

THE DANISH CHURCH IN LONDON

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Registered charity number 237897

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2020

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CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

UK Registered Charity No. 237897

Name of the charity: The Danish Church in London

Registered office The Danish Church in London
4 St Katherine's Precinct
Regent's Park, London NW1 4HH

Trustees Trustees and members of the Church Council from January 2020 to June 2021 are:

Dorte Bille Harding (Chair)
Christine Bergstedt Jørgensen (Deputy Chair)
Niels Ring Andersen (Honorary Treasurer)
Anne-Grethe Jensen (Secretary)
Andy Marino (Church Warden)
Ole Justesen (Church Warden, to October 2020)
Flemming Kloster Poulsen (Pastor)
Johanne Nørtoft Thomsen (Pastor, to March 2021)
Peter Melbye
Palle Baggesgaard Pedersen
Per Gullestrup
Jacob Christiansen
Helle Diget Bond
Casper Orlyk
Ulrik E. Petersen (Royal Danish Embassy, to Sept 2020)
Anne Dorothea Bruum Aubry (Royal Danish Embassy, from Sept 2020)
Bette Petersen Broyd (from October 2020)
Connie Yilmaz Jantzen (from October 2020)

CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

Independent examiner	Michael Laughton C.A. Munro Brown Ltd Chartered Accountants 38 Gay Street, Bath, BA1 2NT
Principal bankers	Barclays Bank Plc Danske Bank HSBC Plc Cazenove (custody/investments) Charles Stanley & Co. (custody/investments)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

1. Structure, governance, and management

The charity is governed by its Constitution, revised on 15 September 2013, and further updated on 18 October 2020.

The Church Council manages the Church in practical, legal and financial affairs, and represents the Church in all respects. The Bishop of Copenhagen is the Church's ecclesiastical supervisor. The Danish Ambassador is Patron of the Church.

The Royal Danish Embassy appoints one ex-officio member of the Church Council. As of October 2020, according to the update of the Constitution, Danish YWCA can appoint one member of the Danish Church Council, if they want. Resident Pastors are automatically members of the Church Council, and Church Wardens are appointed directly by the Church Council.

All other members (minimum of 5) are elected by the members of the Church, at the annual general meeting in June. Due to the corona virus pandemic, the 2020 annual general meeting was postponed to 18 October 2020.

Two or three of the elected members retire annually, in rotation. Proposals to elect or re-elect Church Council members are made either by the Church Council, or in writing by three members of the Church.

2. Objects, objectives and achievements

Aim and Purpose

The main purpose of the Danish Church in London is to preach the Christian Gospel according to the Lutheran Evangelical tradition, including conducting Services and performing religious ceremonies for Danes in London, and to act as cultural and social meeting point for Danes in the Greater London area.

The Church Council ensures that activities are planned with due regard to the Charity Commission's public benefit guidance.

In order to continue this service in the years to come, the Church has recently upgraded, renovated and increased the usable areas of the church premises.

Achievements and Performance

In addition to Danish-language Sunday Services, The Danish Church in London normally performs a wide range of traditional religious acts, including Christenings, confirmations, weddings and funerals.

When the Covid-19 pandemic hit London in March 2020, and the Church was forced to close the doors completely, we found ways to continue the Sunday Services via Zoom. This proved a great success, and, in fact, we have had more participants in Services in 2020 than ever before!

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

In 2020 the Church conducted 50 Services; 14 in the church nave, 21 via Zoom, and 15 as hybrids, with a limited number of church goers present in the church, and more participating via Zoom. In addition, there were 2 Christenings, 3 full marriages, 4 funerals and 12 confirmations. The Pastors were called to around 125 official conversations and had 6 visits to the homebound or imprisoned.

Other Church activities had to stop completely during the extensive lock-down periods, and obviously, this had a negative impact on the financial result for the year. Despite the pandemic, the refurbishment project - started in September 2019 - continued, albeit at a slower pace due to the restrictions, causing delay and extra costs. The building works were substantially completed in December 2020.

Covid-19 restrictions continue to limit the Church's activities in 2021, but it is our hope that we will soon be able to resume traditional religious acts, as well as the usual full program of cultural and social activities and events.

Pre-pandemic, some Church activities took place at nearby Danish YWCA, and others were temporarily cancelled, as the church halls and kitchens, shop and facilities were under renovation. Normal activities include showing Danish films, and hosting concerts, talks and debates. Several Danish groups normally meet in the church halls, amongst them parents and toddlers' group, Open Evening Café, book club, bridge club, sewing club, Senior Group, Danish Women in England and Team Danmark, a football and running club.

