



St Katharine's
Den Danske Kirke i London

March 17 2023

Charities Commission
Att; Filing
P O Box 211
Bootle
L20 7YX

Dear Sirs

237897 The Danish Church in London

We have several times uploaded the attached Annual Accounts 2021.
They continue to come out partially unreadable! We tried several different browsers.

We talked to your online help. Having tried now several times, we agreed to mail you a hard copy of the accounts for you to scan and upload, please. Many thanks.

Any questions, please call me on 07802 213322.

Thank you.

Niels Ring Andersen
Treasurer

THE DANISH CHURCH IN LONDON

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

CHARITY COMMISSION
FIRST CONTACT

30 MAR 2023

ACCOUNTS
RECEIVED

Registered charity number 237897

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2021

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CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 to June 2022 are:

Bette Petersen Broyd (Chair, appointed June 2021)
Dorte Bille Harding (Chair, retired June 2021)
Christine Bergstedt Jørgensen (Deputy Chair)
Niels Ring Andersen (Honorary Treasurer)
Anne-Grethe Jensen (Honorary Secretary)
Per Gullestrup (Church Warden)
Ole Justesen (Church Warden from Spring 2022)
Palle Baggesgaard Pedersen (Church Warden until Spring 2022)
Andy Marino (Church Warden, retired June 2021)
Flemming Kloster Poulsen (Pastor)
Johanne Nørtoft Thomsen (Pastor, to March 2021)
Peter Melbye (Organ & IT)
Helle Diget Bond (Saturday School)
Jacob Christiansen (retired June 2021)
Casper Orlyk (Clerical & IT)
Anne Dorothea Bruum Aubry (Ex-Officio - Royal Danish Embassy)
Connie Yilmaz Jantzen (Ex-Officio – Danish YWCA)

CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

The Trustees present their report and financial statements for the year ended 31 December 2021.

1. Structure, governance, and management

The charity is governed by its Constitution, revised on 15 September 2013, and further updated on 18 October 2020, ratified in June 2021.

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 ecclesiastical supervisor for the church. 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 also appoint one member to the Church Council, should they so wish. 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. The last AGM was held on 13th June 2021.

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, and to act as a cultural and social meeting point for Danes in the Greater London area. At various times in the year, the pastor will travel to Norwich and Hull to perform services in Danish.

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.

During the Covid-19 pandemic and lockdowns, when the church was closed or limited to reduced service, the Sunday Services, weddings and funerals were transmitted via Zoom. This proved very popular and boosted attendance numbers. The weekly Zoom services will be reduced to about once a month and on special occasions from Spring 2022.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

In 2021 the Church conducted 49 Services; 2 were live, 9 via Zoom only, and 38 as hybrids with a limited number of churchgoers present in the church, and more participating via Zoom. In addition, there were 10 Christenings, 17 confirmations, 10 weddings and 8 funerals. The Pastor engaged in 110 official conversations and conducted 4 visits to the homebound or imprisoned. In the year 2021 (during the pandemic), 1465 attended church in person, an average of 37. 1977 followed the service on Zoom, an average of 42. There are around 461 paying memberships (family and individual) of the Church, and in a normal year, a total of around 10,000 people benefit from all our activities.

Very few activities, group gatherings and events took place during the pandemic.

The Church donated 1 bursary to a young Dane studying in the UK, and continues to offer financial support to needy and/or elderly Danes on an ad-hoc basis. In 2021 the church assisted the needy from the benevolent fund on 9 occasions.

Many Church activities were curtailed in the first half of 2021 due to the pandemic. This clearly had a negative impact on the financial result for the year. The refurbishment project - started in September 2019 - experienced delays and extra costs due to the pandemic. The building works were substantially completed in December 2021. Snagging issues in and around the building were dealt with throughout 2021 and to date. At times, they further depleted finances where there was not always a transparent demarcation of responsibility for the additional costs.

Once the Covid-19 restrictions were lifted, the Church's activities resumed with religious services attended in person, as well as a full programme of cultural and social activities and events. These include concerts, talks, debates and exhibitions as well as lunches and gatherings. Several Danish groups were once again able to meet regularly in the church halls. These include a Parent and Toddler group, a Book and Film Club and a Seniors / Craft group. The Bridge Club and the Open Evening Club had relocated during the building project/ pandemic and have, so far, chosen to remain in new premises closer to public transport. The Association of Danish Women in England and Team Danmark, a football and running club, still meet regularly at the church.

