

LUTHERAN COUNCIL OF GREAT BRITAIN

(Council of Lutheran Churches)

ANNUAL REPORT AND ACCOUNTS



YEAR ENDED
31 DECEMBER 2023

Company registration number 557552

Charity registration number 232042

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Company registration number 557552

Charity registration number 232042

Registered Address:

46-48, Ground Floor, Webber Street, London SE1 8QW

The Lutheran Council of Great Britain has adopted the working name 'Council of Lutheran Churches' (CLC).

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

LETTER FROM THE CHAIR



A year of stabilization and new visions

2023 became CLC's first full year in the new office in Trident House in Webber Street not far from Waterloo station. The office has established itself as a beneficial location and identity for the "Lutheran Presence" in the UK under the leadership of the General Secretary, Dr Anna Krauss. It has also given The Lutheran Church in Great Britain (LCiGB) a new base in London, both for the bishop and for the administration of the church in addition to being a meeting place for its board and committee meetings.

Student-work and Outreach

Among the activities, I will stress the importance of the media facilities, where Revd Meelis Süld has been able to produce regular podcasts and video transmissions. And, likewise, Trident House is the basis for the work of the student chaplain, the Revd Rebecca Daniel, who was ordained by LCiGB on the 23rd September. The ordination has given her many new opportunities to serve the student community, and re-establishing of the work of the ILSC. I am personally happy for her focus on the campus of SOAS, University of London, connecting our history with trying to help students coming from abroad. The co-operation with St Mary's Church in Sandwich Street is confirming this connection. It is also important to notice that our Council has been able to establish a network for LGBTQ+, called Lutherans Inclusive.

Remembering our history

The modern thrust of Lutherans coming to the UK, was mostly based on refugees arriving from the war-torn Europe during the 2nd World War and the aftermath with the Communist

controlled Eastern Europe. The postwar international Lutheran World Federation (LWF) had support of refugees as one of the main purposes for the organisation established in 1947. European Lutherans in the UK faced many challenges, and LWF worked actively to help them. For the co-ordination of this work, the Council of Lutheran Churches was established in 1948, and we celebrated the 75th anniversary on the Reformation Day, 31st of October. The main service was held in the Norwegian Church, fairly close to our office in London.

Ecumenical and International profile

The CLC has shown itself as a good force for church co-operation and international fellowship. The Lutheran fellowship with the Church of England is of special interest, and since the office is located in the Diocese of Southwark, the relationship with the Bishop and the Cathedral is of great importance. A sign of this relationship is expressed by a member of the bishop's staff being a trustee in CLC.

Internationally CLC, is also an accredited member of the LWF, whereas the LCiGB is a full member. Last year LWF had a General Assembly, meeting in Krakow, Poland, in October with a UK-Lutheran delegation of four. As a forerunner to this meeting, LCiGB in co-operation with CLC was asked to arrange an important pre-assembly meeting for Lutheran churches in Central Europe. That meeting took place in Mansfield College, Oxford, in March last year.

The historical relationship with this college is interesting in itself, as it was a non-conformist college and from the mid-1950s to 1990s Lutheran Pastors were trained there through a tutorship established by LWF in co-operation with CLC. More recently, CLC has also been supporting the college's Sanctuary Scholarship for a post-graduate student.

Our General Secretary has also been able to make our presence known on the ecumenical and international scene, being involved with Churches Together in England, as well as being elected a member of the Council of the LWF.

Future prospects

The newly transformed CLC is now established, and we can look forward on this basis, but 2024 will also be a year of change and challenges. Both a new Chair and Vice-Chair will have to be elected at the coming General Meeting in June. We also just started the process of recruiting a new General Secretary, since Anna Krauss was chosen to take up a position at the important, internationally and academically renown Lutheran Centre in Wittenberg in the coming summer. We wholeheartedly support her accepting this new role in the Lutheran World, nevertheless the CLC, as well as the wider Lutheran fellowship and through her other ecumenical role in the UK, will miss her.

To me it has been a privilege to serve CLC as the Chair since January 2020, through a most challenging and developing period in the aftermath of selling of the lease in Thanet Street and the following period with covid-restrictions; and also rewarding to be part of the change and evolution of CLC's student chaplaincy, outreach and ecumenical work.



+ Tor B Jørgensen
Bishop emeritus

TRUSTEES' REPORT

The Trustees have pleasure in presenting their report and the audited financial statements of the Lutheran Council of Great Britain, which trades as the Council of Lutheran Churches or 'the Council', for the year ending 31 December 2023.

Who we are:

The Council is a body of churches that have come together to express their shared Lutheran heritage and identity through common work in Britain, enriched by their cultural and linguistic diversity. Each church has its own administrative structure, which may be closely linked to the church in its country of origin, or to one of its synods or dioceses. They all offer particular ministries and programmes in Britain for the language groups they serve. The Council was established in 1948 to represent and co-ordinate the common work of Lutheran churches and parishes which have congregations or chaplaincies in Great Britain from a wide range of national and linguistic backgrounds.

- **Members**

The ordinary members of the Council are nominated by the member churches or parishes and approved by the Directors. The following churches nominated members to the Council in 2023:

Danish

Estonian

Finnish

Synod of German-Speaking Lutheran, Reformed and United Congregations in Great Britain

Icelandic

Latvian

Lutheran Church in Great Britain (including Chinese, English, Polish, Swahili speaking congregations)

Norwegian

Swedish

- **Trustees and Directors**

- Chair: Right Revd. Tor Berger Jørgensen
- Deputy Chair: Mr. Jan-Eric Österlund
- Revd Therese Bazard (resigned May 2023)
- Revd Dag Magnus Havgar
- Ms Salla Korteniemi (resigned December 2023)
- Mrs Madelaine Mason (resigned May 2023)
- Mr Paul Renken
- Revd Silke Halfmann
- The Revd. Dr Alun Ford (appointed February 2023, elected June 2023)
- Mr Per Jonsson (elected June 2023)
- Bishop Paulina Hlawiczka-Trotman (appointed March 2024)

- **Administrative and professional staff during 2023**

General Secretary: Dr Anna Krauss

Chaplain: Revd Rebecca Daniel

Administration Manager: Emily Weller

Outreach Coordinator: Revd Meelis Süld

Finance Manager: Judith Edward

- **Committees**

The Council had the following committees in 2023:

The Finance Committee: Responsible for monitoring the Council's financial position, compliance with regulatory and financial requirements and risk management on behalf of the Trustees. This is achieved by considering regular management accounts in relation to budgets, reports on financial controls and reviewing the risk register.