Due to the building works, the Church's Saturday School continued in temporary rented premises at St David's Church in Islington, until the pandemic forced a premature closure. The Church is expecting to resume running Saturday School in September 2021 in the newly renovated buildings. Pre-pandemic, around 120 children were taught Danish language and culture in the Saturday School, which has been running for 50 years.

Adult Danish classes continued via Zoom, during the pandemic, and the Church hopes to resume Danish language tuition for adults as evening classes on the premises from September 2021.

There are around 700 paying members of the Church, and in a normal year, a total of around 10,000 people benefit from our activities.

The Church donated 3 bursaries to young Danes studying in the UK and continues to offer financial support to needy and/or elderly Danes on an ad-hoc basis.

Pastors

In 2020 the Church has benefitted from a full-time resident pastor, Flemming Kloster Poulsen. In addition, Johanne Nørtoft Thomsen, was employed as pastor on a fixed contract, from March 2019 to March 2021. Apart from her work at St Katharine's, Johanne had a special focus on Danish students/young people, and conducted occasional Services in Hull.

Due to financial constraints, we rely on Danish Church Abroad/Danish Seamen's Church to fund the pastors' salaries. Unfortunately, for the time being, only the resident pastor is employed. An administrative assistant has been employed on a part-time basis, to assist the pastor.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

3. Financial review

In 2020 the Danish Church recorded an overall net deficit of £1,309,443 (2019: surplus £1,199,471).

The large donations and expenditure related to the building project makes it somewhat difficult to read the financial statements. Looking at the summary financial statement on page 12, we suggest you focus on the first column as representing the ‘operational’ results for 2020. It shows total income of £157,371 (2019: £273,914) and total expenditure of £195,552 (2019: £249,915), giving a net operational deficit of £38,181 *before investment gains/losses and transfers between funds* (a surplus of £23,999 in 2019). There was a net deficit on the unrestricted funds *after transfers and investment revaluations* amounting to £46,194 (2019: surplus of £129,688). In the context of both the Building Project and Covid-19, this must be considered a very reasonable result, partly reflecting a number of cost-saving measures as well.

The Net Loss on Investments of £30,870 represents the unrealised paper loss (2019: unrealised gain £127,464). Coronavirus caused a very significant drop in value in March 2020, but values recovered somewhat in the latter part of 2020.

The second column on page 12 labelled, ‘Restricted funds’, represents various funds including the Building Project fund (see also note 14, pages 22-23). It shows a significant outflow of funds of £1,246,456 (including transfers) during 2020 of which an outflow of £1,228,779 relates to the Building Project (note 14, page 23). The 2019 accounts showed significant inflows of funds to finance the project and 2020 simply records the application of these funds as the building work was completed. Our budgets show that there was a small overspend to the building project, but we are hopeful that further donations will be made to cover this over the forthcoming 12 months. Overall, the trustees are satisfied with the outcome to this extensive piece of work completed despite the effect of Covid-19, covered elsewhere.

We hope that 2021 will prove to be a better year as we, as a community, emerge from lockdown.

4. Investment policy

The charity’s constitution requires its assets to be invested in Denmark or Great Britain, in bank accounts, investment assets or property. The total investments on 31 December 2020 shown at note 10, pages 20-21, were £1,212,863 (2019 - £1,250,548).

The Church has set out its Investments Policy in line with guidelines set out by the Charity Commission. The Investment Policy is reviewed annually.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

5. Reserves' policy

The accumulated funds on 31 December 2020 were £1,794,678 (2019 - £3,104,121) of which £1,148,326 related to endowment funds, £27,169 related to restricted funds and £619,183 to unrestricted funds.

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates at least to approximately six months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs.

The Church's finances have been highly liquid in the last three years due to the incoming amounts from fundraising to the Façade Project Fund and then the Building Project Fund.

Grants and donations raised for the Building Project Fund through the fundraising campaign are held in segregated DKK and GBP denominated bank accounts with Danske Bank, Barclays Bank and HSBC. The trustees remain of the view that the charity is a going concern.

6. Risk review

The trustees have taken steps to identify the major risks to which the charity is exposed, and systems have been established to mitigate those risks. Identification and management of investment risk is addressed in the Investment Policy of the Church.

7. Post balance sheet events

As we are only too well aware, Covid-19 has continued to have major impact on the Church activities, and consequently on our financial health. As also detailed under 'Building Project', there remain potentially significant obligations to Coniston Limited, the building contractor.

We must therefore consider 2021 to be another year of transition, which may result in a further operational deficit.

8. Building Project

The Church's essential and extensive building project, prepared and overseen by CF Møller Architects in London was substantially completed in December 2020.

Ground source heating has been installed in the church nave, and gas heating in all other areas.

