>876,250</u>

The financial statements were approved by the Trustees on 17th November 2023 and signed on their behalf by:

Cynthia Lumley

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 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) 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 2023

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 2023

2. DONATIONS AND LEGACIES

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations		15,375	-	15,375	23,170
		<u>15,375</u>	<u>-</u>	<u>15,375</u>	<u>23,170</u>

3. INVESTMENT INCOME

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	155	-	155	91
Rental income	10,132	-	10,132	11,800
	<u>10,287</u>	<u>-</u>	<u>10,287</u>	<u>11,891</u>

4. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank charges	-	-	-	(870)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(870)</u>

5. CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations payable	-	-	-	5,000
Governance costs	5,200	-	5,200	5,813
Premises expenses	17,895	-	17,895	31,040
Legal and professional fees	-	-	-	900
	<u>23,095</u>	<u>-</u>	<u>23,095</u>	<u>42,753</u>

Governance costs

	2023 £	2022 £
Auditor's remuneration	4,200	3,600
Under accrual of previous year	-	-
Preparation of the annual accounts 2021 and 2022	-	2,200
Preparation of the annual accounts 2023	1,000	-
Filing of the statutory accounts	-	13
	<u>5,200</u>	<u>5,813</u>

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
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6. DIRECTORS' REMUNERATION

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

No Directors received any reimbursement of expenses (2022: £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 2022	420,000	420,000
Additions	-	-
As at 31 March 2023	<u>420,000</u>	<u>420,000</u>
Depreciation		
As at 31 March 2022 and 2023	<u>-</u>	<u>-</u>
Net book value		
As at 31 March 2023	<u>420,000</u>	<u>420,000</u>
As at 31 March 2022	<u>420,000</u>	<u>420,000</u>

9. DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	20	200
Other debtors	6,557	4,873
Concessional loans due from congregations	<u>89,802</u>	<u>77,421</u>
	<u>96,379</u>	<u>82,494</u>
Amounts falling due after more than one year:		
Concessional loans due from congregations	<u>139,614</u>	<u>153,300</u>
	<u>235,993</u>	<u>235,794</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	772	2,411
Church Extension Fund deposits	4,891	4,891
Amount due to Evangelical Lutheran Church of England	264,163	279,236
Accruals	<u>5,287</u>	<u>30,637</u>
	<u>275,113</u>	<u>317,175</u>
Amount due to Evangelical Lutheran Church of England:		
Net rental income	-	-
St Timothy	17,410	17,411
Good Sheperd Lutheran Church	239,548	256,420
Other	<u>7,205</u>	<u>5,405</u>
	<u>264,163</u>	<u>279,236</u>

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

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

	2023	2022
	£	£
Amount due to Evangelical Lutheran Church of England:		
St Timothy	20,072	37,482
	<u>20,072</u>	<u>37,482</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Tangible fixed assets	420,000	-	420,000	420,000
Current assets	754,897	-	754,897	810,907
Creditors due within one year	(35,565)	(239,548)	(275,113)	(317,175)
Creditors due after more than one year	(20,072)	-	(20,072)	(37,482)
	<u>1,119,260</u>	<u>(239,548)</u>	<u>879,712</u>	<u>876,250</u>

13. FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Carried forward £
Designated Funds:					
Equity Sharing (housing) Fund	177,337	-	-		177,337
Property Fund	355,541	10,132	(17,386)	(239,548)	108,740
	<u>532,878</u>	<u>10,132</u>	<u>(17,386)</u>	<u>(239,548)</u>	<u>286,077</u>
General Funds:					
General Funds:	343,372	16,425	(5,709)		354,088
Total Unrestricted Funds	<u>876,250</u>	<u>26,557</u>	<u>(23,095)</u>	<u>(239,548)</u>	<u>640,165</u>
Restricted Funds:					
Good Shepherd Property Fund	-	-	-	239,548	239,548
Total Funds	<u>876,250</u>	<u>26,557</u>	<u>(23,095)</u>	<u>-</u>	<u>879,712</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.

The Good Shepherd Property Fund has been established to hold the proceeds of the sale of the land belonging to Good Shepherd as the beneficial owner, against the future purchase of a property.

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.

EVANGELICAL LUTHERAN CHURCH OF ENGLAND TRUST LIMITED
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14. TRANSACTIONS WITH CONNECTED CHARITY (continued)

During the period the Trust also allocated a donation of £nil to ELCE (2022: £5,000) for the fund established to cover costs related to the restructure of ELCE. At 31 March 2023 the Trust owed ELCE £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.

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 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from:			
Donations and legacies	23,170	-	23,170
Investments	11,891	-	11,891
Other income	791	-	791
Total income	35,852	-	35,852
Expenditure on:			
Raising funds	(870)	-	(870)
Charitable activities	42,753	-	42,753
Total expenditure	41,883	-	41,883
Net expenditure before transfers	(6,031)	-	(6,031)
Transfers between funds	-	-	-
Net movement in funds	(6,031)	-	(6,031)
Reconciliation of movement in funds:			
Fund balances brought forward	882,281	-	882,281
Total funds carried forward	876,250	-	876,250

All activities relate to continuing operations.