

# **THE DANISH CHURCH IN LONDON**

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

Registered charity number 237897

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2022

CONTENTS	PAGE
Charity Information	3-4
Trustees' Report	5-10
Independent examiner's Report	11
Statement of Financial Activities (Income & Expenditure Account)	12
Statement of Cash Flows	13
Statement of Financial Position (Balance sheet)	14
Notes to the financial statements	15-25

## CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 to April 2023 are:

Bette Petersen Broyd (Chair) (appointed 18 October 2020, Chair since July 2021)  
Christine Bergstedt Jørgensen (Deputy Chair) (retired 12 June 2022)  
Palle Baggesgaard Pedersen (Deputy Chair) (elected 12 June 2022)  
Niels Ring Andersen (Honorary Treasurer) (appointed 9 June 2019)  
Anne-Grethe Jensen (Honorary Secretary) (appointed 1 June 2014)  
Per Gullestrup (Church Warden) (appointed 18 June 2013)  
Ole Justesen (Church Warden) (appointed 13 June 2021)  
Svend Kjaer (appointed 12 June 2022)  
Anne-Sofie Lucan (appointed 12 June 2022)  
Dr Ebba Nielsen (appointed 12 June 2022)  
Flemming Kloster Poulsen (Pastor) (appointed 15 July 2016)  
Casper Orlyk (Clerical & IT) (appointed 9 June 2019)  
Anne Dorothea Bruum Aubry (Ex-Officio - Royal Danish Embassy)  
(appointed 18 October 2020)  
Connie Yilmaz Jantzen (Ex-Officio – Danish YWCA) (appointed 18  
October 2020)  
Peter Melbye (Organ & IT) (retired 12 June 2022)  
Helle Diget Bond (Saturday School) (retired 12 June 2022)

## CHARITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

Independent examiner	Malcolm Brown BSc, FCA, DChA. Waterman Brown (London) Ltd Chartered Accountants 66 Norman Road, London SW19 1BN
Principal bankers	Barclays Bank Plc Danske Bank Cazenove (custody/investments) Charles Stanley & Co. (custody/investments)

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and financial statements for the year ended 31 December 2022.

### **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. In September 2022 the new ambassador H E René Dinesen was appointed and also accepted his role as Patron of the Danish 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, the 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 12 June 2022.

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, Newcastle 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 were reduced to about once a month and on special occasions from Spring 2022.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

In 2022 the Church conducted 50 Services; 50 were live and 19 as hybrids with additional Zoom Services. In addition, there were 15 Christenings, 9 confirmations, 3 weddings and 3 funerals. The Pastor engaged in 150 official conversations and conducted 8 visits to the homebound or imprisoned. In the year 2022, 1820 attended church in person, an average of 36.6. Another 512 followed the service on Zoom, an average of 26.9. There are 903 paying members (family and individual) of the Church, and in a normal year, a total of around 10,000 people benefit from all our activities.

2022 was the first complete year since the pandemic and the conclusion of the building works which has allowed a resuming of the usual church activities, group gatherings and events.

Once the Covid-19 restrictions were lifted during 2021, 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. In September 2022 a new Wednesday Evening gathering started every first Wednesday of the month with activities aimed primarily at students and working adults. The Association of Danish Women in England and Team Danmark, a football and running club, meet regularly at the church.

In September 2021, the Danish Language Saturday School for 100+ children and adults resumed classes 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 and numbers are 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 resumed at the Church on a weekly basis from January 2022.

The Church donated 2 bursaries of £600 to young Danes studying in the UK. It continues to offer financial support to needy and/or elderly Danes on an ad-hoc basis. In 2022 the church assisted the needy from the benevolent fund with £1981.

On 4<sup>th</sup> December 2022 the church held a thanksgiving and celebration service to honour the 50<sup>th</sup> Jubilee of Her Majesty Queen Margrethe II of Denmark, who attended the service in a packed church.