Underneath the church halls, a full basement has been excavated, for extra storage area, as well as a new shop and extended facilities. 3 new meeting rooms are formed under the vicarage, with impressive terraces in front. A dormer is compensating the vicarage for lost space, and all areas have been thoroughly modernised and renovated.

Disabled access is improved via a platform lift from the garden to the church halls, and new fully accessible toilet facilities.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

In March 2020, the corona virus pandemic affected the building works, like all other areas of life. Restrictions to avoid spreading the disease caused wide-spread difficulties on site, as well as supply chain problems. Delays were unavoidable, but the project continued and was substantially completed in December 2020.

In total, the building project has cost approximately £3 million to date. We are still in discussions with the main contractors, Coniston Limited, about a number of claims, partially arising from Covid-19 and the consequent delays. As of writing, it is not possible to give a clear indication of the size of any eventual agreement with Coniston.

We were fortunate to receive a total of £2.9 million, in a mix of large and small donations to the building project. At the earliest possibility, we look forward to show all of our donators what we consider to be a very successful renovation of the historic buildings.

Although as a religious and educational organisation we are only able to recover a portion of the VAT we incur, we were able to recover about £200,000 VAT relating to the building project. However, this is adjusted over the next 10 years, subject to the proportion of 'commercial' income we generate from the shop, café and events. There is a risk that some of this VAT recovery will reduce.

The net result is that there will be a significant overall deficit for the building project.

9. Plans for future periods

The combination of building works and Covid-19 pandemic meant that 2020 was a difficult year for the Danish Church in London.

However, the interest in the Church during these difficult times has been encouraging. And, with the buildings now fully renovated, and ready for use post-pandemic, the Trustees are confident of a gradual, full return to normal activity level, in line with UK Government guidelines.

In the longer term, Trustees do not anticipate any fundamental changes in the development of the charity's operation.

10. Trustees' Responsibilities

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the trustees are required to:

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

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

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

11. Independent Examination

A resolution proposing auditors was approved at the last AGM, but, due to a substantial reduction in income, an independent examination was sufficient for the financial year under review. The church previously required an independent examination prior to the building projects.

Approved and signed on behalf of the trustees, by



Dorte Bille Harding



Niels Ring Andersen

Dorte Bille Harding - Chairman

Niels Ring Andersen – Honorary Treasurer

Dated: 4th June 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE DANISH CHURCH IN LONDON

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020, which are set out on pages 12 to 25.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of Scotland, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Michael Laughton
Institute of Chartered Accountants of Scotland
For Munro Brown Ltd

Dated: 9th June 2021

Munro Brown Ltd
Chartered Accountants
38 Gay Street, Bath, BA1 2NT

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds GB £	Restricted Funds GB £	Endowment Funds GB £	Total Funds 2020 GB £	Total Funds 2019 GB £
INCOME & ENDOWMENTS						
Donations & legacies	2.1	101,352	647,705	9,921	758,978	1,762,559
Income from charitable activities	2.2	19,835	-	-	19,835	77,983
Income from other trading activities	2.3	21,394	-	15,680	37,074	19,367
Income from Investments	2.4	14,790	1,328	28,277	44,395	51,295
Total income & endowments		157,371	649,033	53,878	860,282	1,911,204
EXPENDITURE						
Costs of raising funds						
Costs of generating activity income	3	18,600	43	-	18,643	36,772
Investment Management costs		1,842	-	4,822	6,664	5,811
Expenditure on charitable activities	4	175,110	1,911,300	27,138	2,113,548	796,614
Total expenditure		195,552	1,911,343	31,960	2,138,855	839,197
Net (expenditure)/ income before gain/(losses) on investments		(38,181)	(1,262,310)	21,918	(1,278,573)	1,072,007
Net (loss)/gain on investments	8	(8,013)	-	(22,857)	(30,870)	127,464
Net (expenditure)/ income for the year		(46,194)	(1,262,310)	(939)	(1,309,443)	1,199,471
Transfer between funds		-	15,854	(15,854)	-	-
Net movement in funds		(46,194)	(1,246,456)	(16,793)	(1,309,443)	1,199,471
Reconciliation of Funds:						
Total funds brought forward	14	665,377	1,273,625	1,165,119	3,104,121	1,904,650
Total funds carried forward	14	619,183	27,169	1,148,326	1,794,678	3,104,121