Members

Mr Michael Rickard (Chair of the committee, resigned November 2023)

Mr Per Jonsson (appointed February 2023, appointed Chair of the committee December 2023)

Mr Jan-Eric Österlund

Mr Rakesh Patel (appointed March 2024)

Mr Chris Stephens (appointed March 2024)

Dr Anna Krauss

Miss Judith Edward

The Investment Committee: Responsible for monitoring the Council's investment performance on behalf of the Trustees, by receiving investment reports and with meetings with investment managers.

Members

Mr Jan-Eric Österlund (Chair of the committee)

Mrs Eva Sheppard

Mr Paul Renken

Dr Anna Krauss

Miss Judith Edward

The Nominations Committee: Responsible for recommendations for Trustee appointments, by identifying current or future gaps in trustee skills and seeking suitable applicants.

Members

Mr Paul Renken (Chair of the committee)

Revd Lagle Heinla

Right Revd. Tor Berger Jørgensen

The Grants Committee: Responsible for proposing grant policies and strategic direction of grant awards, to oversee the grant process and to review all grants applications. The Grants Committee is responsible for the management of the two large grant agreements with the Latvian Church and the Lutheran Church in Great Britain.

Members

Revd Dag Magnus Havgar (Chair of the committee)

Mr Jan-Eric Österlund

Mrs Anne Trinklein (resigned December 2023)

Dr Anna Krauss

Miss Judith Edward

Legal structure, governance and management

The organisation is a company limited by guarantee and registered as a charity in England and Wales. The Council's governing document is the Articles of Association. The Board of Trustees comprises the directors of the company.

Trustees are elected for an initial three-year period and are eligible for a further two terms of three years. The Board of Trustees can appoint a trustee to fill a casual vacancy until the next General Meeting. The Nominations Committee supports the process by seeking suitable applicants and providing recommendations. Newly elected trustees are given induction training on their duties and responsibilities as members of the Board of Trustees. Training needs are reviewed regularly and specific training is given to trustees as required.

The Board of Trustees approves the remuneration of the General Secretary and the annual pay award given to all staff. Salaries are benchmarked against comparable roles in the charity and faith sectors.

Relationships with other bodies and external networks

The Council is a 'recognised council' of the Lutheran World Federation (LWF), a global communion of Lutheran churches, and is entitled to attend but not vote at assemblies of the LWF. Founded in 1947 in Lund, Sweden, the LWF represents about 95% of all Lutherans and acts in ecumenical and inter-faith relations, theology, humanitarian assistance, human rights, communication and mission and development work. There are 148 member churches spanning 99 countries in Africa, Asia, the Pacific, Europe, Latin America and North America.

The Council has been actively involved in Churches Together in Britain and Ireland (CTBI), Churches Together in England (CTE), the national ecumenical bodies, as well as Faith in Europe, and the Anglican Lutheran Society. These organisations convene meetings covering a broad range of topics related to the unity of the Church, which are attended by various Council Members and trustees.

The Council is a member of Bethphage (charity no 1046225). Bethphage was founded by a US based Lutheran charity supporting adults with learning disabilities. Now an entirely secular organisation, the Council remains one of the two members of Bethphage. A representative of the Council attends the Annual General Meeting and the Council's General Secretary is a trustee of Bethphage. The connection with Bethphage enables the Council to support a minority group of vulnerable people who are often overlooked by society.

ACHIEVEMENTS AND PERFORMANCE

Objectives

The Council's main charitable object is stated in its Articles of Association: *'The advancement of the Christian religion by bearing united witness before the World to the Gospel of Jesus Christ as the power of God for salvation.'*

In meeting this objective, the Council supports chaplaincy to young people and empowers its member churches through grant giving, material support in providing office space, administrative assistance, expertise over policy development and regulatory compliance. The Council also creates outreach activities with our member churches to establish a shared sense of Lutheran identity in our churches and works together with its ecumenical partners to raise awareness about Lutherans in the UK. This increases the stability of our member churches and Lutheranism in the UK in general. Thus, CLC is engaged in serving the wider community underpinned by its Christian values and seeking to strengthen the witness to Christ's Gospel of salvation.

CLC is increasingly active in the global Lutheran communion and especially the Central/West European Region of the Lutheran World Federation.

We regularly review the uptake of grants and participation in our student chaplaincy as well as outreach activities.

Background

2023 saw the Council engaged in several major events. In March, CLC co-hosted the Lutheran World Federation's Pre-Assembly in Oxford. Ca. 150 delegates from all over Europe prepared their concerns for the global Assembly in September 2023. At this Assembly, General Secretary Dr Anna Krauss was an observer for CLC and, as a member of the Lutheran Church in Great Britain, was elected to the Council of the Lutheran World Federation as well as its Executive Committee. This lends our member church The Lutheran Church in Great Britain as well as CLC, a stronger voice in issues such as climate justice and gender equality. We can also strengthen our position as a voice for the minority and mainly immigrant Lutheran churches in the UK, both locally and globally.

In October 2023, CLC celebrated its 75th anniversary with a formal celebration on the morning of 31st October, followed by an ecumenical Reformation Day service at the Norwegian church in the evening. Many ecumenical partners took part in the events, showing the increasingly strong bonds established in the last years. This increased engagement also resulted in the commission of Dr Anna Krauss as one of the Presidents of Churches Together in England in May 2023. It took a concerted effort of all members of staff and trustees to organise and navigate these major events.

The anniversary enabled us to assess our position and think about our path forward. The period of transition has come to an end. We are in a stable financial position and able to increase the hours of some of our part-time staff. We also see an increased uptake of the space at Trident House. The ecumenical links are flourishing, but we need to strengthen the links with and among our member churches and better promote our grants.

The continuing war in Ukraine, the abhorrent attack on Israel by the terror organisation Hamas and Israel's subsequent military retaliation in Gaza coupled with increasing violence in the West Bank, the violence in other zones of conflict, the climate catastrophe and the general feel of a more volatile global situation affect our member churches as well as CLC itself in various ways – financially and pastorally.

Investment and Investment Income

At the start of 2023 we had around £16.9 million in investments. After the investment losses in 2022, there was a recovery in investment values towards the end of 2023. The economic indicators reported economic growth and falling inflation rates and this helped market confidence, as investment values increased across a broad range of stock. In 2023 our investments increased by £1.0 million or 8.2%.

The Council's long term investment objective is an average total return of 3.5% + inflation, so that the portfolio maintains its value over the longer term and provides a sufficient return to fund operations. In 2023 we exceeded the benchmark, with a return of 8.2% compared to the benchmark of 7.5%. We have exceeded the benchmark for three out of the last four years. However due to the investment losses and high inflation in 2022, cumulatively we are behind the benchmark. But it is anticipated, as the investments are held for the longer term, that we will meet our target.

At the end of 2023 we had investments of £17.8 million. These investments were managed by two different Investment Managers and spread over a substantial number of different investment funds and individual shares and bonds diversified over different industries and countries with the majority denominated in sterling.

Organisation and staff

The Council did not see any changes in staff and its operations followed the strategy established in 2021.

