

REGISTERED NUMBER: 266600

**Report
and
Unaudited Financial Statements
from 1 January to 31 December 2020**

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

10 Sandwich Street
London WC1H 9PL

Contents of the Financial Statements for the Year Ended 31 December 2020

	<u>Page</u>
Report of the Trustees	3 to 13
Objectives and Activities	3 to 4
Achievements and Performance	5 to 6
Financial Review	7 to 10
Structure, Governance and Management	11 to 12
Reference and Administrative Detail	12
Events since the End of the Year	13
Trustees' Declaration	13
Independent Examiner's Report	14
Statement of Financial Activities	15
Balance Sheet	16
Notes to the Financial Statements	17 to 31

Report of the Trustees for the Year Ended 31 December 2020

The trustees present their report with the financial statements of the Charity for the year ended 31 December 2020.

The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

The Synod is an ecclesiastical community of congregations bound by their Articles of Faith in full preaching and Eucharistic fellowship. It unites German-speaking congregations of the Lutheran, Reformed and United denominations. The proclamation of the Gospel is based exclusively on the teaching of Jesus Christ as witnessed by the Holy Scripture in the Old and in the New Testament and re-stated by the Articles of Faith of the German Reformation.

1 - OBJECTIVES AND ACTIVITIES

The Synod is established to advance the protestant Christian religion, in particular amongst German speakers in Great Britain. In achieving this object the Synod fosters solidarity between its member congregations and a common approach to questions of Christian faith and life. It attends to the ecclesiastical and social life of the congregations and concerns itself with the maintenance of Christian life.

The Synod provides the congregations with ministers, advice, training and oversight so that they can provide public benefits in accordance with their charitable objectives and their agreements with the Synod.

MINISTRY

The Synod is responsible for providing and organising effective German-speaking Protestant ministry in Great Britain. It supports the member congregations by employing pastors and pastoral assistants for German worship and pastoral care. It provides German worship and pastoral care when needed, even where there is no organised congregation.

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

Notes to the Financial Statements (Continued)

QUALITY MANAGEMENT

The Synod supports the member congregations by visitation and training. A visitation to a congregation sets in motion a process of reflection; whether their activities match their objectives and whether improvement is possible.

Volunteers' training enables them to lead worship, to offer worship for children, to lead the congregation and to manage its finances. This supports good governance and develops the skills of the current and future lay community, helping to ensure the long term continuity of the congregations.

ADMINISTRATIVE SUPPORT TO CONGREGATIONS

The Synod supports the member congregations by giving advice, examining their finances and legal documents and providing them with templates for their day-to-day work.

FINANCIAL SUPPORT TO CONGREGATIONS

The Synod supports the member congregations by giving grants. It gives support grants towards the church work, supports children's groups, specific projects and outings, partly pays for repairs to the manses occupied by the pastors and supports congregations in deficit.

NETWORKING BETWEEN CONGREGATIONS

The Synod Assembly, held each spring as the Synod's annual general meeting, and the Church Treasurers' Day usually held each winter provide opportunities for trustees of the congregations throughout Great Britain to share their ideas for congregational work and to discuss matters of Christian faith.

REPRESENTATION

The Synod represents German-speaking Protestants at the German Embassy, at the General Assembly of *Evangelische Kirche in Deutschland* (EKD) and in several ecumenical organisations throughout Great Britain and in Europe. It delivers a presentation about the German-speaking church work in Great Britain at the *Deutsche Evangelische Kirchentag* in Germany.

2 - ACHIEVEMENT AND PERFORMANCE

MINISTRY

At the beginning of 2020 five pastors were employed, who worked with 18 congregations, with about 50 places of worship, divided into six pastoral regions: London-East, London-West; East Anglia; South and West England and Wales; North-England and East Midlands; Scotland and North East England. One of the pastoral region had a single pastor whilst two have married couples, both of whom share the role working part-time. Three pastoral regions were vacant. In summer 2020 three pastors from Germany were employed. All appointment procedures for all positions were carried out successfully. At the end of 2020 eight pastors were employed (two of the pastoral regions have married couples, both of whom share the role working part-time, whilst four of the pastoral regions had a single pastor). One deacon (Diakon) was employed as a pastoral assistant in London-West.

QUALITY MANAGEMENT

Trustees visited the congregations “online” in the pastoral region London East in order to discuss their objectives and activities. A diverse program took place via videoconferences in autumn after two postponements.