The Danish Language Saturday School for 100+ children and adults closed during spring 2021, due to the pandemic. In September 2021, normal classes resumed at the church in the newly renovated buildings with much improved facilities, including new furniture and AV equipment. Pre-pandemic, around 120 children and adults were taught Danish language and culture by volunteer teachers in the Saturday School. Numbers are nearly back to normal. The school has been running for 50 years and marked the occasion with a special delayed celebration in April 2022.

Adult Danish evening classes continued via Zoom during the pandemic for the 49 students spread over 5 different levels of language competency. From September 2021, classes continued via Zoom for a few weeks. Classes then resumed at the Church on alternate weeks, before finally resuming Danish language tuition for adults in person and entirely as weekly evening classes, on the premises, from January 2022.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Pastor

During 2021/22 the Church has relied entirely on one full-time resident pastor, Flemming Kloster Poulsen. This is a regrettable reduction in staffing since 2020. To assist the pastor, an administrative assistant has been employed on a part-time basis (18 hours per week).

We rely on the support from *Danish Churches Abroad/Danish Seamen's Churches* to fund these 2 salaries.

Auxiliary Staffing

The church continues to employ Managers Andrew Atkinson and Lone Sigurdsson who live on the premises, act as caretakers and manage all aspects of the practical and catering work involved with the church and church hall activities. In previous years, they were supported by 2 assistants from Denmark, who came as 'au pairs' for a year. Brexit rules no longer permit such employment, so replacements are largely by non-Danish speakers. It is an expensive and ongoing challenge to find staff to assist with and commit to ad-hoc events and regular activities and services in the church and to maintain the gardens.

Musical Director / Organist / Kantor

Previously, the church organist was a Danish Music student spending a year at a London conservatoire while providing all music services for the church in return for a modest fee and free accommodation. Brexit rules no longer permit such arrangements, so the church has found an alternative and very satisfactory arrangement in employing Inge-Lise Nygaard as Musical Director. She organises all music and the choirs for services and arranges musical events generally.

Building Project Completed

The Church's essential and extensive building project, prepared and overseen by CF Møller Architects in London, was substantially completed in December 2021. The project ran to a total of approximately £3.5 million, funded mainly on donations from funds, companies, benefactors and the congregation. Some delays and losses were incurred, due in large part to Covid-19.

A celebration thanksgiving service took place in December 2021 with an ecclesiastical procession in front of a large gathering of invited guests and the congregation. H.M. Queen Margrethe of Denmark was due to have attended but cancelled last minute due to the rapid spread of the Omicron variant of Covid in Denmark. The many invited guests who had been involved in the project in a variety of roles, were largely able to attend and to see the finished building and restoration work in full.

The gardens surrounding the church became the focus once the building works and restoration was complete. Extensive paving and drains were laid as well as a new lawn, also with drains. Diseased trees were felled and new ones planted. Planting schemes for the gardens continue to be carried out in stages.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

3. Financial review

In 2021 the Danish Church recorded an overall net deficit of £199,940 (2020: deficit £1,309,443).

The large donations and expenditure related to the building project makes it somewhat difficult to read the financial statements over recent years. Looking at the summary financial statement on page 12, we suggest you focus on the first column as representing the 'operational' results for 2021. It shows total income of £205,321 (2020: £157,371) and total expenditure of £234,888 (2020: £195,552), giving a net operational deficit of £29,567 *before investment gains/losses and transfers between funds* (a deficit of £38,181 in 2020). There was a net surplus on the unrestricted funds *after transfers and investment revaluations* amounting to £63,405 (2020: deficit of £46,194). 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 Gain on Investments of £105,750 represents the unrealised paper gain (2020: unrealised loss £30,870). Since the 2021 year end some of these gains have reversed.

The second column on page 12 labelled, 'Restricted funds', represents principally the Building Project Fund (see also note 14, pages 22-23). For the year 2021 alone, it shows a deficit (outflow of funds) of £252,424 (see note 14, page 23). A transfer was made of £284,543 from the Building & Reserve Fund to clear the overspend on the Main Building Fund.