Committees

All committees are meeting regularly and report back to the board. The Grants Committee continues to oversee the major agreements with two of our member churches.

Property

The sale of the residential property in Sandwich Street could not go ahead as planned in 2023. While trying to sell the property, some issues pertaining to historic planning permissions were flagged and the sale had to be delayed until 2024 in order to bring these matters to a satisfactory conclusion.

This meant that the proceeds from the sale could not be incorporated into our investments in 2023. While this does not currently impact our operations, the sale of this property is a priority for the first half of 2024.

We are delighted with our office at Trident House and very happy to see that the running costs are lower than first assumed.

Grant Giving

In 2023 we paid just over £122,000 (2022: £118,000) in grants to our member churches and a further £4,000 (2022: £2,000) to others not affiliated with the Lutheran Council. The majority of the grants were to support operational costs, but a few grants were for one-off events that engaged with a wider community.

Included in the grants is the second-year funding of the three-year grant agreements that we have in place for two of our churches. These agreements were established to support the respective churches find a sustainable long-term strategy and are in place until 2025.

The Sanctuary Scholarship which was set up for Mansfield College, Oxford, is in its third year and the Council is looking into the possibility of funding a second three-year term starting in September 2024. However, the financial implications are not fully clear yet and the Council is in contact with Mansfield College to receive full details.

As an expression of gratitude for the funds which the Council received in its early years and for the establishment of the International Lutheran Student Centre (ILSC), the board decided to set aside £100,000 and donate this amount over a 10-year period towards charitable purposes at the discretion of the trustees. This means a donation of £10,000 in total will be made each year. The donation in 2023 was given to Bethphage, a charity that supports adults with disabilities. The donation is to support an Assistive Technology project to help improve the quality of life and independence for people with learning disabilities.

Student Chaplaincy

Continuing and expanding with the work begun in 2022, the student chaplain offered devotional and social activities for students and maintained a network of Lutheran student chaplains across the country. The Council continues to collaborate with St Mary's German church and is connecting both students and student chaplains from other Lutheran churches to join services and activities.

The student chaplaincy remains involved in the network of chaplains in higher education and champions diversity and integration of students of all faiths and none, as well as inclusion of people from LGBTQ+ and ethnic minority backgrounds. While the international student population in the UK remains high, chaplaincy work specifically dedicated to this group of students remains an important niche not otherwise supported by many chaplaincies. The student chaplaincy currently supports mainly graduate students from the global south and supports their transition into working life.

The student chaplain has formed strong links with the Indian YMCA and has become the Lutheran chaplain at SOAS, thus extending the outreach of CLC's chaplaincy work to other organisations with a large international student body.

The student chaplain is also a leading figure in CLC worship services such as the World Day of Prayer and Reformation Day.

We were able to offer the student chaplain more hours. From 2024, the student chaplain will thus increase their hours from 0.5 FTE to 0.75 FTE.

Outreach

The Council's regular outreach activities continue. We have discontinued the weekly devotional series and replaced it with a weekly prayer or eucharistic service at Trident House which is live streamed. Our following on Facebook has increased significantly since we created the role of Outreach Coordinator and we are setting up further social media channels, starting with Instagram in early 2024. The podcast continues to be produced.

We continue to see an increased uptake of our meeting and recording facilities which helps us to foster links with new and existing partners.

The major events of 2023 described above took up much time in terms of outreach. The Outreach Coordinator produced daily updates with a variety of guests at both the LWF Pre-Assembly in Oxford and the Global Assembly in Krakow.

CLC also assisted the Lutheran Church in Great Britain with the consecration of the church's new bishop in early 2024. For this major event which saw the first ever Polish woman consecrated as bishop, thus attracting major attention in the wider Lutheran and ecumenical world, CLC produced the orders of service and managed the live stream of the consecration service.

The Outreach Coordinator also visited various member churches and is involved in the exchange of the Diocese of Rochester (Church of England) with the Estonian Evangelical

Lutheran Church.

We especially realised over the past year that strengthening the relationships with our member churches and amongst the churches needs more attention. The focus on residential student ministry for many years meant that the relations with member churches were not on the forefront of CLC's activities. Recent changes of pastors in our member churches mean that some links have to be re-established and we need to work on promoting our grants more effectively.

The Outreach Coordinator, too, was offered the option of increasing his hours and we are very happy that he will do so from February 2024. The increase is from 0.5 FTE to 0.8 FTE.

FUTURE PLANS AND STRATEGY

While we saw a positive return on investments, we are aware of the challenging global situation and need to maintain a strong financial position. The period of transition over the last three years has almost come to an end and our focus in 2024 will be to grow from the stable basis we have been able to establish. The relationship with our member churches has been marked as an area of priority.

We are also aware that 2024 will see a major change in the board of trustees and the appointment of a new Chair of Trustees with a balanced and well-working board will be a priority. Our General Secretary, Anna Krauss will also be leaving in 2024, and the recruitment of her successor to continue the Council's work is a further priority.

a) Property

The sale of our residential property continues to be a major priority and we are working urgently on the resolution of the administrative issues to prepare a sale in 2024. This will also have an effect on our investments.

The running costs of Trident House have been much lower than anticipated, despite the inflation of energy prices. This has helped us to refine the budget for 2024.

b) Stability and Growth

2023 was the first full year in which the Covid pandemic did not play an important role and Trident House was occupied over the full year. Both of these factors gave a sense of more organisational stability after a period of transition, even though the year was influenced by a number of major events.

The sale of the residential property in Sandwich Street should see the transitional phase come to its full conclusion and enable the organisation to shift the focus from major business decisions to content and relationship building with member churches and ecumenical partners. With two members of staff increasing their hours, we have an opportunity to grow our outreach and student chaplaincy. Both should help us with facilitating the exchange with member churches, which we would like to increase.

We also need to grow the awareness of our grant giving abilities and are currently in touch with Mansfield College/Oxford to determine whether funding the Sanctuary Scholarship for a further three years could be possible.

Overall, we see 2024 as a chance to further strengthen our work from a stable financial and organisational basis.

c) Development of Global Links with the Lutheran World Federation

Through the two LWF events in March and September and the election of Dr Anna Krauss as a member of LWF's Council, both the Lutheran Church in Great Britain and CLC have the possibility to increase their collaboration with LWF. This will place the work of both the member church and CLC itself in a wider global context. The multinational and multicultural Lutheran community in the UK has strong links to various Lutheran churches abroad, and the increasing links with LWF can help to build a stronger network and establish new connections. This includes reaching out to Lutheran communities and churches that are not currently in touch with either LCiGB or CLC.

d) Support of member churches

The major focus of the strategy meeting in 2024 will be member church relations. With some changes in personnel in the churches and CLC's focus to re-establish external links, this area

needs much attention. Not least because the churches often seem unaware of the abilities that CLC has to support their work. While we have generally a well-established link with every member church, we need to increase the uptake of grants and find a way of increasing CLC's relevance for the churches as a platform for support, exchange and cooperation.