STATEMENT OF CASH FLOWS: YEAR ENDED 31 DECEMBER 2020

	Notes	Total 2020 GB £	Total 2019 GB £
Cash flows from operating activities:			
Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		(1,309,443)	1,199,471
Add: depreciation		1,150	10,655
Deduct: interest and dividend income		(44,395)	(51,295)
Add: loss/ (deduct gain) on revaluation of investments		30,870	(127,464)
(Increase)/Decrease in stocks		-	4,828
(Increase)/Decrease in debtors		56,885	(48,027)
(Decrease)/Increase in creditors		(102,398)	187,949
Cash (used in)/ provided by operating activities	A	(1,367,331)	1,176,117
Cash flows from investing activities			
Income from interest and dividends		44,395	51,295
Net movements in foreign exchange		(400)	(1,994)
Net movements on investment funds		7,215	6,534
Cash provided by/ (used in) investing activities	B	51,210	55,835
Cash flows from financing activities	C	-	-
(Decrease)/Increase in cash and cash equivalents in the year (A+B+C)		(1,316,121)	1,231,952
Total cash & cash equivalents brought forward		1,737,929	505,977
Total cash & cash equivalents carried forward *		421,808	1,737,929

*refer to balance sheet

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31 DECEMBER 2020

		2020		2019	
	Notes	GB £	GB £	GB £	GB £
Fixed assets					
Tangible assets	9		248,950		250,100
Investments	10		1,212,863		1,250,548
			<u>1,461,813</u>		<u>1,500,648</u>
Current assets					
Stocks	11	-	-	-	-
Debtors	12	39,653		96,538	
Cash at bank and in hand		<u>421,808</u>		<u>1,737,929</u>	
		<u>461,461</u>		<u>1,834,467</u>	
Creditors					
Amounts falling due within one year	13	<u>128,596</u>		<u>230,994</u>	
Net current assets			<u>332,865</u>		<u>1,603,473</u>
Total net assets			<u>1,794,678</u>		<u>3,104,121</u>
Funds					
Unrestricted funds	14		619,183		665,377
Restricted funds	14		27,169		1,273,625
Endowment funds	14		<u>1,148,326</u>		<u>1,165,119</u>
Total Church funds	14		<u>1,794,678</u>		<u>3,104,121</u>

These accounts were approved on behalf of the trustees on 4th June 2021.


Dorte Bille Harding


Niels Ring Andersen

Dorte Bille Harding – Chairman

Niels Ring Andersen - Honorary Treasurer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies**Accounting basis and standards**

The accounts have been prepared on the going concern basis and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities SORP (FRS 102).

Income

Church activities and related income are accounted for in the period in which the service is provided. Fee receivables are stated after deducting discounts.

Donations are credited to revenue when receivable provided conditions for receipt have been complied with. Donations for specific categories of revenue expenditure are credited to restricted funds.

Investment income is included in the financial statements on an accruals basis.

Expenditure

Expenditure, including staff costs, is included in the accounts on an accruals basis and has been classified under heading that aggregate all costs relating to that category. The irrecoverable VAT is included with the item of expense to which it relates.

Tangible assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on certain classes of fixed assets to write off their cost over their expected useful lives, as follows:

Plant & Machinery	5 years
Furniture & fixtures	10 years
Organ (refurbishment)	5 years
Office equipment	5 years
Motor vehicles	10 years

No depreciation is charged on the Royal College Street property. Heritage, consecrated and beneficed property is excluded from the accounts by virtue of section 10(2)(a)-(c) of the Charities Act 2011. All expenditure incurred on such property is written off in the accounting period it is incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Foreign currencies

Assets and liabilities in foreign currency are translated into sterling at the rates ruling at the dates of the balance sheet. Transactions in foreign currencies are translated into sterling at the rates ruling at the date of the transactions. Exchange differences are taken into account when arriving at the operating result.

Investments

Investments held as fixed assets are stated at market value at the close of the accounting period.

Debtors & prepayments

Debtors are valued individually less any provisions applicable for potential bad debts. Prepaid expenditure is recognized if material to the accounts.

Creditors

Creditors are recognized where the church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Fund accounting

Permanent endowment funds are recognized when a donor has provided an asset(s) where the income therefrom is applied for a specific purpose. Expendable endowment funds allow the spending of both the related income and capital value on a specified purpose. Restricted funds are to be used for specific purposes as laid down by the donor or funder. Designated funds are unrestricted funds that have been set aside by the trustees for a particular purpose. General funds are unrestricted and available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for any other purpose. Transfers between funds are made where income for a project has been exceeded by related expenditure or where it has been agreed with the funder to use unspent balances at the end of a project on activities with a similar objective.