In liaison with three other UK-Danish organisations, the church started a collection for a memorial stone for fallen Danes to be erected in the church gardens in 2023.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

*Pastor*

During 2022 the Church has relied entirely on one full-time resident pastor, Flemming Kloster Poulsen. To assist the pastor, an administrative assistant has been employed on a part-time basis. 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, more costly but 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 2022

**3. Financial review**

In 2022 the Danish Church recorded an overall net surplus of £548,862 (2021: deficit £199,940) and this comprises a deficit on usual church activities of £30,086, a paper investment loss of £125,535 and a gain of £704,483 on the sale of 123 Royal College Street. As the Statement of Recommended Practice (SORP) for charity accounting requires us to show the one-off property gain within annual income, the accounts don't readily display the figure of £30,086. The total income on ordinary activities for the church was of £325,585 (£2021: 487,879) but the total income displayed in the accounts of £1,030,068 includes the gain of £704,483. Total expenditure amounted to £355,671 (2021: £793,569).

Once again it is difficult to make comparisons between the two accounting periods because 2021 included significant donations and expenditure to the main building works, which are not typical and in 2022 there is the non-recurring event of the disposal of Royal College Street.

It is useful to look at the unrestricted fund column in the statement of financial activities to monitor the ongoing financial performance on the church's ordinary activities as adjusted for the 2022 property gain. In 2022 total income relating to ongoing ordinary activities was £282,751 (2021: £205,321, 2020: £157,371), a 37.7% increase on 2021 and a 79.7% increase on 2020. Expenditure relating to ordinary activities amounted to £311,131 (2021: £234,888, 2020: £195,552), an increase of £76,243 (32.5%) on the previous year and £115,579 (59.1%) on 2020. The increases in income and expenditure on ordinary church activities reflect the increase in ecclesiastical and charitable activities since emerging from the pandemic and from several years of building renovations.

Putting aside the 2022 property gain, the church made a deficit on its unrestricted funds before movements in the value of its investment portfolios of £28,380 (2021: deficit £29,567, 2020: deficit £38,181).

The net unrealised or 'paper' loss on investments of £125,535 reverses the substantial gain of £105,750 seen in 2021. The church holds its investment portfolios for the longer term (i.e. with a time horizon of at least 5 years) and fluctuations in investment value are to be expected. The capital is invested to ensure the investments provide reasonable capital growth over the medium to longer term together with a stream of annual income (around £45,000) towards its ordinary activities.

The second column on the statement of financial activities, labelled 'Restricted funds', represents principally the income and expenditure relating to the Mindestenen Project and new equipment purchased with funds from the Nordea Fund, but please refer to note 14 on pages 22-23 for a full breakdown.

The statement of cash flows records the flow of cash coming into the church from various sources and the larger out flows. It reconciles the statement of financial activities to the movement of cash deposits between years recorded on the balance sheet. 2021 shows a major injection of cash reserves from the liquidation of £200,000 of investments from the 'Building & Reserve Fund' to complete the main building project. 2022 shows another inflow of cash (£949,483) from the sale of 123 Royal College Street. The church was able to recover £250,000 of VAT incurred during the main building works, although this recovery is subject to annual HMRC recalculation over 10 years.



## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

### **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 2022 shown at note 10, pages 20-21, were £991,340 (2021 - £1,118,229).

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

### **5. Reserves' policy**

The accumulated funds on 31 December 2022 were £2,143,600 (2021 - £1,594,738) of which £873,840 related to endowment funds, £26,503 related to restricted funds and £1,243,257 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. The decision to sell 123 Royal College Street**

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, the trustees agreed to put the property on the market to avoid the substantial costs required to bring the accommodation up to a standard for letting. The building was sold for £975,000, a substantial gain on the historical cost price of £245,000.

### **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 building on the strong recovery seen in 2022.

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

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

**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).

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, Malcolm Brown of Waterman Brown (London) Ltd, was approved by the Church Council following the retirement of the previous examiner.

Approved and signed on behalf of the trustees, by

*Bette Petersen Broyd*

*Niels Ring Andersen*

Bette Petersen Broyd - Chair

Niels Ring Andersen – Honorary Treasurer

Dated: 9<sup>th</sup> May 2023

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

I report to the trustees on the accounts of the Danish Church in London for the year ended 31 December 2022, 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.