Going Concern

The Council is confident that it will continue to be a going concern. The Council has a very strong balance sheet and resources that will see it through the foreseeable future. The Council's strategy is to ensure that it is sustainable over the longer-term and the annual budget is set accordingly ensuring that both short-term and long-term goals can be met.

FINANCIAL REVIEW

Review of financial position

Incoming and outgoing resources for the year are detailed in the Statement of Financial Activities (SoFA), together with the net gains and losses on investments and fixed assets. These are shown separately for the Council's unrestricted funds, which may be used at discretion of the Board of Trustees and the Council's restricted funds which must be spent in accordance with the donors' wishes.

Overview of 2023

Following the purchase and fit-out of Trident House in the previous year, it was financially a very stable year, with resources directed on operational activity. Operations expenditure increased slightly to £0.7 million (2022: £0.6 million). The area of greatest increase was in Outreach, which increased by 20% as more activities were undertaken, including our 75th Anniversary and co-hosting the Lutheran World Federation pre-assembly at Mansfield College, Oxford. After a loss in investment value in the previous year, our investments had a total return 8.2% (2022: loss 7.5%), this was just ahead our target of 7.5%. Overall our expenditure and income is in line with our strategy and we are in a healthy financial position.

Net expenditure after investment gains for the year amounted to £0.8 million (2022: net expenditure £1.9 million).

Total funds carried forward at 31 December amounted to £21.4 million (2022 £20.7 million).

Income

Total income was £0.4 million (2022: £0.4 million). The majority of income was from investments.

Expenditure

Total resources expended was £0.7 million in the year (2022: £0.6 million).

- The Costs of Generating Funds was steady at £95,000 (2022: £95,000) and the majority is for investment management fees.
- Overall Charitable Expenditure was £0.6 million (2022: £0.5 million).
 - Expenditure on outreach increased by 21%, as we co-hosted the LWF pre-assembly, and celebrated our 75th anniversary. We also undertook social media activities, podcasts and training events for members.
 - Expenditure on chaplaincy was similar to the previous year, as we provide a range of student services and events.
 - Expenditure on grants and other support for churches was £156,000 (2022: £147,000), this included the second year the 3-year agreements with LCiGB for £100,000 and the Latvian Church for £15,000.
 - Support costs increased by £24,000 to £251,000 as the depreciation cost was higher as it was the first full year in new premises.

Investment Gains

There was a net gain on investments of £1.0 million (2022: net loss £1.7 million). The investment markets recovered after the losses in 2022. Specifically in the latter part of 2023, there was an upturn in economic growth and inflation rates were falling that led to investment values increasing.

The Balance Sheet

Tangible Fixed Assets

The Council holds various tangible fixed assets to support its activities.

The Council owns the leasehold for the ground floor of Trident House, 46-48 Webber Street, which is used to provide office and meeting spaces. The purchase cost including fit-out was £2.4 million.

The Council also owns 4 Sandwich Street, which comprises four self-contained flats that are used by staff or visiting clergy.

The trading subsidiary, LCGB Trading Ltd, was closed in 2023, it had been dormant for several years and was no longer required.

Investment policy

The performance of the financial investments is measured on a total return basis (combining income and capital growth). In 2023, the total return was a gain of 8.2%. This was better than our target return of 3.5% + CPI = 7.5%, and better than the benchmark of comparable funds, which had a gain of 7.3%

At 31 December 2023, the total investments (apart from property) were £17.8 million (2022: £16.9 million).

Investments are made according to ethical principles; investments are only made in companies that have sustainable business practices and manage their environmental, social and governance responsibilities well. Both fund managers have mechanisms in place to ensure our investments meet these criteria.

Reserves Policy

The policy states the minimum level of working capital that is to be held in the General Fund to ensure the Council can meet its operational and grant giving activities and maintain sufficient capital to be sustainable over the medium to longer term. The level is subject to annual review. The Board of Trustees has determined that the minimum level of the General Fund should be £16.8 million and a target level of £18.7 million. At the end of 2023 the General Fund was £17.8 million, which was at the minimum level.

Designated Funds

The Council has the following designated funds:

- Fixed Asset fund which represents the funds tied up in functional fixed assets used for charitable purpose.
- Donation fund, in recognition that the ILSC was funded by donations. When it was sold it was agreed to set up this fund to make an annual donation to causes that aligned with the Council's mission.
- Student fund. This fund is to provide support to students.
- Property Purchase fund for the purchase of a new Lutheran Centre. This fund was closed in 2023 as the purchase of Trident House had completed.

Further details are given in note 17 to the financial statements.

Restricted Funds

The Council has no restricted funds. The Student Hardship fund was closed in 2022, and the funds were transferred to the designated Student fund.

Risk Management

The Trustees have reviewed the major risks, financial and non-financial, to which the Council is exposed in the course of its current activities. The Finance Committee reviews risks at its meetings, ensures that the risk register is current and reports regularly to the Trustees in order to ensure that the risk management is kept up to date. Trustees have assessed these risks and have ensured that appropriate systems and controls exist to minimise internal risks and that effective response mechanisms exist to respond to and minimise the impact of external risks. The Council's principal risks and mitigation strategies includes risks to safeguarding in its member churches, reputation, health and safety, governance and finance.

After mitigation and considering the impact and likelihood, the Council's top risks and the Council's strategy for mitigating them at year end were as follows:

Risk	Mitigation
<ul style="list-style-type: none">Poor investment performance, impacting ability to give grants and deliver outreach programme.	<ul style="list-style-type: none">Investment committee with investment expertise to guide decision making; funds invested with 2 investment managers; regular reports from managers to monitor performance.
<ul style="list-style-type: none">Reputational risk arising from a safeguarding incident	<ul style="list-style-type: none">Provide safeguarding training and support to member churches
<ul style="list-style-type: none">Loss of IT systems or breach of security due to malware or virus attack	<ul style="list-style-type: none">IT security including virus software and passwords; backups stored off-site; cyber-crime awareness training for staff.
<ul style="list-style-type: none">Reduction in beneficiaries due to impact of Brexit and aging population reduces the Lutheran Community	<ul style="list-style-type: none">The Council can continue its work and provide grants to support its member churches.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 and have taken due regard of the Charity Commission's guidance on public benefit and are satisfied that the various activities of the Council provide a public benefit. All Trustees give their time voluntarily and receive no private benefit from the Council.

The Council has not performed any direct fundraising activities during the current or prior year. In 2023 it received no donations (2022: nil). No complaints have been referred to the Fundraising Regulator during this period.