Pensions

The church operates a group money purchase defined contribution pension scheme under the auto-enrolment system. The assets of the scheme are held separately from those of the church in an independently administered fund. The pension cost represents the contributions payable under the scheme by the church and the church has no further liability other than the payment of those contributions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Income summary

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2020 GB £	Total 2019 GB £
2.1 Income from donations and legacies					
Membership	35,457	-	-	35,457	36,178
Collections, donations & gift aid	64,162	-	9,921	74,083	88,683
Organ fund donations	1,733	-	-	1,733	-
In memoriam fund donations	-	60	-	60	316
Façade fund grants and donations	-	-	-	-	40,000
Nordea fund grants and donations	-	-	-	-	-
Second Priest accommodation designated	-	-	-	-	30,000
Church interior fund designated	-	-	-	-	15,125
Building project fund grants & donations	-	647,645	-	647,645	1,552,257
	<u>101,352</u>	<u>647,705</u>	<u>9,921</u>	<u>758,978</u>	<u>1,762,559</u>
2.2 Income from charitable activities					
Catering for charitable activities & events	4,813	-	-	4,813	48,687
Church shop income	767	-	-	767	8,089
Educational fees and books	10,447	-	-	10,447	17,193
DSUK allowances	3,808	-	-	3,808	4,014
	<u>19,835</u>	<u>-</u>	<u>-</u>	<u>19,835</u>	<u>77,983</u>
2.3 Income from other trading activities					
Church hall hire	-	-	-	-	1,030
Rents	4,360	-	15,680	20,040	14,601
Church magazine advertising	5,574	-	-	5,574	3,736
Coronavirus Job Retention Scheme	11,460	-	-	11,460	-
	<u>21,394</u>	<u>-</u>	<u>15,680</u>	<u>37,074</u>	<u>19,367</u>
2.4 Income from investments	14,790	1,328	28,277	44,395	51,295
Total Income	<u>157,371</u>	<u>649,033</u>	<u>53,878</u>	<u>860,282</u>	<u>1,911,204</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Costs of generating activity income

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2020 GB £	Total 2019 GB £
Catering & shop expenses	717	-	-	717	16,861
Danish fair	-	-	-	-	10,353
Other events	(205)	-	-	(205)	874
Books & education	7,040	-	-	7,040	6,509
Ecclesiastical expenses	11,048	43	-	11,091	1,085
Fundraising costs	-	-	-	-	1,090
	<u>18,600</u>	<u>43</u>	<u>-</u>	<u>18,643</u>	<u>36,772</u>

4. Expenditure on charitable activities

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2020 GB £	Total 2019 GB £
Benevolent fund bursaries	-	-	8,694	8,694	2,680
Summer School & educational grants	-	-	1,800	1,800	3,258
Salaries & staff costs (note 6)	37,837	-	7,695	45,532	58,891
Premises costs	11,031	-	2,000	13,031	15,614
Insurance	12,149	-	-	12,149	12,886
Utilities	25,642	-	-	25,642	27,400
Repairs, maintenance & refurbishment	4,573	2,080	6,949	13,602	28,666
Nordea Fund furniture costs	-	31,468	-	31,468	-
Building project costs	-	1,877,752	-	1,877,752	545,949
Motor & travel expenses	3,337	-	-	3,337	4,659
Administrative costs & communications	15,502	-	-	15,502	18,683
Magazine costs	6,466	-	-	6,466	6,702
Second Priest accommodation costs	13,400	-	-	13,400	14,881
Depreciation	1,150	-	-	1,150	10,655
Support & accountancy costs	22,485	-	-	22,485	26,166
Bank charges	2,007	-	-	2,007	2,543
Irrecoverable VAT on general expenditure	13,500	-	-	13,500	11,500
Governance costs (note 5)	6,031	-	-	6,031	5,481
	<u>175,110</u>	<u>1,911,300</u>	<u>27,138</u>	<u>2,113,548</u>	<u>796,614</u>

5. Governance costs

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2020 GB £	Total 2019 GB £
Independent examination fee (2019: audit)	1,900	-	-	1,900	2,700
Accounts drafting fee	2,700	-	-	2,700	2,205
Room hire & drafting fees from 2019	855	-	-	855	-
Trustee and AGM costs (note 7)	-	-	-	-	-
As previously stated in 2019	5,455	-	-	5,455	4,905
Trustee liability insurance	576	-	-	576	576
As restated	<u>6,031</u>	<u>-</u>	<u>-</u>	<u>6,031</u>	<u>5,481</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Staff costs

	2020	2019
	GB £	GB £
Wages and salaries	33,050	41,210
Social security costs	1,586	1,778
Less: employment allowance	(1,585)	(1,778)
Other pension costs	2,898	2,998
	<u>35,949</u>	<u>44,208</u>
Other staff costs (temps, child protection etc.)	5,223	9,683
DSUK Contribution	4,360	5,000
Total	<u>45,532</u>	<u>58,891</u>
	2020	2019
	No.	No.
Staff (full time equivalent)	<u>2.0</u>	<u>2.5</u>

The average number of staff was three and no member of staff earned more than £60,000

7. Trustees & related party transactions

No trustee was paid any remuneration in either year. The trustees are regarded as the key management of the church.