An Independent Examination has been carried out rather than an audit under Regulation 31(f). The charity has been granted an audit dispensation by the Charities Commission, dated 27<sup>th</sup> June 2023, under Regulation 34(3)(b) of the Charities (Accounts and Reports) Regulations 2008.

This dispensation is given based upon the information provided by the trustees, that:

- the exceptional circumstances outlined mean that an audit would be disproportionate
- there are no constitutional or other requirements on the charity which require an audit; and
- the charity is not incorporated under company law.

### **Exceptional circumstances**

The high level of income during the year is entirely due to the gain on the sale of a freehold property, which will not be repeated in future years.

### **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 in England & Wales, 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 which gives 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 the accounting 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: *Malcolm Brown*

Malcolm Brown FCA

Institute of Chartered Accountants in England & Wales

***For Waterman Brown (London) Ltd***

Chartered Accountants

66 Norman Road, Wimbledon, London, SW19 1BN

Dated: 28<sup>th</sup> July 2023

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds GB £	Restricted Funds GB £	Endowment Funds GB £	Total Funds 2022 GB £	Total Funds 2021 GB £
<b>INCOME &amp; ENDOWMENTS</b>						
Donations & legacies	2.1	94,673	9,380	1	<b>104,054</b>	327,594
Income from charitable activities	2.2	161,209	-	-	<b>161,209</b>	88,242
Income from other trading activities	2.3	15,337	-	-	<b>15,337</b>	27,617
Income from Investments	2.4	11,532	16	33,437	<b>44,985</b>	44,426
Other income	2.5	704,483	-	-	<b>704,483</b>	-
<b>Total income &amp; endowments</b>		<b>987,234</b>	<b>9,396</b>	<b>33,438</b>	<b>1,030,068</b>	<b>487,879</b>
<b>EXPENDITURE</b>						
<b>Costs of raising funds</b>						
Costs of generating activity income	3.1	71,252	-	-	<b>71,252</b>	31,406
Investment Management costs	3.2	4,040	-	1,016	<b>5,056</b>	5,620
<b>Expenditure on charitable activities</b>	<b>4</b>	<b>235,839</b>	<b>12,959</b>	<b>30,565</b>	<b>279,363</b>	<b>756,543</b>
<b>Total expenditure</b>		<b>311,131</b>	<b>12,959</b>	<b>31,581</b>	<b>355,671</b>	<b>793,569</b>
<b>Net (expenditure)/ income before gain/(losses) on investments</b>		<b>676,103</b>	<b>(3,563)</b>	<b>1,857</b>	<b>674,397</b>	<b>(305,690)</b>
Net (loss)/gain on investments	8	(115,434)	-	(10,101)	<b>(125,535)</b>	105,750
Net income/ (expenditure) for the year		<b>560,669</b>	<b>(3,563)</b>	<b>(8,244)</b>	<b>548,862</b>	<b>(199,940)</b>
<b>Transfer between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>560,669</b>	<b>(3,563)</b>	<b>(8,244)</b>	<b>548,862</b>	<b>(199,940)</b>
<b>Reconciliation of Funds:</b>						
Total funds brought forward	14	682,588	30,066	882,084	<b>1,594,738</b>	1,794,678
<b>Total funds carried forward</b>	<b>14</b>	<b>1,243,257</b>	<b>26,503</b>	<b>873,840</b>	<b>2,143,600</b>	<b>1,594,738</b>