All training sessions for volunteers had to be cancelled due to the pandemic

All ministers’ conferences, two of which had been organised by the EKD for North, East and West Europe in Malmö, Sweden and Bad Boll, Germany, were cancelled. The third one was a two-day conference in Manchester, organised by the Synod.

The Synod's Development Committee met again in May for a one-day meeting “online” after the Synod Council had re-started the process with an external moderator in 2019. This process that was initiated in 2017 to review the strategy of the Synod and to develop guidelines and perspectives for future years will continue. The Synodal Council had prepared for a conference with external moderation in Manchester in May 2020: “Quo Vadis, Synod”. While still in nationwide lockdown the Council decided not to cancel but to use digital tools to bring people together in a videoconference instead. The result were two working groups that developed new ideas and proposals in communication and governance.

ADMINISTRATIVE SUPPORT TO CONGREGATIONS

The budgetary control committee examined the finances of the congregations. The Synod financed the group membership of the treasurers at the Association of Church Accountants & Treasurers (ACAT).

FINANCIAL SUPPORT TO CONGREGATIONS

The Synod provided support grants to 17 congregations, 11 children's groups and Saturday schools. It also gave grants towards the cost of events as well as contributions to the costs of public relations such as newsletters. Since many congregations have to rely on lettings

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

for their income a special grant was given to meet these losses due to Lockdown cancellations.

NETWORKING BETWEEN CONGREGATIONS

The Synod Assembly's focal theme in 2020 was "*Quo vadis, Synod: results and new agreements*" in connection with the Synod's conference in May.

REPRESENTATION

Representatives of Synod kept in touch with officials from the German Embassy, participated in ecumenical online-meetings throughout the country, participated in the online-meetings of the British Committee of the German Protestant Kirchentag. The EKD Assembly in Germany was also held online but without guests.

3 - FINANCIAL REVIEW

FINANCIAL POSITION

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the next year and for the foreseeable future.

INCOME AND EXPENDITURE

Ministry

The major part of the Synod's expenditure consists of the salaries of the pastors who are employed on fixed-term contracts, usually for six years. The Synod's income derives for the largest part from contributions by the congregations, as set by the Synod Assembly enabling the provision of pastors to the congregations by the Synod.

This annual Synod fee, paid in advance by the congregations, has to be used to cover the costs for the ministry including allocated overhead costs. Any unspent amounts of the annual fee are accumulated in the Salary Savings Fund, which is restricted to use for ministry. For covering ministry costs in excess of income from the Synod fee, the Synod can draw on the Salary Savings Fund and the Congregation Shortfall Fund (formerly known as Grants Retained in Germany Fund).

The employment costs of pastors posted to the UK in the framework of the Synod's contractual agreement with the German Protestant Church (EKD) are denominated in Euros and are therefore affected by changing currency exchange rates. In 2020, the direct costs of pastors' salaries amounted to £225k. In April 2019, the Synod Assembly decided to reverse a decision made in 2017 to cap the total annual Synod fee payable by congregations at £50k per pastoral region (i.e. £300k in total). Hence, in 2020 the Synod Assembly took the decision again to increase the annual Synod's fee slightly to £52k per pastoral region (i.e. £312k in total). This complies with the Synod Council's proposal for a 2% increase. An overall review of the Synod fee as core part of the Synod's financial concept for future years is being considered for 2021-2022.

Financial Support to Congregations

Grants to congregations were paid from donations and grants income, above all the generous grant of £55,070 by the Kaiser Wilhelm II Fund (Registered Charity Number 1117748), and from the restricted Congregation Support Fund. The Synod is grateful to the Kaiser Wilhelm II Fund.

In 2020, one congregation was provided with financial support covered by the Congregation Shortfall Fund.

The congregation's salary deposits held by the Synod (£60k per pastoral region) were, according to a decision taken by the Synods Assembly in March 2019, repaid in full by the

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

end of 2019. Since then, the congregations again have to take responsibility for securing their pastors' salary.

The repayment was accomplished by the complete dissolution of the investment held by Evangelische Bank in Germany and a small portion of the investment at CCLA.

Other Income and Expenditure

All other costs of the Synod's charitable activities, including all governance and management overheads (support costs) allocated to the direct costs of charitable activities (including ministry and financial support to congregations), were paid by the Synod from its unrestricted funds. These expenses have been covered by investment income and additional voluntary income raised in 2020 and in preceding years.

In 2020, the Synod's unrestricted funds resulted in a net operational outflow from the Synod's unrestricted funds at the amount of £23,895. This includes £527 spent by the Synod from its unrestricted funds on legal fees for the employment tribunal proceedings relating to ministry. This amount is excluded from calculating the congregations' contribution for Synod tasks.