No trustee or other person related to the church had any personal interest in any contract or transaction.

8. Gain/(Loss) on investments

	Unrestricted	Restricted	Endowment	Total 2020	Total 2019
	GB £	GB £	GB £	GB £	GB £
Unrealised gain/(loss) on investments	(7,613)	-	(22,857)	(30,470)	129,458
Gain/(loss) on foreign exchange translation	(400)	-	-	(400)	(1,994)
	<u>(8,013)</u>	<u>-</u>	<u>(22,857)</u>	<u>(30,870)</u>	<u>127,464</u>

9. Tangible fixed assets

	Freehold	Cars,	Organ	Total
	Property	Fittings &	Refurbish't	
	GB £	Equipment	GB £	GB £
Cost				
At 1 January 2020	245,000	114,141	107,917	467,058
Additions /(disposals)	-	-	(107,917)	(107,917)
At 31 December 2020	<u>245,000</u>	<u>114,141</u>	<u>-</u>	<u>359,141</u>
Depreciation				
At 1 January 2020	-	109,041	107,917	216,958
On disposals	-	-	(107,917)	(107,917)
Charge for year	-	1,150	-	1,150
At 31 December 2020	<u>-</u>	<u>110,191</u>	<u>-</u>	<u>110,191</u>
Net book value				
At 31 December 2020	<u>245,000</u>	<u>3,950</u>	<u>-</u>	<u>248,950</u>
At 31 December 2019	<u>245,000</u>	<u>5,100</u>	<u>-</u>	<u>250,100</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Investments

	2020	2019
	GB £	GB £
Benevolent fund investments:		
<i>M&G Securities Ltd Charifund Income Units</i>		
Value of 8466.31 units at 1st January	143,181	123,018
Net movement on funds *	-	127
Sub-total	143,181	123,145
Value of 8466.31 units at 31st December	117,645	143,181
Unrealised (loss)/ gain - market movement	<u>(25,536)</u>	<u>20,036</u>
Summer School fund investments:		
<i>Danske Bank</i>		
Value of investments at 1st January	25,411	27,920
Net movement on funds *	(60)	(1,851)
Value of investments at 31st December	28,030	25,411
Unrealised (loss)/ gain - market movement	<u>2,679</u>	<u>(658)</u>
Other fund investments:		
<i>General portfolio through Charles Stanley & Co. Ltd</i>		
Value of investments at 1st January	515,267	448,732
Net movement on funds *	(7,155)	(4,940)
Value of investments at 31st December	488,980	515,267
Unrealised (loss)/ gain - market movement	<u>(19,132)</u>	<u>71,475</u>
<i>General portfolio through Cazenove Schroder</i>		
Value of investments at 1st January	566,689	528,084
Net movement on funds *	-	-
Value of investments at 31st December	578,208	566,689
Unrealised (loss)/ gain - market movement	<u>11,519</u>	<u>38,605</u>
Total value of investments		
Closing value at 31st December	<u>1,212,863</u>	<u>1,250,548</u>
Opening value at 1st January	<u>1,250,548</u>	<u>1,127,754</u>

* movement on funds include dividend income less distributions to church and portfolio management fees

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Investments continued

Portfolio asset allocation and total investment value	Charles Stanley M&G Charifund Benevolent Fund	Danske Bank Summer School Fund	Charles Stanley General Portfolio	Cazenove Capital General Portfolio
GB £	GB £	GB £	GB £	GB £
Fixed Income	-	27,587	33,090	49,380
Equities	116,206	-	400,983	366,716
Property	-	-	11,715	85,033
Alternatives	-	-	27,658	46,348
Mixed investments	-	-	12,070	16,452
Cash	1,439	443	3,464	14,279
1,212,863	117,645	28,030	488,980	578,208

The Benevolent Fund is invested with M&G Charifund, which is designed to provide a growing level of income for UK charities, while at the same time protecting their capital from the effects of inflation over a rolling ten year period. It aims to provide a level of income that is significantly higher than that of the FTSE All-Share Index. The investment is managed by Charles Stanley investment managers.

The Summer School Fund investments are placed with Danske Bank and aim to generate a high return through Danish Bonds in order to fund annual scholarships.

The objective of the Charles Stanley general portfolio is to produce a balance between capital growth and income without the income requirement eroding the potential to maintain capital.

The objective of the general portfolio managed by Cazenove Capital (part of Schroder & Co. Ltd.) is to maintain capital value whilst distributing 3-4% annually as income.