## STATEMENT OF CASH FLOWS: YEAR ENDED 31 DECEMBER 2022

	Notes	Total 2022 GB £	Total 2021 GB £
<b>Cash flows from operating activities:</b>			
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>			
<b>Net movement in funds</b>		<b>548,862</b>	(199,940)
Add: depreciation		988	988
Deduct: interest and dividend income		(44,985)	(44,426)
Add: loss/ (deduct gain) on revaluation of investments		125,535	(105,750)
Add: loss/ (deduct gain) on disposal of freehold property		(704,483)	-
(Increase)/Decrease in stocks		900	(8,600)
(Increase)/Decrease in debtors		(7,180)	8,063
(Decrease)/Increase in creditors		(3,119)	(92,828)
<b>Cash (used in)/ provided by operating activities</b>	A	<b>(83,482)</b>	(442,493)
<b>Cash flows from investing activities</b>			
Income from interest and dividends		44,985	44,426
Net movements in foreign exchange		428	(1,915)
Net movement on disposal of freehold property		949,483	-
Net movements on investment funds		926	202,299
<b>Cash provided by/ (used in) investing activities</b>	B	<b>995,822</b>	244,810
<b>Cash flows from financing activities</b>	C	-	-
<b>(Decrease)/Increase in cash and cash equivalents in the year (A+B+C)</b>		<b>912,340</b>	(197,683)
<b>Total cash &amp; cash equivalents brought forward</b>		<b>224,125</b>	421,808
<b>Total cash &amp; cash equivalents carried forward *</b>		<b>1,136,465</b>	224,125

\*refer to balance sheet

## STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AT 31 DECEMBER 2022

		2022		2021	
	Notes	GB £	GB £	GB £	GB £
<b>Fixed assets</b>					
Tangible assets	9		1,974		247,962
Investments	10		991,340		1,118,229
			<u>993,314</u>		<u>1,366,191</u>
<b>Current assets</b>					
Stocks	11	7,700		8,600	
Debtors	12	38,770		31,590	
Cash at bank and in hand		<u>1,136,465</u>		<u>224,125</u>	
		<u>1,182,935</u>		<u>264,315</u>	
<b>Creditors</b>					
Amounts falling due within one year	13	<u>32,649</u>		<u>35,768</u>	
<b>Net current assets</b>			<u>1,150,286</u>		<u>228,547</u>
<b>Total net assets</b>			<u><u>2,143,600</u></u>		<u><u>1,594,738</u></u>
<b>Funds</b>					
Unrestricted funds	14		1,243,257		682,588
Restricted funds	14		26,503		30,066
Endowment funds	14		<u>873,840</u>		<u>882,084</u>
<b>Total Church funds</b>	14		<u><u>2,143,600</u></u>		<u><u>1,594,738</u></u>

These accounts were approved on behalf of the trustees on 9<sup>th</sup> May 2023.

*Bette Petersen Broyd*

*Niels Ring Andersen*

Bette Petersen Broyd – Chair

Niels Ring Andersen - Honorary Treasurer

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

**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 in the accounts as a total rather than 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 was 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 2022

**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 2022

**2. Income summary**

	Unrestricted GB £	Restricted GB £	Endowment GB £	<b>Total 2022 GB £</b>	Total 2021 GB £
<b>2.1 Income from donations and legacies</b>					
Membership	47,696	-	-	<b>47,696</b>	38,261
Collections, donations & gift aid	41,265	-	1	<b>41,266</b>	40,581
Organ fund donations	5,712	-	-	<b>5,712</b>	-
In memoriam fund donations	-	60	-	<b>60</b>	-
Garden fund grants and donations	-	-	-	-	32,500
Mindestenen donations	-	9,320	-	<b>9,320</b>	-
Church interior fund designated	-	-	-	-	-
Building project fund grants & donations	-	-	-	-	216,252
	<u>94,673</u>	<u>9,380</u>	<u>1</u>	<u><b>104,054</b></u>	<u>327,594</u>
<b>2.2 Income from charitable activities</b>					
Catering for charitable activities & events	97,282	-	-	<b>97,282</b>	37,671
Church shop income	19,959	-	-	<b>19,959</b>	19,479
Educational fees and books	22,981	-	-	<b>22,981</b>	16,714
DSUK allowances	20,987	-	-	<b>20,987</b>	14,378
	<u>161,209</u>	<u>-</u>	<u>-</u>	<u><b>161,209</b></u>	<u>88,242</u>
<b>2.3 Income from other trading activities</b>					
Church hall hire	3,320	-	-	<b>3,320</b>	1,600
Rents	4,500	-	-	<b>4,500</b>	20,047
Church magazine advertising	7,517	-	-	<b>7,517</b>	5,970
	<u>15,337</u>	<u>-</u>	<u>-</u>	<u><b>15,337</b></u>	<u>27,617</u>
<b>2.4 Income from investments</b>	11,532	16	33,437	<b>44,985</b>	44,426
<b>2.5 Gain on the sale of freehold property</b>	704,483	-	-	<b>704,483</b>	-
<b>Total Income</b>	<u>987,234</u>	<u>9,396</u>	<u>33,438</u>	<u><b>1,030,068</b></u>	<u>487,879</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