PRINCIPAL ADVISERS

Auditors

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London, EC2Y 5AU

Rothschild & Co Wealth Management UK
Limited
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United Kingdom

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Lutheran Council of Great Britain for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP FRS102 (2019);
3. make judgments and accounting estimates that are reasonable and prudent;
4. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The Council's auditors, Price Bailey LLP, a limited liability partnership, were reappointed by written resolution following the June 2023 General Meeting. The Trustees (as directors for company purposes) who held office at the date of approval of the Annual Report and Accounts confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information. This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

SIGNED ON BEHALF OF THE BOARD

Tor B Jørgensen

Tor B Jørgensen (May 14, 2024, 8:32am)

Tor B Jørgensen
Chair

Jan-Eric Osterlund

Jan-Eric Osterlund (May 9, 2024, 7:28pm)

Jan-Eric Osterlund
Deputy Chair

Date: 9th May 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LUTHERAN COUNCIL OF GREAT BRITAIN

Opinion

We have audited the financial statements of The Lutheran Council of Great Britain (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities incorporating the Income and Expenditure account, the Charitable Company Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including 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 December 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; and
- have been prepared in accordance with the requirements of the Companies Act 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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual 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.

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.

Opinions on other matters 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 directors' 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 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 explanations we require for our audit
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes 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

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006, Charities Act 2011 and SORP 2019.

The risks were discussed with the audit team and we remained alert to any indications of non-

compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and made enquiries of management and officers of the Charitable Company. We enquired about procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission and a review of legal fees during the period.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 our 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors

24 Old Bond Street
London
W1S 4AP

Date: 17 May 2024

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income & Expenditure Account)
for the year ended 31 December 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income							
Donations and legacies							
Grants, donations and contributions	3	2,000	-	2,000	2,000	-	2,000
Income from charitable activities							
Rental income from 4 Sandwich Street let to clergy and temporary staff		50	-	50	125	-	125
Income from investments	4	435,667	-	435,667	423,553	-	423,553
Other income							
Sundry income		-	-	-	-	-	-
Total income		437,717	-	437,717	425,678	-	425,678
Expenditure							
Expenditure on raising funds	5	95,337	-	95,337	94,643	-	94,643
Expenditure on charitable activities							
Outreach (Ecumenical relations and communications)		165,655	-	165,655	137,216	-	137,216
Student chaplaincy		79,056	-	79,056	71,050	-	71,050
External Grants and Donations	6	18,172	-	18,172	15,032	-	15,032
Grants and other support for churches	7	155,580	-	155,580	147,262	-	147,262
Accommodation at 4 Sandwich St		68,442	-	68,442	56,367	-	56,367
Governance costs		108,279	-	108,279	96,952	-	96,952
Total charitable activities	8	595,184	-	595,184	523,879	-	523,879
Total expenditure		690,521	-	690,521	618,522	-	618,522
Net gains/(losses) on investments	13	1,015,589	-	1,015,589	(1,682,859)	-	(1,682,859)
Net (expenditure) / income		762,785	-	762,785	(1,875,703)	-	(1,875,703)
Transfer between funds		-	-	-	7,627	(7,627)	-
Net movement in funds		762,785	-	762,785	(1,868,076)	(7,627)	(1,875,703)
Funds at 1 January		20,672,286	-	20,672,286	22,540,362	7,627	22,547,989
Funds at 31 December	16 / 17	21,435,071	-	21,435,071	20,672,286	-	20,672,286

BALANCE SHEET
at 31 December 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	3,606,604	3,699,732
LCGB Trading Ltd (dormant subsidiary)	13	-	100
Investments	13	17,753,859	16,895,364
		<u>21,360,463</u>	<u>20,595,196</u>
CURRENT ASSETS			
Debtors	14	9,519	7,396
Cash at bank and in hand		108,701	137,343
		<u>118,220</u>	<u>144,739</u>
CREDITORS			
Amounts falling due within one year	15	(43,585)	(67,313)
NET CURRENT ASSETS			
		<u>74,635</u>	<u>77,426</u>
Pension liability	15	(27)	(336)
NET ASSETS			
		<u>21,435,071</u>	<u>20,672,286</u>
FUNDS			
Restricted funds	16	-	-
Unrestricted funds	17		
Designated funds		3,681,509	3,834,695
General funds		17,753,562	16,837,591
TOTAL FUNDS			
	18	<u>21,435,071</u>	<u>20,672,286</u>

The financial statements have been prepared in accordance with the small companies provision of the Companies Act 2006, and were approved and authorised for issue by the Council on 9th May 2024 and were signed on its behalf by

Tor B Jørgensen

Tor B Jørgensen (May 14, 2024, 8:32am)
Chair

Jan-Eric Osterlund

Jan-Eric Osterlund (May 9, 2024, 7:28pm)
Deputy Chair

Statement of Cash Flows
for the year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income/(expenditure)	762,785	(1,875,703)
Depreciation charges	94,577	59,332
(Gains)/Losses on investment assets	(1,015,589)	1,682,859
Investment income	(435,667)	(423,553)
Trade and other receivables: (increase)/decrease in debtors	(2,123)	7,851
Trade and other payables: (decrease)/ increase in creditors	(23,728)	22,356
(Decrease) in pension liability provision	(309)	(345)
Net cash (used in) operating activities	<u>(620,054)</u>	<u>(527,203)</u>
Cash flows from investing activities		
Purchase of fixed assets	(1,449)	(2,674,840)
Purchase of investments	(1,290,459)	(2,620,369)
Proceeds on disposal of investments	963,676	2,518,350
Net cash movement in investments	483,977	2,883,053
Investment income	435,667	423,553
Net cash generated from investing activities	<u>591,412</u>	<u>529,747</u>
(Decrease)/Increase in cash in the period	<u>(28,642)</u>	<u>2,544</u>
Cash and cash equivalents at 1 January	<u>137,343</u>	<u>134,799</u>
Cash and cash equivalents at 31 December	<u>108,701</u>	<u>137,343</u>

Net Debt Reconciliation

	2023 £
Analysis of changes in net debt:	
Cash and cash equivalents as at 1 January 2023	137,343
Cash flows	(28,642)
Cash and cash equivalents as at 31 December 2023	<u>108,701</u>

THE LUTHERAN COUNCIL OF GREAT BRITAIN Company limited by guarantee no. 557552
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

1 BASIS OF ACCOUNTING

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) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

The Lutheran Council of Great Britain meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Lutheran Council of Great Britain is a charitable company limited by guarantee incorporated in England and Wales, the charitable company address is listed on the company information page. The financial statements are rounded to the nearest £.

2 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are:

(a) Fixed assets

Properties in the ownership of the Council are stated at the cost of additions and improvements less grants received. Office equipment, fixtures and fittings are stated at cost.