11. Stocks

	2020	2019
	GB £	GB £
Stocks of canteen and shop goods	-	-
Total	-	-

12. Debtors: Amounts falling due within one year

	2020	2019
	GB £	GB £
Registrations, memberships & advertising	4,765	5,885
Accrued income	4,056	16,120
Other debtors & prepayments	6,034	5,232
Listed places of worship grant due	6,998	37,959
Gift aid repayable	8,593	6,695
VAT repayable	9,207	24,647
Total	39,653	96,538

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Creditors: Amounts falling due within one year

	2020	2019
	GB £	GB £
Shop creditors	-	434
VAT payable	-	-
PAYE/ NIC payable	-	-
Other creditors & accruals	128,596	230,560
Total	128,596	230,994

14. Movement in funds

	At 1st January 2020 GB £	Net Movement in funds GB £	Transfer between funds GB £	At 31st December 2020 GB £
Unrestricted funds				
General Fund	635,086	(29,954)	-	605,132
Designated funds				
Organ fund	10,171	1,949	-	12,120
Church interior fund	5,001	(4,789)	-	212
Second vicar accommodation fund	15,119	(13,400)	-	1,719
Total designated funds	30,291	(16,240)	-	14,051
Total unrestricted funds (general & designated)	665,377	(46,194)	-	619,183
Restricted funds				
Garden fund	19,851	(2,080)	-	17,771
Friends fund	16,042	-	-	16,042
In memoriam fund	4,314	17	-	4,331
Building project fund	1,180,806	(1,228,779)	15,854	(32,119)
Nordea fund	52,612	(31,468)	-	21,144
Total restricted funds	1,273,625	(1,262,310)	15,854	27,169
Endowment Funds				
Salary and pension fund (18.2)	432,243	-	-	432,243
Benevolent fund (18.3)	160,118	(19,535)	-	140,583
FUHU fund	60,000	-	-	60,000
Building and reserve fund (18.1)	488,295	15,854	(15,854)	488,295
Summer School fund	24,463	2,742	-	27,205
Total endowment funds	1,165,119	(939)	(15,854)	1,148,326
Total church funds	3,104,121	(1,309,443)	-	1,794,678

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14 cont. Net movement in funds in year

	Incoming resources	Resources expended	Gains/ (losses) on investments	Movement in funds
	GB £	GB £	GB £	GB £
Unrestricted funds				
General fund	155,638	(177,579)	(8,013)	(29,954)
Designated funds				
Organ fund	1,733	216	-	1,949
Church interior fund	-	(4,789)	-	(4,789)
Second vicar accommodation fund	-	(13,400)	-	(13,400)
Total designated funds	1,733	(17,973)	-	(16,240)
Total unrestricted funds (general & designated)	157,371	(195,552)	(8,013)	(46,194)
Restricted funds				
Garden fund	-	(2,080)	-	(2,080)
Friends fund	-	-	-	-
In memoriam fund	60	(43)	-	17
Building project fund	648,973	(1,877,752)	-	(1,228,779)
Nordea fund	-	(31,468)	-	(31,468)
Total restricted funds	649,033	(1,911,343)	-	(1,262,310)
Endowment Funds				
Salary and pension fund (18.2)	11,617	(11,617)	-	-
Benevolent fund (18.3)	15,595	(9,594)	(25,536)	(19,535)
FUHU fund	1,800	(1,800)	-	-
Building and reserve fund (18.1)	24,803	(8,949)	-	15,854
Summer School fund	63	-	2,679	2,742
Total endowment funds	53,878	(31,960)	(22,857)	(939)
Total church funds	860,282	(2,138,855)	(30,870)	(1,309,443)

Purpose of funds

General fund: Unrestricted and for use in the furtherance of the general objectives of the church

Designated funds:

Organ fund: for the maintenance and repair of the church organ.

Church interior fund: Maintenance and repair of the church interior.

Second vicar accommodation fund: Accommodation for a second priest over two years

Restricted funds:

Garden fund: Renovation of the Church's courtyard and gardens.

Friends fund: Support for the long-term financial stability of the church.

In Memoriam fund: To provide flowers and candles on specific dates in memory of deceased members.

Building project fund: Internal rebuilding and redevelopment of the church buildings.

Façade project fund: External rebuilding and maintenance.

Nordea fund: Educational supplies, particularly electronic equipment, as well as fixtures and fittings for educational and general purpose.

Endowment funds:

Salary and pension fund: Income from a permanent endowment to provide salaries and pensions for the pastors and support workers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Purpose of funds cont.

Benevolent fund: Income from a permanent endowment to be used for making grants to Danes in London, who are in financial need.

FUHU fund: Interest from a permanent endowment to provide help and financial assistance to Danish students living in the UK or with connections to the UK in the form of bi-annual scholarship grants.