The Building Project is now completed. Taking the total project as a whole, we are showing total cost of £3.5m against total specific donations of £2.9m, resulting in a deficit of £600,000. We were able to recover some of the VAT incurred of some £250,000, although this recovery is subject to annual HMRC recalculation over the next 10 years. The remainder of the deficit has been covered by the 'Building & Reserve Fund', and consequent liquidation of some £200,000 of our investments.

As mentioned earlier, we are in advanced negotiations for the disposal of our property '123 Royal College Street'.

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 2021 shown at note 10, pages 20-21, were £1,118,229 (2020 - £1,212,863) after the liquidation of some investments during 2021.

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 2021

5. Reserves' policy

The accumulated funds on 31 December 2021 were £1,594,738 (2020 - £1,794,678) of which £882,084 related to endowment funds, £30,066 related to restricted funds and £682,588 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 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 mentioned below, we are currently in negotiations to dispose of 123 Royal College Street, which will give rise to a significant capital gain from the current historical cost book value of £245,000. This will be a welcome replenishment of our reserves against the deficit from the Building Project.

8. Plans for future periods

Interest in the Church during and after the pandemic and extensive building work, has been encouraging. The Trustees are confident of a complete and full return to normal activity levels by the spring 2022.

Thirty years ago, the church purchased a terraced house in Camden and within walking distance of the church. This was where the assistants / au pairs and the organist were housed. When Brexit prevented their entry into UK to work, the building was let on a short contract in case the regulations changed. They have not and are unlikely to for the foreseeable future. When the temporary tenant moved out in spring 2022, the trustees found that any formal re-letting would require expensive modernisation. The trustees investigated the possibility of housing Ukrainian refugees. However, the standard and safety of the property was found wanting. Consequently, due to heavy liabilities associated with the property, the trustees have reluctantly agreed to put the property on the market.

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

9. 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).

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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:

- 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.

10. Independent Examination

A resolution proposing an independent examiner, Michael Laughton of Munro Brown Ltd, was approved at the last AGM.

Approved and signed on behalf of the trustees, by



Bette Petersen Broyd - Chairman



Niels Ring Andersen – Honorary Treasurer

Dated: 20th May 2022

**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 2021, 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.



Signed: **Michael Laughton**

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

Dated: 25th May 2022

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds GB £	Restricted Funds GB £	Endowment Funds GB £	Total Funds 2021 GB £	Total Funds 2020 GB £
INCOME & ENDOWMENTS						
Donations & legacies	2.1	78,842	248,752	-	327,594	758,978
Income from charitable activities	2.2	88,242	-	-	88,242	19,835
Income from other trading activities	2.3	27,617	-	-	27,617	37,074
Income from Investments	2.4	10,620	-	33,806	44,426	44,395
Total income & endowments		205,321	248,752	33,806	487,879	860,282
EXPENDITURE						
Costs of raising funds						
Costs of generating activity income	3.1	31,406	-	-	31,406	18,643
Investment Management costs	3.2	427	-	5,193	5,620	6,664
Expenditure on charitable activities	4	203,055	530,398	23,090	756,543	2,113,548
Total expenditure		234,888	530,398	28,283	793,569	2,138,855
Net (expenditure)/ income before gain/(losses) on investments		(29,567)	(281,646)	5,523	(305,690)	(1,278,573)
Net (loss)/gain on investments	8	92,972	-	12,778	105,750	(30,870)
Net (expenditure)/ income for the year		63,405	(281,646)	18,301	(199,940)	(1,309,443)
Transfer between funds		-	284,543	(284,543)	-	-
Net movement in funds		63,405	2,897	(266,242)	(199,940)	(1,309,443)
Reconciliation of Funds:						
Total funds brought forward	14	619,183	27,169	1,148,326	1,794,678	3,104,121
Total funds carried forward	14	682,588	30,066	882,084	1,594,738	1,794,678