(b) Depreciation

Assets costing over £1,000 are capitalised. Depreciation is provided on a straight line basis by reference to the expected useful lives of the assets. Their useful lives are estimated as follows:

Freehold land	not depreciated
Freehold and leasehold properties	50 years
Leasehold improvements	20 years
Kitchens and bathrooms	10 years
Plant and equipment	10 years
Furniture and fittings	5 years
Computers and office equipment	3 years

(c) Income

All income is accounted for when the Council has entitlement, there is probability of receipt and the amount is measurable.

(d) Fund accounting

Restricted funds are the unexpended balances of donations and grants held on trust to be applied for specific purposes.

Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for specific purposes. The purpose and use of designated funds are described in the notes to the financial statements.

General funds are the accumulated surplus of income over expenditure. They are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

(e) Grants payable

Grants payable include all grants commitments that have been approved during the year and recipients have been notified.

(f) Investments

Fixed asset investments are stated at market value in accordance with SORP 2019. The Statement of Financial Activities includes gains and losses arising from the revaluation of investments. Cash and cash funds held by investment managers is recognised as part of investments.

(g) Pension cost

The Council contributes to a group staff pension scheme. All pension schemes are defined contributions schemes. The pension cost represents contributions payable by the charity during the year.

(h) Expenditure

Costs of charitable activities comprise expenditure directly attributable to the Council's charitable objectives plus support costs.

Grant costs include all grant commitments that have been approved during the year and the recipients have been notified. The Grants Committee can approve grants under £2,000; all other grants are approved by the Board of Trustees.

Support costs comprise the costs of central management and administration insofar as these are not directly attributable to other activities. They are allocated to the costs of generating funds, charitable activities and governance according to staff time spent on each activity.

(i) Irrecoverable VAT

Irrecoverable VAT is charged back to the original cost category where the cost was incurred.

(j) Debtors

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

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits that are held at the bank. It excludes cash and cash funds held by Investment Managers.

THE LUTHERAN COUNCIL OF GREAT BRITAIN Company limited by guarantee no. 557552
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

(l) Creditors

Amounts due to creditors are measured at their settlement amount. Deferred income is recognised as the amount receivable as an advanced payment for goods or services that must be provided.

(m) Financial Instruments

The Charity only has financial assets and 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, except for investments which are measured at fair value.

(n) LCGB TRADING LIMITED

On 21 October 2008 the Lutheran Council of Great Britain acquired the entire share capital of 100 ordinary shares of £1 in a newly established company, LCGB Trading Limited, incorporated in England under the Companies Act 2006 (CA2006) as a private limited company. LCGB Trading Ltd was dormant during this year and was dissolved on 29th August 2023. With no income, no expenses, and so £NIL surplus in 2023 (2022: £NIL) and the accounts were not consolidated with the Lutheran Council of Great Britain.

(o) Critical accounting judgements and estimation uncertainty

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The judgements and estimates considered by the trustees to have the most significant effect on amounts recognised in the financial statements relate to the fair value of financial investments, which is made on the basis of advice from our investment managers and would be consistent with redeemed value if the asset were to be sold. The trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure.

(p) Going concern

The trustees have reviewed detailed cash flow projections to December 2025 and have agreed detailed budgets for the year ended December 2024. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes is to provide grants to support Lutheran Churches, the level of expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the Council's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

3 DONATIONS AND GRANTS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Subscriptions from Members	2,000	-	2,000	2,000	-	2,000
Private donations	-	-	-	-	-	-
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>

4 INVESTMENT INCOME

	2023 £	2022 £
Interest receivable	22,253	8,821
Dividends receivable	413,414	414,732
	<u>435,667</u>	<u>423,553</u>

In 2022 and 2021 all investment income was unrestricted, there was no restricted investment income.

5 RAISING FUNDS

	2023 £	2022 £
Expenses relating to:		
Investment managers' fees	91,627	91,169
Support costs for managing Sandwich Street and Investments	3,710	3,474
	<u>95,337</u>	<u>94,643</u>

6 EXTERNAL GRANTS AND DONATIONS

Support for third parties includes the following grants during the year.

	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023 £	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022 £
Bethphage	10,000	-	10,000	-	-	-
The Akeman Benefice	1,000	-	1,000	-	-	-
Student support grants	3,360	-	3,360	1,703	-	1,703
Lutheran World Federation for Ukraine crisis	-	-	-	10,000	-	10,000
	<u>14,360</u>	<u>-</u>	<u>14,360</u>	<u>11,703</u>	<u>-</u>	<u>11,703</u>
Support costs	3,812	-	3,812	3,329	-	3,329
External grants and donations	<u>18,172</u>	<u>-</u>	<u>18,172</u>	<u>15,032</u>	<u>-</u>	<u>15,032</u>

THE LUTHERAN COUNCIL OF GREAT BRITAIN Company limited by guarantee no. 557552
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

7 GRANTS AND OTHER SUPPORT FOR CHURCHES

Other support for Members includes the following grants during the year.

	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023 £	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022 £
Lutheran Church in Great Britain						
- Bishop, Dean and Bishop's Assistant	30,600	-	30,600	32,700	-	32,700
- Support for pastors	18,550	-	18,550	18,011	-	18,011
- Chaplaincy Nottingham and Leeds	15,200	-	15,200	14,800	-	14,800
- Capacity building / administration support	30,237	-	30,237	26,843	-	26,843
- Racial justice project	5,000	-	5,000	5,000	-	5,000
	<u>99,587</u>	<u>-</u>	<u>99,587</u>	<u>97,354</u>	<u>-</u>	<u>97,354</u>
Latvian Evangelical Lutheran Church in GB						
- Pastor salary support	11,000	-	11,000	14,000	-	14,000
- Travel and premises for services	4,000	-	4,000	4,000	-	4,000
	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Swedish Church - Hosting seminar	850	-	850	-	-	-
Icelandic Church - Rent, travel and family event	6,222	-	6,222	-	-	-
German Church in Liverpool - Utility costs	1,094	-	1,094	-	-	-
Icelandic Church - Covid support	-	-	-	2,730	-	2,730
Grants Disbursed to Members	<u>122,753</u>	<u>-</u>	<u>122,753</u>	<u>118,084</u>	<u>-</u>	<u>118,084</u>
Support costs	32,827	-	32,827	29,178	-	29,178
Total Costs for Other support for churches	<u>155,580</u>	<u>-</u>	<u>155,580</u>	<u>147,262</u>	<u>-</u>	<u>147,262</u>

There is a three year grant agreement with the Lutheran Church in Great Britain commencing May 2022. Due to the terms of the grant agreement only the second year commitment is accounted for in the 2023 results for £75,800. A further gift-in-kind of administration support is provided on an annual basis for £23,787 (2022: £23,154).