In order to support the Synod's long-term ability to fulfil its core objective, the Synod Assembly approved in April 2017 that an amount equal to a set percentage of the Synod's net operational outflow in the year can be transferred from the restricted Salary Savings Fund, which holds the congregations' Synod fee, to the Synod's unrestricted funds at the end of the reporting year.

The amount of this congregation contribution to the Synod's unrestricted funds in the year ended is agreed by the Synod Assembly in its meeting following the end of the year as a set percentage of the net operational outflow from the Synod's unrestricted funds in the year ended in accordance with the Trustees' financial report as presented to the Synod Assembly for approval.

The percentage has been set by the Synod Assembly at 40% for 2020 and will increase in equal steps from 2021 (50%) to 2026 (100%). Under this rule, the amount of the congregation contribution in 2020 to be approved by the Synod Assembly in April 2021 with the Trustees' annual financial report is £21,300.

Investment

Net income from investment in 2020 amounts to £36,067 (2019: £39,318). Due to the steadfast market conditions in 2020, the result for the year 2020 shows a net gain from investment of £78,602, compared to £217,826 net gain from investment in 2019.

Under the Synod's investment policy and reserves policy, invested funds are intended to remain invested over the long term for income generation.

Result

In 2020, the Synod had a net gain of £54,706, after a net gain of £156,292 in the previous year 2019.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

The Synod's unrestricted funds increased by £26,397 after having increased by £148,018 in the previous year 2019.

The Synod received no grants or other income from central or local government.

RESERVES

At 31/12/2020, the unrestricted funds (reserves) stood at £843,854 (at 31/12/2019: £817,457).

In 2017, the trustees decided to designate the main part of these reserves for income generation, with exception of the amount deemed necessary by the Trustees to be held as cash, or cash equivalent, to maintain sufficient liquidity in preparedness for unexpected events.

The Synod's policy for holding reserves is to keep the liquid amount of unrestricted funds at least equal to 24 months of operating expenditure, less the direct costs of ministry, in order to safeguard the continuity of operations. In the Trustees' judgment, the adequate minimum amount to be held as liquid General Reserves for this purpose remains set at £200,000.

At the end of 2020, the amount kept in current accounts and cash-equivalent fixed-term accounts with banking institutions located in the UK and in Germany was £273,861.

RESTRICTED FUNDS

- The Salary Savings Fund is an income fund holding the unspent part of the congregations' Synod fees for covering the costs of ministry. The fund had already been exhausted to £0 as of 31/12/2018.
- The Congregation Support Fund is an income fund holding donations given in past years by the EKD and similar bodies for supporting the congregations that make up the Synod in ways to be decided by the Trustees. The fund increased by £7,193 in 2020 and stands at £174,175 on 31/12/2020 (31/12/2019: £166,982).
- The Congregation Shortfall Fund (formerly called Grants Retained in Germany Fund) is an income fund holding donations given in past years by the EKD for covering the salaries of pastors and for supporting the congregations that make up the Synod. This fund was retained entirely in Germany before 2017. The value of this fund increased by £21,116 in 2020 and stands at £587,843 on 31/12/2020 (31/12/2019: £566,727).

INVESTMENT POLICY AND OBJECTIVES

The Synod's investment policy, as defined by the Trustees in consultation with the Synod's finance committee, permits investing all restricted and unrestricted funds of the Synod, except its liquid General Reserves, in ethical, diversified multi-asset funds with balanced risk exposure.

The trustees are satisfied that the investment policy continues to be suitable for generating increased return on the Synod's invested funds.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

POLICIES FOR THE PAYMENT OF THE STAFF

The remuneration of the pastors posted to employment by the Synod in the UK under its agreement with the EKD is set by the EKD in accordance with its worldwide procedures.

Trustees employed as pastors posted to employment have therefore no role in setting their own remuneration.

Similarly, when the Synod employs pastors not posted to employment by the EKD, the remuneration will be according to the salary set by the Synod council in 2020 and will be subject to the employment rules of the Synod. In the event of non-posted pastors being elected as trustees to the Synod council, these pastors will not have a role in setting any changes in the salary to avoid any conflict of interest.

The salaries of pastoral assistants and of the office staff are set by the trustees.

SEAMEN'S MISSION

The Synod processes the salary payments for the UK-based staff of the German Seamen's Mission (Deutsche Seemannsmission e.V.- DSM), a German registered charity, from the funds of the DSM in accordance with the DSM's instructions.