STATEMENT OF CASH FLOWS: YEAR ENDED 31 DECEMBER 2021

	Notes	Total 2021 GB £	Total 2020 GB £
Cash flows from operating activities:			
Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		(199,940)	(1,309,443)
Add: depreciation		988	1,150
Deduct: interest and dividend income		(44,426)	(44,395)
Add: loss/ (deduct gain) on revaluation of investments		(105,750)	30,870
(Increase)/Decrease in stocks		(8,600)	0
(Increase)/Decrease in debtors		8,063	56,885
(Decrease)/Increase in creditors		(92,828)	(102,398)
Cash (used in)/ provided by operating activities	A	(442,493)	(1,367,331)
Cash flows from investing activities			
Income from interest and dividends		44,426	44,395
Net movements in foreign exchange		(1,915)	(400)
Net movements on investment funds		202,299	7,215
Cash provided by/ (used in) investing activities	B	244,810	51,210
Cash flows from financing activities	C		
(Decrease)/Increase in cash and cash equivalents in the year (A+B+C)		(197,683)	(1,316,121)
Total cash & cash equivalents brought forward		421,808	1,737,929
Total cash & cash equivalents carried forward *		224,125	421,808

*refer to balance sheet

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31 DECEMBER 2021

		2021		2020	
	Notes	GB £	GB £	GB £	GB £
Fixed assets					
Tangible assets	9		247,962		248,950
Investments	10		1,118,229		1,212,863
			<u>1,366,191</u>		<u>1,461,813</u>
Current assets					
Stocks	11	8,600			
Debtors	12	31,590		39,653	
Cash at bank and in hand		<u>224,125</u>		<u>421,808</u>	
		<u>264,315</u>		<u>461,461</u>	
Creditors					
Amounts falling due within one year	13	<u>35,768</u>		<u>128,596</u>	
Net current assets			<u>228,547</u>		<u>332,865</u>
Total net assets			<u>1,594,738</u>		<u>1,794,678</u>
Funds					
Unrestricted funds	14		682,588		619,183
Restricted funds	14		30,066		27,169
Endowment funds	14		<u>882,084</u>		<u>1,148,326</u>
Total Church funds	14		<u>1,594,738</u>		<u>1,794,678</u>

These accounts were approved on behalf of the trustees on 20th May 2022.



Bette Petersen Broyd – Chairman



Niels Ring Andersen - Honorary Treasurer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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 2021

2. Income summary

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2021 GB £	Total 2020 GB £
2.1 Income from donations and legacies					
Membership	38,261	-	-	38,261	35,457
Collections, donations & gift aid	40,581	-	-	40,581	74,083
Organ fund donations	-	-	-	-	1,733
In memoriam fund donations	-	-	-	-	60
Garden fund grants and donations	-	32,500	-	32,500	-
Nordea fund grants and donations	-	-	-	-	-
Second Priest accommodation designated	-	-	-	-	-
Church interior fund designated	-	-	-	-	-
Building project fund grants & donations	-	216,252	-	216,252	647,645
	<u>78,842</u>	<u>248,752</u>	<u>-</u>	<u>327,594</u>	<u>758,978</u>
2.2 Income from charitable activities					
Catering for charitable activities & events	37,671	-	-	37,671	4,813
Church shop income	19,479	-	-	19,479	767
Educational fees and books	16,714	-	-	16,714	10,447
DSUK allowances	14,378	-	-	14,378	3,808
	<u>88,242</u>	<u>-</u>	<u>-</u>	<u>88,242</u>	<u>19,835</u>
2.3 Income from other trading activities					
Church hall hire	1,600	-	-	1,600	-
Rents	20,047	-	-	20,047	20,040
Church magazine advertising	5,970	-	-	5,970	5,574
Coronavirus Job Retention Scheme	-	-	-	-	11,460
	<u>27,617</u>	<u>-</u>	<u>-</u>	<u>27,617</u>	<u>37,074</u>
2.4 Income from investments	10,620	-	33,806	44,426	44,395
Total Income	<u>205,321</u>	<u>248,752</u>	<u>33,806</u>	<u>487,879</u>	<u>860,282</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3.1 Costs of generating activity income

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2021 GB £	Total 2020 GB £
Catering & shop expenses	19,656	-	-	19,656	512
Books & education	7,218	-	-	7,218	7,040
Ecclesiastical expenses	4,402	-	-	4,402	11,091
Fundraising costs	130	-	-	130	-
	<u>31,406</u>	<u>-</u>	<u>-</u>	<u>31,406</u>	<u>18,643</u>