8 TOTAL EXPENDITURE - UNRESTRICTED FUNDS

	Support costs £	Direct Staff costs £	Establishment and office costs £	Other costs and grants £	Total 2023 £	Total 2022 £
Costs of raising funds	3,710	-	-	91,627	95,337	94,643
Outreach	74,722	62,324	367	28,242	165,655	137,216
Student chaplaincy	38,014	33,270	2,453	5,319	79,056	71,050
External grants and donations	3,812	-	-	14,360	18,172	15,032
Grants and other support for churches	32,827	23,787	-	98,966	155,580	147,262
Accommodation at 4 Sandwich St	11,128	9,176	48,138	-	68,442	56,367
Governance costs	86,522	-	-	21,757	108,279	96,952
Total charitable activities	<u>247,025</u>	<u>128,557</u>	<u>50,958</u>	<u>168,644</u>	<u>595,184</u>	<u>523,879</u>
	<u>250,735</u>	<u>128,557</u>	<u>50,958</u>	<u>260,271</u>	<u>690,521</u>	<u>618,522</u>
Prior year expenditure - unrestricted funds						
	£	£	£	£	£	
Costs of raising funds	3,474	-	-	91,169	94,643	
Outreach	60,055	57,154	848	19,159	137,216	
Student chaplaincy	34,489	31,841	1,231	3,489	71,050	
External grants and donations	3,329	-	-	11,703	15,032	
Grants and other support for churches	29,178	23,154	-	94,930	147,262	
Accommodation at 4 Sandwich St	15,085	2,018	39,264	-	56,367	
Governance costs	81,022	-	-	15,930	96,952	
Total charitable activities	<u>223,158</u>	<u>114,167</u>	<u>41,343</u>	<u>145,211</u>	<u>523,879</u>	
	<u>226,632</u>	<u>114,167</u>	<u>41,343</u>	<u>236,380</u>	<u>618,522</u>	

A further breakdown of 'Support costs' is given in note 9.

Included in total charitable expenditure under "Other costs and grants" are fees of £13,672 (2022: £7,822) payable to the auditors for audit fees. Depreciation costs included were £94,577 (2022: £59,332) for the year (see note 12).

There was no restricted expenditure in 2022 (2021: nil). There are no restricted funds (see note 16).

THE LUTHERAN COUNCIL OF GREAT BRITAIN Company limited by guarantee no. 557552
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

9 SUPPORT COSTS

	Staff costs	Office and IT costs	Total 2023	Staff costs	Office and IT costs	Total 2022
	£	£	£	£	£	£
Costs of raising funds	2,388	1,322	3,710	2,320	1,154	3,474
Outreach	26,267	48,455	74,722	22,032	38,023	60,055
Student chaplaincy	13,133	24,881	38,014	12,756	21,733	34,489
External grants and donations	1,194	2,618	3,812	1,159	2,170	3,329
Grants and other support for churches	13,133	19,694	32,827	12,756	16,422	29,178
Accommodation at 4 Sandwich St	7,164	3,964	11,128	10,436	4,649	15,085
Governance costs	56,113	30,409	86,522	54,502	26,520	81,022
Total charitable activities	117,004	130,021	247,025	113,641	109,517	223,158
	119,392	131,343	250,735	115,961	110,671	226,632

Costs are apportioned between activities according to time spent by staff on each activity. Staff costs includes costs of employees and training.

10 RELATED PARTY TRANSACTIONS

The Council is one of two corporate members of Bethphage Great Britain, a registered charity with international Lutheran links, providing high quality residential care and assisted living support to about 60 people in the Midlands of England. The General Secretary is a trustee of Bethphage Great Britain. There was one related party transactions, a donation of £10,000 was made to Bethphage (2022: none).

The Trustees received no remuneration (2022: no remuneration) in connection with their duties as trustees. In 2023 four (2022: five) Trustees received reimbursement for their travel expenses to meetings held during the year. These expenses, together with liaison/entertainment expenses and costs of meetings (such as catering), were £4,548 (2022: £4,055). No other payments were made directly to, or for benefit of, Trustees (2022: none).

As part of its work to support Lutheran churches, the Trustees made grants during the year to two member churches (LCiGB and Swedish Church) who had a serving Trustee of the Council amongst its leaders and is detailed below. The relevant Trustee had no part in the decision regarding this grant.

Grants to member churches including a trustee amongst their pastors were:	2023	2022
	£	£
Lutheran Church in Great Britain	99,587	97,394
Swedish Church in London	850	-
	100,437	97,394

There are no further related party transactions (2022: none).

11 STAFF COSTS

	TOTAL 2023	TOTAL 2022
	£	£
Staff costs comprised:		
Wages and salaries	202,193	191,624
Social security costs	18,530	17,883
Other pension costs	20,343	19,148
Other staff costs	1,090	1,137
	242,156	229,792

One employee had a salary higher than £60,000 during the year (2022: one). With the addition of employer's pension contributions, the General Secretary earned £72,059 in total (2022: £67,980). (This comprised salary plus employer's pension contributions before tax.) The key management personnel is considered to be the General Secretary.

The average number of persons employed during the year, most of whom were part-time employees, was:

	FTE 2023	Headcount 2023	FTE 2022	Headcount 2022
Central, Outreach and Chaplaincy	3.7	6.5	3.7	7.3
	3.7	6.5	3.7	7.3

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12 TANGIBLE FIXED ASSETS

	Freehold property	Leasehold property	Plant & machinery	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2023	1,363,589	2,506,664	94,463	97,743	4,062,459
Additions				1,449	1,449
Transfers	-	-	-	-	-
At 31 December 2023	1,363,589	2,506,664	94,463	99,192	4,063,908
Depreciation					
At 1 January 2023	287,184	33,333	3,149	39,061	362,727
Charge for the year	20,172	54,399	9,446	10,560	94,577
At 31 December 2023	307,356	87,732	12,595	49,621	457,304
Net book value					
At 31 December 2022	1,076,405	2,473,331	91,314	58,682	3,699,732
At 31 December 2023	1,056,233	2,418,932	81,868	49,571	3,606,604

Capital commitments at 31 December 2023 were £nil (2022: £5,500).

The freehold property of four flats at 4 Sandwich Street is classed as a functional fixed asset as the flats were for the use of clergy and staff to fulfil the Council's charitable purpose.

The leasehold property is for Trident House which is used for the Council's activities.