RISK MANAGEMENT

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. The Trustees are satisfied that adequate processes and control procedures are in place to mitigate the charity's exposure to these risks. The pandemic and its consequences through restrictions and lockdowns have not endangered the Synod's standing or its finances.

Employer's liability, public liability, personal injury, property and legal protection insurance policies are in place.

4 - STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The Synod is an unincorporated ecclesiastical charitable association governed by its Constitution ("Synodalordnung") of 12 May 1973 as last amended by the Synod Assembly on 24 October 2020.

GOVERNING BODY

The governing body of the Synod is the Synod Assembly. It consists of the trustees, the pastors-in-office of the pastoral regions, one delegate from each congregation (with a minimum of three delegates from each pastoral region) and up to seven extraordinary members appointed in accordance with the Constitution. The Synod Assembly meets ordinarily once a year.

The Synod Assembly elects the Synod's trustees and confirms the appointment of the treasurer if the treasurer is not a trustee. The Synod Assembly decides on the statutes of the Synod, sets its budget and its members' contributions and receives the annual accounts.

TRUSTEES

The Synod Council is the executive organ of the Synod and its elected members are the trustees of the charity. The Synod Council is responsible for the Synod affairs and has all required powers for this purpose unless they are allocated to the Synod Assembly by the Constitution.

The trustees are elected under the terms of the Constitution. Elections take place every three years at the Synod Assembly. Trustees may be re-elected. The trustees act within the Synod's mandate and are accountable to the Synod Assembly. They report to the annual meeting of the Synod Assembly. The trustees are voting members of the Synod Assembly.

The trustees are inducted into their responsibilities and duties on the basis of Charity Commission publications. They are provided with copies of the Charity's governing document and have equal right to information about the Charity's business. They are familiar with the philosophy, history and objectives of the charity. Ongoing trustee development takes place as required.

Trustees have considered the Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

TREASURER

The treasurer has delegated responsibility for internal controls. The treasurer is a non-voting member of the Synod Council, but not a trustee, and reports to the Synod Assembly. On March 2019 the Synod Assembly decided that the treasurer is qua appointment an extraordinary member of the Assembly.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

ADMINISTRATOR

Transactions are performed by the Financial Administrator, who is employed by the Synod at its office, under the "four eyes" principle.

5 - REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity number:	266600 (England and Wales)
Name of the Charity:	Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Other Names used:	Council for German Church Work Synod of German-speaking Protestant Congregations in Great Britain
Principal address:	Council for German Church Work 10 Sandwich Street London WC1H 9PL
Trustees:	Mrs F Constable (until 23 October 2020) Mrs D Cramer, Pastor (Senior/Chair) Mrs V. Jantzen, Pastor Mr L Lemmer Mr B Rapp, Pastor (Secretary) Mrs Dr M Scheuermann-Freestone
Treasurer:	NN
Independent Examiner:	Mr Tilesh Patel BA FCA The SME Clinic 7 Stratford Place London, W1C 1AY

7 - EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements. No such information is reportable for the year ended 31 December 2020.

8 – TRUSTEES' DECLARATION


The trustees approved the Trustees' report above on 18 March 2021

Signed by order on behalf of the charity's Trustees



Diemut Cramer, Pastor

Senior and Chair of the Board of Trustees



Date

**Independent Examiner's Report to the Trustees of
Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain**

I report on the accounts for the year ended 31 December 2020 set out on pages sixteen to thirty.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Member of the ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 130 of the Act ; and
- to prepare accounts which accord with the accounting records, comply with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Tish Patel BA FCA

THESMECLINIC LIMITED

7 Stratford Place

London W1C 1AY

Date:

Statement of Financial Activities For the Year Ended 31 December 2020

(Note 2)