3.2 Investment Management costs

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2021 GB £	Total 2020 GB £
Fees paid to investment managers	427	-	5,193	5,620	6,664
	<u>427</u>	<u>-</u>	<u>5,193</u>	<u>5,620</u>	<u>6,664</u>

4. Expenditure on charitable activities

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2021 GB £	Total 2020 GB £
Benevolent fund bursaries	-	-	3,999	3,999	8,694
Summer School & educational grants	-	-	2,354	2,354	1,800
Salaries & staff costs (note 6)	59,693	-	8,361	68,054	45,532
Premises costs	11,619	-	2,000	13,619	13,031
Insurance	15,227	-	-	15,227	12,149
Utilities	18,754	-	-	18,754	25,642
Repairs, maintenance & refurbishment	20,543	-	6,376	26,919	13,602
Organ expenses	11,030	-	-	11,030	-
Church interior fund expenses	36	-	-	36	-
Nordea Fund: furniture & equipment costs	-	11,451	-	11,451	31,468
Garden costs	-	50,271	-	50,271	481
Building project costs	-	468,676	-	468,676	1,877,271
Second Priest accommodation costs	1,619	-	-	1,619	13,400
Motor & travel expenses	3,128	-	-	3,128	3,337
Administrative costs & communications	9,648	-	-	9,648	15,502
Magazine costs	5,179	-	-	5,179	6,466
Depreciation	988	-	-	988	1,150
Support & accountancy costs	23,730	-	-	23,730	22,485
Bank charges	1,925	-	-	1,925	2,007
Irrecoverable VAT on general expenditure	14,360	-	-	14,360	13,500
Governance costs (note 5)	5,576	-	-	5,576	6,031
	<u>203,055</u>	<u>530,398</u>	<u>23,090</u>	<u>756,543</u>	<u>2,113,548</u>

5. Governance costs

	Unrestricted GB £	Restricted GB £	Endowment GB £	Total 2021 GB £	Total 2020 GB £
Independent examination fee	2,100	-	-	2,100	1,900
Accounts drafting fee	2,900	-	-	2,900	3,555
Trustee liability insurance	576	-	-	576	576
Trustee and AGM costs (note 7)	-	-	-	-	-
As restated	<u>5,576</u>	<u>-</u>	<u>-</u>	<u>5,576</u>	<u>6,031</u>

Total Expenditure (notes 3.1, 3.2 & 4)

	<u>234,888</u>	<u>530,398</u>	<u>28,283</u>	<u>793,569</u>	<u>2,138,855</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Staff costs

	2021 GB £	2020 GB £
Wages and salaries	40,142	33,050
Social security costs	2,187	1,586
Less: employment allowance	(2,187)	(1,585)
Other pension costs	4,014	2,898
	<u>44,156</u>	<u>35,949</u>
Other staff costs (temps, child protection etc.)	19,512	5,223
DSUK Contribution	4,386	4,360
Total	<u>68,054</u>	<u>45,532</u>
	2021 No.	2020 No.
Staff (full time equivalent)	<u>3.0</u>	<u>2.0</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 GB £	Restricted GB £	Endowment GB £	Total 2021 GB £	Total 2020 GB £
Unrealised gain/(loss) on investments	93,293	-	14,372	107,665	(30,470)
Gain/(loss) on foreign exchange translation	(321)	-	(1,594)	(1,915)	(400)
	<u>92,972</u>	<u>-</u>	<u>12,778</u>	<u>105,750</u>	<u>(30,870)</u>

9. Tangible fixed assets

	Freehold Property GB £	Cars, Fittings & Equipment GB £	Total GB £
Cost			
At 1 January 2021	245,000	114,141	359,141
Additions /(disposals)	-	-	-
At 31 December 2021	<u>245,000</u>	<u>114,141</u>	<u>359,141</u>
Depreciation			
At 1 January 2021	-	110,191	110,191
On disposals	-	-	-
Charge for year	-	988	988
At 31 December 2021	<u>-</u>	<u>111,179</u>	<u>111,179</u>
Net book value			
At 31 December 2021	<u>245,000</u>	<u>2,962</u>	<u>247,962</u>
At 31 December 2020	<u>245,000</u>	<u>3,950</u>	<u>248,950</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Investments