13 INVESTMENTS

	2023 £	2022 £
Investment in LCGB Trading Ltd (dormant)	-	100
Portfolio of Invested Funds		
Market value at 1 January	16,895,364	21,359,257
Additions	1,290,459	2,620,369
Less: disposals	(963,576)	(2,518,350)
Net movement on cash accounts	(483,977)	(2,883,053)
Net gains on valuation	1,015,589	(1,682,859)
Market value at 31 December	17,753,859	16,895,364
Listed investments	17,039,107	16,415,964
Cash on call	714,752	479,400
Market value at 31 December	17,753,859	16,895,364
Total value at 31 December	17,753,859	16,895,464
Details of investments:		
<i>UK Equities</i>	964,393	841,658
<i>Global Equities</i>	4,579,157	3,936,764
<i>Bonds</i>	1,596,226	1,474,106
<i>Properties</i>	-	-
<i>Multi Asset Funds</i>	8,403,793	8,197,356
<i>Other Assets</i>	1,495,538	1,444,980
Cash	714,752	1,000,500
Market value at 31 December	17,753,859	16,895,364
Historical cost	15,995,600	15,764,457
Unrealised gain	1,758,259	1,130,907
Holdings greater than 5%		
SUTL Cazenove Charity Responsible Multi Asset	£ 8,403,793	% 47.3%

The Lutheran Council had held 100 shares in LCGB Trading Limited. In 2023 LCGB Trading Limited was closed as was not required and it had been dormant for several years. For 2023 its surplus was £nil (2022: nil), net assets were £nil (2022: £100).

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14 DEBTORS	2023 £	2022 £
Due within one year:		
Trade debtors	250	550
Other debtors	-	1,300
Prepayments and accrued income	9,269	5,546
	<u>9,519</u>	<u>7,396</u>
15 CREDITORS	2023 £	2022 £
Due within one year:		
Taxation and social security	-	-
Trade creditors	5,605	15,632
Grant liabilities	18,950	18,550
Accruals	19,030	33,131
	<u>43,585</u>	<u>67,313</u>
Due after one year:		
Pension accrual	<u>27</u>	<u>336</u>

See note 20 for further details of the pension liability

16 RESTRICTED FUNDS	Student hardship fund £	Total 2023 £	Total 2022 £
Balance 1 January	-	-	7,627
Transfer	-	-	(7,627)
Expenditure	-	-	-
Balance at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

The Student Hardship fund was closed in 2022, as it had been incorrectly classified as a restricted fund. The balance of the fund was moved to the unrestricted Student Fund.

17 UNRESTRICTED FUNDS	Balance 1 January 2023 £	Income & investment gains £	Expenditure £	Transfers £	Balance 31 December 2023 £
Designated funds					
Fixed assets fund	3,699,732	-	(94,577)	1,449	3,606,604
Student Fund	8,265	-	(3,360)		4,905
Donation Fund	80,000	-	(10,000)		70,000
Property purchase Fund	46,698	-	-	(46,698)	-
	<u>3,834,695</u>	<u>-</u>	<u>(107,937)</u>	<u>(45,249)</u>	<u>3,681,509</u>
General funds	16,837,591	1,453,306	(582,584)	45,249	17,753,562
	<u>20,672,286</u>	<u>1,453,306</u>	<u>(690,521)</u>	<u>-</u>	<u>21,435,071</u>
Prior year unrestricted funds	Balance 1 January 2022 £	Income & investment gains £	Expenditure £	Transfers £	Balance 31 December 2022 £
Designated funds					
Fixed assets fund	1,084,224	-	(59,332)	2,674,840	3,699,732
Student Fund	2,341	-	(1,703)	7,627	8,265
Donation Fund	90,000	-	(10,000)		80,000
Property purchase fund	2,700,000	-	-	(2,653,302)	46,698
	<u>3,876,565</u>	<u>-</u>	<u>(71,035)</u>	<u>29,165</u>	<u>3,834,695</u>
General funds	18,663,797	(1,257,181)	(547,487)	(21,538)	16,837,591
	<u>22,540,362</u>	<u>(1,257,181)</u>	<u>(618,522)</u>	<u>7,627</u>	<u>20,672,286</u>

Fixed assets fund: this fund represents the net amount tied up in tangible fixed assets and so not available to spend.

Student fund: is available to support students and student related projects. In 2022 the restricted Student Hardship fund was transferred to this fund as the restriction was removed. See note 16.

Donation fund: After the sale of the ILSC in 2020, this fund was set up in recognition that the ILSC was purchased with donations. The fund will make an annual donation of £10,000 to a charity/charities that aligns with the Council's mission.

Property purchase fund: the Council purchased a new property to carry out its activities in 2022, this fund is for the purchase and fitting out of the new premises. With only minor projects remaining the funds was closed in 2023, and these projects will be financed from the General fund.

General fund: this fund represents the net amount held for general expenditure. The policy is to have a minimum fund of £16.8 million in General Funds as this will provide the investment returns to finance the organisations operations. At December 2023 the General Fund was £17.8 million.

THE LUTHERAN COUNCIL OF GREAT BRITAIN Company limited by guarantee no. 557552
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,606,604	-	3,606,604	3,699,732	-	3,699,732
Investments	17,753,859	-	17,753,859	16,895,464	-	16,895,464
Net current assets	74,635	-	74,635	77,426	-	77,426
Long term (liabilities)	(27)	-	(27)	(336)	-	(336)
	21,435,071	-	21,435,071	20,672,286	-	20,672,286

19 PENSION COSTS

The assets of the pension schemes, all of which are defined contribution schemes, are held separately from those of the Council in independently administered funds. Contributions made by the Council to the schemes during the year are shown in note 11. Contributions of £NIL were due to the schemes at the year end (2022: £NIL).

20 PENSION SCHEME OBLIGATIONS

Six members of staff of the Council participate in TPT Retirement Solutions' Growth Plan series 4, which is a defined contribution scheme open to all staff and in which the higher earners are automatically enrolled, in accordance with legislation.

Two former employees are members of a multi-employer scheme (now closed) which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. The scheme is in deficit and the Council's current liability is £327 (2022: £327) and long-term liability is £27 (2022: £354). Due to the reduced scheme liability and deficit payments made in 2023 the amount recognised in the SOFA was a net loss of £374 (2022: net loss £274).

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.94m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.4m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing 3% each year on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

20 PENSION SCHEME OBLIGATIONS (continued)

Present values of provision	31 December 2023	31 December 2022
	£	£
Present value of provision	345	649
Reconciliation of opening and closing provisions	Period ending 31 December 2023	Period ending 31 December 2022
	£	£
Provision at start of period	649	1,190
Deficit contribution paid	(327)	(527)
Unwinding of the discount factor (interest expense)	24	10
Remeasurements - impact of any change in assumptions	(1)	(24)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	345	649
Assumptions	2023	2022
Rate of Discount (per cent per annum)	5.31%	4.96%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The Council has been notified by the Pensions Trust of the estimated Employer Debt on Withdrawal from the Plan based on the financial position of the Plan as at 30 September 2016. They estimated that, after taking into account the debt due from other employers, the Council's Employer Debt on Withdrawal is estimated as £13,295 plus costs and fees of apportioning the debt among other employers. There is no current intention to leave the Plan and trigger this contingent liability.