**3.1 Costs of generating activity income**

	Unrestricted GB £	Restricted GB £	Endowment GB £	<b>Total GB £</b>	Total 2021 GB £
Catering, event & shop expenses	51,727	-	-	<b>51,727</b>	19,656
Books & education	12,206	-	-	<b>12,206</b>	7,218
Ecclesiastical expenses	6,830	-	-	<b>6,830</b>	4,402
Fundraising costs	489	-	-	<b>489</b>	130
	<u>71,252</u>	<u>-</u>	<u>-</u>	<u><b>71,252</b></u>	<u>31,406</u>

**3.2 Investment Management costs**

	Unrestricted GB £	Restricted GB £	Endowment GB £	<b>Total GB £</b>	Total 2021 GB £
Fees paid to investment managers	4,040	-	1,016	<b>5,056</b>	5,620
	<u>4,040</u>	<u>-</u>	<u>1,016</u>	<u><b>5,056</b></u>	<u>5,620</u>

**4. Expenditure on charitable activities**

	Unrestricted GB £	Restricted GB £	Endowment GB £	<b>Total GB £</b>	Total 2021 GB £
Benevolent fund bursaries	-	-	2,080	<b>2,080</b>	3,999
Summer School & educational grants	-	-	3,976	<b>3,976</b>	2,354
Salaries & staff costs (note 6)	62,330	-	16,727	<b>79,057</b>	68,054
Premises costs	9,694	-	2,000	<b>11,694</b>	13,619
Insurance	14,207	-	-	<b>14,207</b>	15,227
Utilities	22,507	-	-	<b>22,507</b>	18,754
Repairs, maintenance & refurbishment	42,606	6,958	3,762	<b>53,326</b>	26,919
Organ expenses	1,045	-	-	<b>1,045</b>	11,030
Church interior fund expenses	-	-	-	-	36
Nordea Fund: furniture & equipment costs	-	-	-	-	11,451
Garden costs	3,414	-	451	<b>3,865</b>	50,271
Mindestenen costs	-	6,000	-	<b>6,000</b>	-
Building project costs	-	-	1,569	<b>1,569</b>	468,676
Second Priest accommodation costs	-	-	-	-	1,619
Motor & travel expenses	4,617	-	-	<b>4,617</b>	3,128
Administrative costs & communications	16,341	-	-	<b>16,341</b>	9,648
Magazine costs	6,202	-	-	<b>6,202</b>	5,179
Depreciation	988	-	-	<b>988</b>	988
Support & accountancy costs	26,460	-	-	<b>26,460</b>	23,730
Bank charges	4,457	1	-	<b>4,458</b>	1,925
Irrecoverable VAT on general expenditure	15,395	-	-	<b>15,395</b>	14,360
Governance costs (note 5 below)	5,576	-	-	<b>5,576</b>	5,576
	<u>235,839</u>	<u>12,959</u>	<u>30,565</u>	<u><b>279,363</b></u>	<u>756,543</u>

**5. Governance costs**

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

<b>Total Expenditure (notes 3.1, 3.2 &amp; 4)</b>	<u>311,131</u>	<u>12,959</u>	<u>31,581</u>	<u>355,671</u>	<u>793,569</u>
---	----------------	---------------	---------------	----------------	----------------