	<u>Year ended 31/12/2020</u>			<u>Year ended</u> <u>31/12/2019</u>	
	£			£	
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds (Note 14)	
INCOME	91,606	232,143	323,749	344,622	Note 1
Donations	55,070	0	55,070	41,000	Note 3
Charitable Activities	21,440	209,592	231,032	263,304	
Ministry (Synod Fee)	21,300	197,838	219,138	252,490	
Pastoral Assistance Refunds	0	11,754	11,754	11,642	
Other	140	0	140	172	
Investment Income	13,516	22,551	36,067	39,318	Note 4
Other	1,580	0	1,580	20	
EXPENDITURE	96,263	251,382	347,645	406,156	
Charitable Activities	96,263	251,382	347,645	406,156	Note 5
Ministry	22,459	251,382	273,841	342,273	
Quality Management	4,397	0	4,397	6,785	
Admin Support to Congregations	4,161	0	4,161	4,736	
Financial Support to Congregations	55,827	0	55,827	34,145	
Networking	4,037	0	4,037	10,519	
Representation	5,382	0	5,382	7,698	
Net Gains/Losses on Investments	31,054	47,548	78,602	217,826	Note 13
NET INCOME	26,397	28,309	54,706	156,292	Note 20
RECONCILIATION OF FUNDS					
Total Funds Brought Forward	817,457	733,709	1,551,166	1,394,874	
Total Funds Carried Forward	843,854	762,018	1,605,872	1,551,166	

Balance Sheet

At 31 December 2020

(Note 2)

	<u>31/12/2020</u>			<u>31/12/2019</u>	
	£			£	
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	
FIXED ASSETS	641,020	728,209	1,369,229	1,293,737	
Tangible Assets	410	0	410	819	Note 15
Investments	640,610	728,209	1,368,819	1,292,918	Note 16
CURRENT ASSETS	260,270	21,241	281,511	291,834	
Debtors (Amounts falling due within one year)	7,650	0	7,650	1,889	Note 17
Cash at bank and in hand	252,620	21,241	273,861	289,945	
LIABILITIES	(44,868)	0	(44,868)	(34,405)	Note 19
Creditors (Amounts falling due within one year)	(44,868)	0	(44,868)	(34,405)	Note 18
NET CURRENT ASSETS	215,402	21,241	236,643	257,429	
NET ASSETS	856,422	749,450	1,605,872	1,551,166	
FUNDS			1,605,872	1,551,166	Note 20
Unrestricted Funds			843,854	817,457	
Restricted Funds			762,018	733,709	

The financial statements were approved by the Board of Trustees on 18.03.2021 and were signed on its behalf by:



Pastor D Cramer -Trustee-

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 - CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Having taken all available information into account, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the next 12 months and thereafter for the foreseeable future. The trustees are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern.

The operational result (income less expenditure) is (£24,015) in 2020. 2019: (£61,534).

2 - ACCOUNTING POLICIES

BASIS FOR PREPARING THE FINANCIAL STATEMENTS

Accounts have been prepared on accruals basis in accordance with the rules applicable to non-company registered charities with a gross income of over £250,000.

As a public benefit entity under FRS102, the charity has prepared the financial statements in accordance with the Charities SORP (FRS102) effective 1 January 2015.

The financial statements have been prepared under the historical cost convention.

FRS102 REDUCED DISCLOSURE EXEMPTION

The charity has taken advantage of the following disclosure exemption in preparing these financial statements as permitted by FRS102:

The requirements of Section 7 (Statement of Cash Flows)

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Contractual income is recognised once the service has been provided.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

Gifts in kind are accounted for at a reasonable estimate of their fair values to the charity at the amount realised on sale. Donated services are included in income and expenditure where the benefit to the charity is reasonably quantifiable, measurable and material at the estimated value to the charity, with exception of volunteer help which is not included in the accounts.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to a specific heading, they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS

A tangible fixed asset is capitalised if its initial cost is at least £500.

Depreciation is provided at the following rates to write off each asset over its estimated useful life.

<u>Asset class</u>	<u>Method of depreciation</u>
Computer equipment	Linear over four years

Fixed asset investments are measured initially at cost and revalued at the end of the reporting period to their fair value. The value of investment funds is based on the unit bid price. For investments listed or traded on a recognised exchange, fair value is the market value. If the fair value cannot be measured reliably, including for social investments, revaluation is based on cost less impairment.

FINANCIAL INSTRUMENTS

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, which are initially recognised at transaction value and subsequently measured at their settlement value.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the middle market spot rate as published by the Bank of England for the balance sheet date.

Transaction amounts in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction based on the middle market spot rate as published by the Bank of England unless the actual transaction rate can be identified.

Exchange differences are taken into account in arriving at the operating result.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

TAXATION

The charity is exempt from tax on its charitable activities

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particularly restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particularly restricted purposes.

See note 20 for further explanation of the nature and purpose of each restricted fund.

VOLUNTEERS

The charity benefits from services by volunteers. The value of general volunteer help received is not recognised in the accounts.