Building and reserve fund: An expendable endowment for the purchasing or leasing of new sites or buildings or the repair or rebuilding of existing buildings to be used for Danish Church services in London or in other ways for the furtherance of the work of the church.

Summer School fund: An expendable endowment where the interest from the fund may be used to send pupil(s) to Summer school in Denmark.

15. Analysis of net assets between funds

	Fixed Assets	Investments	Bank & Cash	Other Net Current Assets	Net Assets
	GB £	GB £	GB £	GB £	GB £
Unrestricted funds					
General fund	3,950	391,650	120,223	89,309	605,132
Designated funds					
Organ fund	-	-	12,120	-	12,120
Church interior fund	-	-	212	-	212
Second vicar accommodation fund	-	-	1,719	-	1,719
Total designated funds	-	-	14,051	-	14,051
Total unrestricted funds (general & designated)	3,950	391,650	134,274	89,309	619,183
Restricted funds					
Garden fund	-	-	17,771	-	17,771
Friends fund	-	-	16,042	-	16,042
In memoriam fund	-	-	4,331	-	4,331
Building project fund	-	-	146,133	(178,252)	(32,119)
Façade project fund	-	-	-	-	-
Nordea fund	-	-	21,144	-	21,144
Total restricted funds	-	-	205,421	(178,252)	27,169
Endowment Funds					
Salary and pension fund* (18.2)	-	432,243	-	-	432,243
Benevolent fund (18.3)	-	117,645	22,938	-	140,583
FUHU fund	-	-	60,000	-	60,000
Building and reserve fund* (18.1)	245,000	243,295	-	-	488,295
Summer School fund	-	28,030	(825)	-	27,205
Total endowment funds	245,000	821,213	82,113	-	1,148,326
Total church funds	248,950	1,212,863	421,808	(88,943)	1,794,678

* The Building and Reserve Fund and Salary and Pensions Fund investments are held as if in cash equivalents attracting a set return. The risk from capital gains and losses on investment properties and other investments is taken by the General Fund.

16. Funds in deficit

At 31st December 2020, the main building project was in deficit by £32,119, but it is hoped that this will be cleared by donations during 2021. Otherwise, the balance will be transferred against the Building & Reserve Fund.

17. Taxation

No taxation was payable on any surplus or deficit or investment income in 2020 because the church is regarded as a charitable organisation and is not engaged in trading activities as defined by the Income & Corporation Taxes Act 1988.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Linked Charities

	2020		2019	
18.1 Danish Church in London Building and Reserve Fund (Linked charity number 237897-1)	GB £	GB £	GB £	GB £
Opening value of investments at 1st January		488,295		489,834
Income from investments (net return after management fees)	24,803		18,782	
Less: Lease payment to Crown Estates	(2,000)		(6,041)	
Façade expenditure	-		(2,480)	
General repairs to buildings	(6,949)		(11,800)	
Surplus to carry forward		15,854		(1,539)
Transfers to main building project fund		(15,854)		-
Investment (losses)/ gains in year		-		-
Closing value of investments at 31st December		488,295		488,295
18.2 Danish Church in London Salary and Pension Fund (Linked charity number 237897-2)		GB £		GB £
Opening value of investments at 1st January		432,243		432,243
Income from investments	11,617		18,567	
Less: Salaries applied from employees	(7,695)		(14,090)	
Portfolio management & transaction fees	(3,922)		(4,477)	
Surplus to carry forward		-		-
Investment (losses)/ gains in year		-		-
Closing value of investments at 31st December		432,243		432,243
18.3 Benevolent Fund: Hjaelfond for Danske I London (Linked charity number 237897-3)		GB £		GB £
Opening value of investments & cash at 1st January		160,118		135,713
Income from investments	5,674		7,049	
Donations to benevolent fund	9,921			
Less: Payments to beneficiaries	(8,694)		(2,680)	
Portfolio management fees	(900)		-	
Surplus to carry forward		6,001		4,369
Investment (losses)/ gains in year		(25,536)		20,036
Closing value of investments and cash at 31st December		140,583		160,118
Represented by:				
Investments		117,645		143,181
Cash balances (benevolent account & with general fund)		22,938		16,937
		140,583		160,118

18.4 Danish Emergency Trust Fund summary
(Linked charity number 237897-4)

The assets of the Danish Emergency Trust Fund were registered as a separate charity number 213338. During 2020, the assets were transferred to the Benevolent Fund within the Danish Church in London and shown as the £9921 donation.

19 Contingent Liability

The Charity is in discussions with its main building contractors, about a number of claims, partially arising from Covid-19 and the consequent delays. At present it is not possible to quantify any financial impact on the charity and therefore a provision has not been included in the financial statements for the year ending 31 December 2020.