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

**6. Staff costs**

	<b>2022</b>	2021
	<b>GB £</b>	<b>GB £</b>
Wages and salaries	47,772	40,142
Social security costs	3,008	2,187
Less: employment allowance	(3,008)	(2,187)
Other pension costs	4,777	4,014
	<u>52,549</u>	<u>44,156</u>
Other staff costs (temps, child protection etc.)	26,508	19,512
DSUK Contribution	-	4,386
<b>Total</b>	<b><u>79,057</u></b>	<b><u>68,054</u></b>
	<b>2022</b>	2021
	<b>No.</b>	<b>No.</b>
Staff (full time equivalent)	<u>3.0</u>	<u>3.0</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	Restricted	Endowment	<b>Total 2022</b>	Total 2021
	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>	<b>GB £</b>
Unrealised gain/(loss) on investments	(115,862)	-	(11,184)	<b>(127,046)</b>	107,665
Gain/(loss) on foreign exchange translation	428	-	1,083	<b>1,511</b>	(1,915)
	<u>(115,434)</u>	<u>-</u>	<u>(10,101)</u>	<b><u>(125,535)</u></b>	<u>105,750</u>

**9. Tangible fixed assets**

	<b>Freehold</b>	<b>Cars,</b>	<b>Total</b>
	<b>Property</b>	<b>Fittings &amp;</b>	
	<b>GB £</b>	<b>Equipment</b>	<b>GB £</b>
<b>Cost</b>			
At 1 January 2022	245,000	114,141	359,141
Additions /(disposals)	(245,000)	-	(245,000)
At 31 December 2022	<u>-</u>	<u>114,141</u>	<u>114,141</u>
<b>Depreciation</b>			
At 1 January 2022	-	111,179	111,179
On disposals			-
Charge for year	-	988	988
At 31 December 2022	<u>-</u>	<u>112,167</u>	<u>112,167</u>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<u>-</u>	<u>1,974</u>	<u>1,974</u>
At 31 December 2021	<u>245,000</u>	<u>2,962</u>	<u>247,962</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

**10. Investments**

	<b>2022</b>	<b>2021</b>
	<b>GB £</b>	<b>GB £</b>
<b>Benevolent fund investments:</b>		
<i>M&amp;G Securities Ltd Charifund Income Units</i>		
Value of 8466.31 units at 1st January	133,700	117,645
Net movement on funds *	-	-
Sub-total	133,700	117,645
Value of 8466.31 units at 31st December	126,700	133,700
Unrealised (loss)/ gain - market movement	(7,000)	16,055
<b>Summer School fund investments:</b>		
<i>Danske Bank</i>		
Value of investments at 1st January	25,765	28,030
Net movement on funds *	(926)	504
Value of investments at 31st December	21,738	25,765
Unrealised (loss)/ gain - market movement	(3,101)	(2,769)
<b>Other fund investments:</b>		
<i>General portfolio through Charles Stanley &amp; Co. Ltd</i>		
Value of investments at 1st January	343,405	488,980
Net movement on funds *	-	(202,803)
Value of investments at 31st December	287,657	343,405
Unrealised (loss)/ gain - market movement	(55,748)	57,228
<i>General portfolio through Cazenove Schroder</i>		
Value of investments at 1st January	615,359	578,208
Net movement on funds *	-	-
Value of investments at 31st December	555,245	615,359
Unrealised (loss)/ gain - market movement	(60,114)	37,151
<b>Total value of investments</b>		
Closing value at 31st December	991,340	1,118,229
Opening value at 1st January	1,118,229	1,212,863

\* 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 2022

**10. Investments continued**

<b>Portfolio asset allocation and total investment value</b>	<b>Charles Stanley M&amp;G Charifund Benevolent Fund</b>	<b>Danske Bank Summer School Fund</b>	<b>Charles Stanley General Portfolio</b>	<b>Cazenove Capital General Portfolio</b>
GB £	GB £	GB £	GB £	GB £
Fixed Income	-	21,716	23,586	57,685
Equities	124,414	-	210,577	320,240
Property	-	-	11,275	88,399
Alternatives	-	-	18,576	54,088
Mixed investments	-	-	7,217	8,256
Cash	2,286	22	16,426	26,577
<b>991,340</b>	<b>126,700</b>	<b>21,738</b>	<b>287,657</b>	<b>555,245</b>

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**

	<b>2022</b>	2021
	<b>GB £</b>	GB £
Stocks of canteen and shop goods	<b>7,700</b>	8,600
<b>Total</b>	<b>7,700</b>	8,600