3 – DONATIONS

	2020			2019
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Donations	0	0	0	0
Grants	55,070	0	55,070	41,000
<i>Kaiser Wilhelm II Fund</i>	55,070	0	55,070	41,000
<i>Other</i>	0	0	0	0
Total	55,070	0	55,070	41,000

4 - INVESTMENT INCOME

	2020			2019
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £ (*)
Interest	168	0	168	390
Dividends	13,348	22,551	35,899	38,928
Total	13,516	22,551	36,067	39,318

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

5 - CHARITABLE ACTIVITIES COSTS

	2020						2019
	Unrestricted Funds			Restricted Funds			Total Funds
	Direct costs	Support costs	Total	Direct costs	Support costs	Total	Total Funds
	(Note 6)	(Notes 7, 8)		(Note 6)	(Notes 7, 8)		
	£	£	£	£	£	£	£
Ministry	0	22,459	22,459	251,382	0	251,382	273,841
Quality Management	360	4,037	4,397	0	0	0	4,397
Administrative Support to Congregations	124	4,037	4,161	0	0	0	4,161
Financial Support to Congregations	51,790	4,037	55,827	0	0	0	55,827
Networking	0	4,037	4,037	0	0	0	4,037
Representation	958	4,424	5,382	0	0	0	5,382
Total	53,232	43,031	96,263	251,382	0	251,382	347,645

6 - DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020			2019	
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	
	£	£	£	£	
Ministry	0	243,200	243,200	304,541	
Pastors' salaries	0	224,828	224,828	259,273	Notes 9, 10
Pastoral conference	0	0	0	1,766	
Pastoral assistance	0	11,754	11,754	12,842	Note 9
Relocation Costs	0	6,618	6,618	30,660	
Quality Management	360	0	360	1,950	
Visitation	0	0	0	243	
Lay training	360	0	360	1,707	
Administrative Support to Congregations	124	0	124	124	
ACAT membership	124	0	124	124	
Financial Support to Congregations	51,790	8,182	59,972	30,552	(*)
Ministry	0	0	0	0	
Maintenance	0	7,748	7,748	2,850	
Budget support	0	434	434	0	
Congregation work	49,090	0	49,090	26,496	
Investment income distribution	0	0	0	0	Note 22
Rectorate PAB	2,700	0	2,700	1,206	
Representation	958	0	958	2,901	
Ecumenical	308	0	308	853	
Memberships	650	0	650	752	
Church Day in Germany	0	0	0	1,164	
Other representation	0	0	0	132	
TOTAL	53,232	251,382	304,614	340,068	

(*) The Synod does not engage in grant-making activities, Financial support is given to member congregations by the trustees from time to time under policies set by the Synod Assembly in pursuit of the Synod's charitable objects. All member congregations are registered ecclesiastical charities in their own right.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

7 - SUPPORT COSTS

	2020	2019	
	£	£	
Management	39,802	52,048	
Office salaries	32,341	35,007	Note 9
Office	3,300	3,300	
Insurance	1,434	1,462	
Legal fees	935	8,274	
Bank charges	133	1,961	
Accounting software	0	160	
Payroll processing	864	864	
Internet	156	185	
Telephone	211	226	
Office equipment	409	409	
Other administrative costs	19	165	
Governance	3,229	14,039	
Synod Assembly	0	5,907	
Development Committee	1,233	1,394	
Committees	0	222	
Synod Council	1,156	2,611	
Treasurer	0	65	
Independent Examination	840	3,840	Note 12
TOTAL	43,031	66,087	

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

8 - SUPPORT COST ALLOCATION

	Total 2020	Allocation						
		Ministry	Quality Management	Administrative Support to Congregations	Financial Support to Congregations (unrestricted)	Financial Support to Congregations (restricted)	Networking	Representation
	£	£	£	£	£	£	£	£
Office salaries	32,341	16,170	3,234	3,234	3,234	0	3,234	3,234
Office	3,300	1,650	330	330	330	0	330	330
Insurance	1,434	717	143	143	143	0	143	145
Legal fees	935	935	0	0	0	0	0	0
Bank charges	133	0	27	27	27	0	27	25
Accounting software	0	0	0	0	0	0	0	0
Payroll processing	864	864	0	0	0	0	0	0
Internet	156	0	0	0	0	0	0	156
Other administrative costs	639	319	64	64	64	0	64	64
Synod Assembly	0	0	0	0	0	0	0	0
Development Committee	1,233	617	123	123	123	0	123	124
Committees	0	0	0	0	0	0	0	0
Synod Council	1,156	347	116	116	116	0	116	346
Treasurer	0	0	0	0	0	0	0	0
Independent Examination	840	840	0	0	0	0	0	0
TOTAL	43,031	22,459	4,037	4,037	4,037	0	4,037	4,424