	2021	2020
	GB £	GB £
Benevolent fund investments:		
<i>M&G Securities Ltd Charifund Income Units</i>		
Value of 8466.31 units at 1st January	117,645	143,181
Net movement on funds *	-	-
Sub-total	117,645	143,181
Value of 8466.31 units at 31st December	133,700	117,645
Unrealised (loss)/ gain - market movement	16,055	(25,536)
Summer School fund investments:		
<i>Danske Bank</i>		
Value of investments at 1st January	28,030	25,411
Net movement on funds *	504	(60)
Value of investments at 31st December	25,765	28,030
Unrealised (loss)/ gain - market movement	(2,769)	2,679
Other fund investments:		
<i>General portfolio through Charles Stanley & Co. Ltd</i>		
Value of investments at 1st January	488,980	515,267
Net movement on funds *	(202,803)	(7,155)
Value of investments at 31st December	343,405	488,980
Unrealised (loss)/ gain - market movement	57,228	(19,132)
<i>General portfolio through Cazenove Schroder</i>		
Value of investments at 1st January	578,208	566,689
Net movement on funds *	-	-
Value of investments at 31st December	615,359	578,208
Unrealised (loss)/ gain - market movement	37,151	11,519
Total value of investments		
Closing value at 31st December	1,118,229	1,212,863
Opening value at 1st January	1,212,863	1,250,548

* 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 2021

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	-	24,817	28,922	49,460
Equities	131,753	-	270,240	400,474
Property	-	-	13,420	93,431
Alternatives	-	-	15,123	52,176
Mixed investments	-	-	7,931	9,379
Cash	1,947	948	7,769	10,439
1,118,229	133,700	25,765	343,405	615,359

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

	2021 GB £	2020 GB £
Stocks of canteen and shop goods	8,600	-
Total	8,600	-

12. Debtors: Amounts falling due within one year

	2021 GB £	2020 GB £
Registrations, memberships & advertising	4,762	4,765
Accrued income	1,990	4,056
Other debtors & prepayments	13,920	6,034
Listed places of worship grant due	1,676	6,998
Gift aid repayable	5,000	8,593
VAT repayable	4,242	9,207
Total	31,590	39,653

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Creditors: Amounts falling due within one year

	2021 GB £	2020 GB £
Shop creditors	-	-
VAT payable	-	-
PAYE/ NIC payable	-	-
Other creditors & accruals	35,768	128,596
Total	35,768	128,596

14. Movement in funds

	At 1st January 2021 GB £	Net Movement in funds GB £	Transfer between funds GB £	At 31st December 2021 GB £
Unrestricted funds				
General Fund	605,132	76,266	-	681,398
Designated funds				
Organ fund	12,120	(11,030)	-	1,090
Church interior fund	212	(212)	-	-
Second vicar accommodation fund	1,719	(1,619)	-	100
Total designated funds	14,051	(12,861)	-	1,190
Total unrestricted funds (general & designated)	619,183	63,405	-	682,588
Restricted funds				
Garden fund	17,771	(17,771)	-	-
Friends fund	16,042	-	-	16,042
In memoriam fund	4,331	-	-	4,331
Building project fund	(32,119)	(252,424)	284,543	-
Nordea fund	21,144	(11,451)	-	9,693
Total restricted funds	27,169	(281,646)	284,543	30,066
Endowment Funds				
Salary and pension fund (17.2)	432,243	-	-	432,243
Benevolent fund (17.3)	140,583	16,794	-	157,377
FUHU fund	60,000	-	-	60,000
Building and reserve fund (17.1)	488,295	3,773	(284,543)	207,525
Summer School fund	27,205	(2,266)	-	24,939
Total endowment funds	1,148,326	18,301	(284,543)	882,084
Total church funds	1,794,678	(199,940)	-	1,594,738