**12. Debtors: Amounts falling due within one year**

	<b>2022</b>	2021
	<b>GB £</b>	GB £
Registrations, memberships & advertising	<b>4,479</b>	4,762
Accrued income	<b>6,921</b>	1,990
Other debtors & prepayments	<b>19,370</b>	13,920
Listed places of worship grant due	-	1,676
Gift aid recoverable	<b>8,000</b>	5,000
VAT repayable	-	4,242
<b>Total</b>	<b>38,770</b>	31,590

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

**13. Creditors: Amounts falling due within one year**

	<b>2022</b>	2021
	<b>GB £</b>	GB £
Shop creditors	-	-
VAT payable	<b>1,151</b>	-
PAYE/ NIC payable	-	-
Other creditors & accruals	<b>31,498</b>	35,768
<b>Total</b>	<b>32,649</b>	35,768

**14. Movement in funds**

	At 1st January 2021 <b>GB £</b>	Net Movement in funds <b>GB £</b>	Transfer between funds <b>GB £</b>	<b>At 31st December 2022 GB £</b>
<b>Unrestricted funds</b>				
General Fund	681,398	556,002	-	1,237,400
<b>Designated funds</b>				
Organ fund	1,090	4,667	-	5,757
Church interior fund	-	-	-	-
Second vicar accommodation fund	100	-	-	100
<b>Total designated funds</b>	1,190	4,667	-	5,857
<b>Total unrestricted funds (general &amp; designated)</b>	682,588	560,669	-	1,243,257
<b>Restricted funds</b>				
Garden fund	-	-	-	-
Mindestenen fund	-	3,335	-	3,335
Friends fund	16,042	-	-	16,042
In memoriam fund	4,331	60	-	4,391
Nordea fund	9,693	(6,958)	-	2,735
<b>Total restricted funds</b>	30,066	(3,563)	-	26,503
<b>Endowment Funds</b>				
Salary and pension fund (17.2)	432,243	-	-	432,243
Benevolent fund (17.3)	157,377	(3,067)	-	154,310
FUHU fund	60,000	-	-	60,000
Building and reserve fund (17.1)	207,525	-	-	207,525
Summer School fund	24,939	(5,177)	-	19,762
<b>Total endowment funds</b>	882,084	(8,244)	-	873,840
<b>Total church funds</b>	<b>1,594,738</b>	<b>548,862</b>	<b>-</b>	<b>2,143,600</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

**14 cont. Net movement in funds in year**

	Incoming resources	Resources expended	Gains/ (losses) on investments & property	Movement in funds
	GB £	GB £	GB £	GB £
<b>Unrestricted funds</b>				
General fund	981,522	(310,086)	(115,434)	556,002
<b>Designated funds</b>				
Organ fund	5,712	(1,045)	-	4,667
Church interior fund	-	-	-	-
Second vicar accommodation fund	-	-	-	-
<b>Total designated funds</b>	5,712	(1,045)	-	4,667
<b>Total unrestricted funds (general &amp; designated)</b>	987,234	(311,131)	(115,434)	560,669
<b>Restricted funds</b>				
Garden fund	-	-	-	-
Mindestenen fund	9,336	(6,001)	-	3,335
Friends fund	-	-	-	-
In memoriam fund	60	-	-	60
Nordea fund	-	(6,958)	-	(6,958)
<b>Total restricted funds</b>	9,396	(12,959)	-	(3,563)
<b>Endowment Funds</b>				
Salary and pension fund (17.2)	16,727	(16,727)	-	-
Benevolent fund (17.3)	7,028	(3,095)	(7,000)	(3,067)
FUHU fund	1,800	(1,800)	-	-
Building and reserve fund (17.1)	7,782	(7,782)	-	-
Summer School fund	101	(2,177)	(3,101)	(5,177)
<b>Total endowment funds</b>	33,438	(31,581)	(10,101)	(8,244)
<b>Total church funds</b>	<b>1,030,068</b>	<b>(355,671)</b>	<b>(125,535)</b>	<b>548,862</b>