Support costs are allocated in accordance with resource use: 50 percent to Ministry, 10 percent to each other charitable activity category. Exceptions: Legal fees and payroll processing: 100% to Ministry. Committees: 100% to Quality Management. Synod Assembly: 100% to Networking. Synod Council: 30% to Ministry and Representation, 10% to each other charitable activity category. Internet: 100% to Representation. Bank charges: For restricted funds 100% to Financial support to Congregations; for unrestricted funds 20% to each charitable activity category except Ministry.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

9 - EMPLOYEES

Average number of staff employed during the reporting period: 7,25

Average number of full-time equivalent employees during the reporting period: 3,4

No employee received emoluments in excess of £60,000.

Total staff cost in 2020: £307,122

Salaries	Social security	Employer pension contribution	Other benefits (*)
£256,552	£0	£410	£0

(*) Excluding sundry trivial ancillary benefits of annual value of less than £50 total per employee.

10 - TRUSTEES' REMUNERATION AND BENEFITS

The Trustees do not receive any remuneration for their services as trustees.

In the reporting period, the following Trustees were employed by the Synod as pastors and received salaries for their non-trustee services in the Congregations of their Pastoral Region:

	2020 £	2019 £
Pastor Amann (until 31/8/19)	0	32,658
Pastor Cramer	25,126	24,633
Pastor Jantzen (from 31/8/19)	27,898	9,377
Pastor Rapp	57,171	55,827
TOTAL	110,195	122,495

The remuneration of pastors is set by the *Evangelische Kirche in Deutschland* (EKD) in accordance with its world-wide procedures. Pastors who are also Trustees of the Synod have no role in setting their own remuneration and benefits.

Employed pastors, including those who serve as trustees, enjoy the same trivial ancillary benefits as all employees of the Synod at an annual value of less than £50 total each.

Trustee indemnity insurance was provided by the Charity for its trustees in 2020.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

11 - TRUSTEES' EXPENSES

Six trustees claimed expenses or had expenses met by the Charity in 2020.

In 2020 properly incurred costs of £979 in carrying out trustee duties was paid by the Synod for travel and accommodation (2019: £4,111).

12 - INDEPENDENT EXAMINATION

Fees payable in 2020 to the independent examiner The SME Clinic Limited for services provided to the Charity:

	2020 £	2019 £	
Independent Examination	840	3,840	(See note)
Payroll Processing	864	864	
TOTAL	1,604	4,704	

Note: The Independent Examiner fee paid in 2019 was for the examination of the 2018 and the 2019 accounts. The fee for the examination of the 2020 accounts is being included in this year accruals.

13 - NET GAINS ON INVESTMENTS

	2020			2019
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Realised gains	0	0	0	62,364
Revaluation of investments	28,353	43,096	71,449	171,585
Exchange rate gain/(loss)	0	4,452	4,452	(16,123)
TOTAL	28,353	47,548	75,901	217,826

14 - PREVIOUS-YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Year ended 31/12/2019		
	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
INCOME	77,155	267,507	344,622
Donations	41,000	0	41,000
Charitable Activities	9,811	254,493	263,304
Ministry (Synod Fee)	9,639	242,851	252,490
Pastoral Assistance Refunds	0	11,642	11,642
Other	172	0	172
Investment Income (<i>see Note</i>)	26,304	13,014	39,318
EXPENDITURE	96,934	309,222	406,156
Charitable Activities	96,934	309,222	406,156
Ministry	34,882	307,391	342,273
Quality Management	6,785	0	6,785
Administrative Support to Congregations	4,736	0	4,736
Financial Support to Congregations	32,314	1,831	34,145
Networking	10,519	0	10,519
Representation	7,698	0	7,698
Net Gains on Investments (<i>see Note</i>)	167,937	49,989	217,826
NET INCOME	148,018	8,274	156,292
RECONCILIATION OF FUNDS			
Total Funds Brought Forward	669,439	725,435	1,394,873
Total Funds Carried Forward	817,457	733,709	1,551,166

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

15 - TANGIBLE FIXED ASSETS

	Computer equipment £	Other plant and Machinery £	Total £
Cost			
At 1/1/2020	1,635	1	1,636
Additions	0	0	0
At 31/12/2020	1,635	1	1,636
Depreciation			
At 1/1/2020	818	0	818
Depreciation	409	0	409
At 31/12/2020	1,227	0	1,227
Net Book Value			
At 31/12/2019	818	1	819
At 31/12/2020	409	1	410