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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	205,321	(222,027)	92,972	76,266
Designated funds				
Organ fund	-	(11,030)	-	(11,030)
Church interior fund	-	(212)	-	(212)
Second vicar accommodation fund	-	(1,619)	-	(1,619)
Total designated funds	-	(12,861)	-	(12,861)
Total unrestricted funds (general & designated)	205,321	(234,888)	92,972	63,405
Restricted funds				
Garden fund	32,500	(50,271)	-	(17,771)
Friends fund	-	-	-	-
In memoriam fund	-	-	-	-
Building project fund	216,252	(468,676)	-	(252,424)
Nordea fund	-	(11,451)	-	(11,451)
Total restricted funds	248,752	(530,398)	-	(281,646)
Endowment Funds				
Salary and pension fund (17.2)	12,535	(12,535)	-	-
Benevolent fund (17.3)	6,265	(5,018)	15,547	16,794
FUHU fund	1,200	(1,200)	-	-
Building and reserve fund (17.1)	12,149	(8,376)	-	3,773
Summer School fund	1,657	(1,154)	(2,769)	(2,266)
Total endowment funds	33,806	(28,283)	12,778	18,301
Total church funds	487,879	(793,569)	105,750	(199,940)

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.

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 2021

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 GB £	Investments GB £	Bank & Cash GB £	Other Net Current Assets GB £	Net Assets GB £
Unrestricted funds					
General fund	247,962	358,430	70,584	4,422	681,398
Designated funds					
Organ fund	-	-	1,090	-	1,090
Church interior fund	-	-	-	-	-
Second vicar accommodation fund	-	-	100	-	100
Total designated funds	-	-	1,190	-	1,190
Total unrestricted funds (general & designated)	247,962	358,430	71,774	4,422	682,588
Restricted funds					
Garden fund	-	-	-	-	-
Friends fund	-	-	16,042	-	16,042
In memoriam fund	-	-	4,331	-	4,331
Building project fund	-	-	-	-	-
Façade project fund	-	-	-	-	-
Nordea fund	-	-	9,693	-	9,693
Total restricted funds	-	-	30,066	-	30,066
Endowment Funds					
Salary and pension fund* (17.2)	-	432,243	-	-	432,243
Benevolent fund (17.3)	-	133,700	23,677	-	157,377
FUHU fund	-	-	60,000	-	60,000
Building and reserve fund* (17.1)	-	168,091	39,434	-	207,525
Summer School fund	-	25,765	(826)	-	24,939
Total endowment funds	-	759,799	122,285	-	882,084
Total church funds	247,962	1,118,229	224,125	4,422	1,594,738

* 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. Taxation

No taxation was payable on any surplus or deficit or investment income in 2021 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 2021

17. Linked Charities

	2021		2020	
	GB £	GB £	GB £	GB £
17.1 Danish Church in London Building and Reserve Fund (Linked charity number 237897-1)				
Opening value of investments at 1st January		488,295		488,295
Income from investments (net return after management fees)	12,149		24,803	
Less: Lease payment to Crown Estates	(2,000)		(2,000)	
Façade expenditure	-		-	
General repairs to buildings	(6,376)		(6,949)	
Surplus to carry forward		3,773		15,854
Transfers to main building project fund		(284,543)		(15,854)
Investment (losses)/ gains in year		-		-
Closing value of investments at 31st December		<u>207,525</u>		<u>488,295</u>
17.2 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	12,535		11,617	
Less: Salaries applied from employees	(8,361)		(7,695)	
Portfolio management & transaction fees	(4,174)		(3,922)	
Surplus to carry forward		-		-
Investment (losses)/ gains in year		-		-
Closing value of investments at 31st December		<u>432,243</u>		<u>432,243</u>
17.3 Benevolent Fund: Hjaelfond for Danske I London (Linked charity number 237897-3)		GB £		GB £
Opening value of investments & cash at 1st January		140,583		160,118
Income from investments	6,265		5,674	
Donations to benevolent fund	-		9,921	
Less: Payments to beneficiaries	(3,999)		(8,694)	
Portfolio management fees	(1,019)		(900)	
Surplus to carry forward		1,247		6,001
Investment (losses)/ gains in year		15,547		(25,536)
Closing value of investments and cash at 31st December		<u>157,377</u>		<u>140,583</u>
Represented by:				
Investments		133,700		117,645
Cash balances (benevolent account & with general fund)		23,677		22,938
		<u>157,377</u>		<u>140,583</u>

17.4 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.