**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.

**Mindestenen fund:** Commissioning of a memorial stone for Danes who have fallen in service to Denmark

**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 2022

**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**

	<b>Fixed Assets GB £</b>	<b>Investments GB £</b>	<b>Bank &amp; Cash GB £</b>	<b>Other Net Current Assets GB £</b>	<b>Net Assets GB £</b>
<b>Unrestricted funds</b>					
General fund	1,974	242,568	979,037	13,821	1,237,400
<b>Designated funds</b>					
Organ fund	-	-	5,757	-	5,757
Church interior fund	-	-	-	-	-
Second vicar accommodation fund	-	-	100	-	100
<b>Total designated funds</b>	-	-	5,857	-	5,857
<b>Total unrestricted funds (general &amp; designated)</b>	1,974	242,568	984,894	13,821	1,243,257
<b>Restricted funds</b>					
Garden fund	-	-	-	-	-
Mindestenen fund	-	-	3,335	-	3,335
Friends fund	-	-	16,042	-	16,042
In memoriam fund	-	-	4,391	-	4,391
Building project fund	-	-	-	-	-
Nordea fund	-	-	2,735	-	2,735
<b>Total restricted funds</b>	-	-	26,503	-	26,503
<b>Endowment Funds</b>					
Salary and pension fund* (17.2)	-	432,243	-	-	432,243
Benevolent fund (17.3)	-	126,700	27,610	-	154,310
FUHU fund	-	-	60,000	-	60,000
Building and reserve fund* (17.1)	-	168,091	39,434	-	207,525
Summer School fund	-	21,738	(1,976)	-	19,762
<b>Total endowment funds</b>	-	748,772	125,068	-	873,840
<b>Total church funds</b>	<b>1,974</b>	<b>991,340</b>	<b>1,136,465</b>	<b>13,821</b>	<b>2,143,600</b>

\* The Building and Reserve Fund and the Salary and Pensions Fund investments are held as if in cash equivalents attracting a set return. The risks and rewards from losses and gains on investments is assumed by the General Fund.

**16. Taxation**

No taxation was payable on any surplus or deficit or investment income in 2022 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 2022

**17. Linked Charities**

	<b>2022</b>		<b>2021</b>	
	GB £	GB £	GB £	GB £
<b>17.1 Danish Church in London Building and Reserve Fund</b>				
<b>(Linked charity number 237897-1)</b>				
Opening value of investments at 1st January		207,525		488,295
Income from investments (net return after management fees)	7,782		12,149	
Less: Lease payment to Crown Estates	(2,000)		(2,000)	
Façade expenditure	-		-	
General repairs to buildings	(5,782)		(6,376)	
Surplus to carry forward		-		3,773
Transfers to main building project fund		-		(284,543)
Investment (losses)/ gains in year		-		-
Closing value of investments at 31st December		<b>207,525</b>		<b>207,525</b>
<b>17.2 Danish Church in London Salary and Pension Fund</b>				
<b>(Linked charity number 237897-2)</b>				
		GB £		GB £
Opening value of investments at 1st January		432,243		432,243
Income from investments	16,727		12,535	
Less: Salaries applied from employees & other costs	(16,727)		(12,535)	
Surplus to carry forward		-		-
Investment (losses)/ gains in year		-		-
Closing value of investments at 31st December		<b>432,243</b>		<b>432,243</b>
<b>17.3 Benevolent Fund: Hjaelfond for Danske I London</b>				
<b>(Linked charity number 237897-3)</b>				
		GB £		GB £
Opening value of investments & cash at 1st January		157,377		140,583
Income from investments	7,028		6,265	
Donations to benevolent fund	-		-	
Less: Payments to beneficiaries	(1,981)		(3,999)	
Bank charges	(98)		-	
Portfolio management fees	(1,016)		(1,019)	
Surplus to carry forward		3,933		1,247
Investment (losses)/ gains in year		(7,000)		15,547
Closing value of investments and cash at 31st December		<b>154,310</b>		<b>157,377</b>
Represented by:				
Investments		126,700		133,700
Cash balances (benevolent account & with general fund)		27,610		23,677
		<b>154,310</b>		<b>157,377</b>

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

During 2020, assets of £9,221 were transferred to the Benevolent Fund within the Danish Church in London (see note 17.3 above). They were previously held by a separate charity.