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

16 - FIXED ASSET INVESTMENTS

	Unrestricted funds				Restricted funds				Total fixed asset investments			
	Investment funds	Cash or cash equivalents	Other investments	Total unrestricted	Investment funds	Cash or cash equivalents	Other investments	Total restricted	Investment funds	Cash or cash equivalents	Other investments	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£
Value at 1/1/2020	612,257	0	0	612,257	604,163	0.00	76,498	680,661	1,216,420	0.00	76,498	1,292,918
Additions	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Revaluations	28,353	0	0	28,353	43,096	0	0	43,096	71,449	0	0	71,449
Exchange rate loss	0	0	0	0	0	0	4,452	4,452	0	0	4,452	4,452
Value at 31/12/2020	640,610	0	0	640,610	647,259	0	80,950	728,209	1,287,869	0	80,950	1,368,819

The column "Other investments" relates to mixed-motive ethical social investment in pursuit of the Synod's charitable objects and the prospect of financial return.

Net Book Value

	Investment funds	Cash or cash equivalents	Other investments	Total
	£	£	£	£
At 31/12/2019	1,215,420	0	76,498	1,292,918
At 31/12/2020	1,287,869	0	80,950	1,368,819

All investments are held at fair value.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

17 - DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Prepayments and accrued income	7,650	1,889

18 - CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Accruals	44,868	34,404
TOTAL	44,868	34,404

19 - CONTINGENT LIABILITIES

The Synod is party to Employment Tribunal litigation initiated by a former employee.

At the time of adoption of this Financial Statement, the Trustees estimate that the post-balance sheet costs of these proceedings will be around £3,386.

Synod of German-speaking Lutheran, Reformed and United Congregations in Great Britain
Notes to the Financial Statements (Continued)

20 - MOVEMENT IN FUNDS

	At 1/1/2020	Transfers between funds	Incoming resource s	Resources expended	Net movement	At 31/12/2020	Fund Description
	£	£	£	£	£	£	
Unrestricted Funds	817,457	0	122,659	(96,262)	26,397	843,854	
General Fund	200,000	0	0	0	0	200,000	Held as liquidity reserve
Income Generation Fund	617,457	0	122,659	(96,262)	26,397	643,854	Designated by the Synod for income-generation investment
Restricted Funds	733,709	0	300,992	(272,683)	28,309	733,709	
Salary Savings Fund	0	33,609	219,138	(252,747)	0	0	Income fund holding the unspent part of the Congregations' Synod Fee for covering the direct costs of ministry. Depleted since November 2018.
Congregation Support Fund	166,982	0	14,941	(7,748)	7,193	174,175	Income fund donated by the EKD and similar bodies for supporting the Congregations that make up the Synod in ways to be decided by the Synod
Congregation Shortfall Fund	566,727	(33,609)	66,913	(12,188)	21,116	587,843	Income fund donated by the EKD for covering the salaries of pastors and for supporting the Congregations that make up the Synod.
TOTAL FUNDS	1,551,166	0	423,651	(368,945)	54,706	1,605,872	

A portion of the Congregations' Synod Fee contribution to the restricted Salary Savings Fund is treated, at an amount approved and authorised by the Synod Assembly, as unrestricted income in order to cover a set percentage of the eligible previous-year net operational loss in the Synod's unrestricted funds.

21 - RELATED PARTY DISCLOSURES

There were no related party transactions in the reporting period.

22 - DEPOSITS BY CONGREGATIONS

In the past Deposits have been made by Congregations in order to retain a pastor in their pastoral region. These congregation's salary deposits held by the Synod were, according to a decision taken by the Synods Assembly in March 2019, repaid in full by the end of the year 2019.

23 - EXTERNAL PURPOSES

The Synod serves as agent of the German Seamen's Mission (DSM) in the United Kingdom to administer funds of the DSM under their instruction for processed the salaries of DSM staff in the UK. Funds are held and expended on behalf of DSM. Incoming funds for this purpose are not treated as income of the Synod and their distribution is not treated as expenditure by the Synod.

In 2020, £ 66,000 was received and £65,150 paid for DSM staff salaries. The Synod received £140 to cover its expenses for this service provided in furtherance of the Synod's own charitable objects. At year end, the funds held for DSM amounted to £ 35,238 (2019: £26,288).