

The Lutheran Church in Great Britain Limited

The Lutheran Church in Great Britain Limited

(A company limited by guarantee)



TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2011

Company number 7034897
Charity number 1137050

**THE LUTHERAN CHURCH IN GREAT BRITAIN
ANNUAL REPORT AND ACCOUNTS**

YEAR ENDED 31 DECEMBER 2011

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THE LUTHERAN CHURCH IN GREAT BRITAIN

COUNCIL'S REPORT

The Council (who are the Trustees) have pleasure in presenting the report and examined financial statements of the Church for the year ended 31 December 2011.

REFERENCE & ADMINISTRATIVE DETAILS

The Lutheran Church in Great Britain (LCiGB) is a charity established as a company limited by guarantee. The charity registration number is 1137050. The company registration number is 7034897. The LCiGB's principal address and registered office is 27 Tavistock Square, London WC1H 9HH, England. The company secretary is the Rt Revd Jana Jeruma-Grinberga.

The nature and work of the Church

Established in 1961, the LCiGB celebrated its 50th Anniversary in 2011. It is culturally diverse, worshipping in seven different languages: Amharic, English, Cantonese, Mandarin, Polish, Swahili and Tigrinya. Through the LCiGB, Christians from all parts of the world are drawn together by their shared faith and common Lutheran heritage. About 20 congregations, worship centres and student chaplaincies are affiliated to the LCiGB, located in various parts of England.

The LCiGB provides various forms of support to its congregations and clergy:

Salary subsidies for pastors are available to congregations that do not have adequate financial resources;

Opportunities for collegiality amongst clergy, as well as episcopal oversight;

Retreats, seminars and meetings for lay groups, clergy and lay ministers;

Training programmes for persons preparing for ordination or lay ministry;

Advice and practical assistance for congregations on administrative and governance matters, including charity registration;

Financial support for congregational projects;

A quarterly newsletter for members and other contacts;

A web site and Facebook page that provide information about the LCiGB and the location and times of services, as well as opportunities for interaction;

A weekly Prayer Calendar, yearly Lent Handbook and other worship and spirituality resources;

Publications about the history of the Lutheran community in Britain;

Links with other Lutherans in Britain and throughout the world, as well as the ecumenical world, through the Church's membership in the Council of Lutheran Churches (CLC, working name of the Lutheran Council of Great Britain) and the Lutheran World Federation.

Further information about the LCiGB's work and achievements in 2011 are presented in the following sections of this report.

Members

The membership of the LCiGB as a charitable company includes its congregations, which consist of baptised people who gather in their locality around Word and Sacrament. Congregations are received into membership provided that they accept and uphold the LCiGB's Statement of Faith, governing documents and Rules; accept and uphold a congregational constitution that is approved by the LCiGB; and support the life and work of the LCiGB by giving time, talents and resources. Member congregations appoint a representative to vote at Synods and general meetings of the LCiGB. The LCiGB's serving pastors and the elected Trustees are also members of the charitable company.

The member congregations of the LCiGB are:

St Anne's Lutheran Church, London (with Amharic, English and Swahili ministries)
St John's (Reading, High Wycombe & Cambridge - Polish ministry)
Christ the King, London (Polish ministry)
Imani Congregation, Reading (Swahili ministry)
St Luke's Lutheran Church (Leeds and Harrogate - English ministry)
London Chinese Lutheran Church (Cantonese and Mandarin ministry)
St Mark's Lutheran Church, Birmingham (English ministry)
St Martin's, Manchester (Polish ministry)
St Matthew's (Bradford, Leeds and Edinburgh - Polish ministry)
St Paul's Lutheran Church, Corby (English ministry)
Trinity Lutheran, Leicester and Nottingham (English ministry)
Wengielawit Eritrean Lutheran Church in London (Tigrinya ministry)

Governing Documents

The LCiGB operates as a registered charity and limited company in accordance with its Memorandum and Articles of Association (approved by Synod on 24 April 2010). In 2011, the first full year of operation under the new governing documents, LCiGB Council has been able to work according to the new provisions, as well as adopting a number of Rules and Regulations to guide the work of the Council, Officers, Ministerium, Pastors and Congregations. The Trustees remain committed to implementing effective policies and procedures to safeguard the interests of the Church's members and other beneficiaries, as well as to enable smooth and transparent administration to support the core mission of the Church.

Council: Trustees and Directors

The Synod's Annual General Meeting elects the Council, who are the Trustees of the charity and the Directors of the company. From among its members, the Council elects a Chair, Deputy Chair, Secretary and Treasurer. The Bishop of the Church and the Dean of the Church are members of the Council *ex officio*. Together the Council are responsible for the governance of the Church. The Council during 2011 were:

Mr David Lin - Chair
Mrs Annette Higgins - Deputy Chair
Mr Stanley Goh - Secretary until 4 June 2011
Rev'd Lagle Heinla - appointed trustee and Secretary on 4 June 2011

Mrs Linda Bruch - Treasurer
The Revd Tumaini Kallaghe (resigned 16 August 2011)
The Revd Robert Wojtowicz
The Right Revd Jana Jeruma-Grinberga, Bishop
The Very Revd Thomas Bruch, Dean

Induction and training of Trustees

The Lutheran Church in Great Britain acknowledges the importance of providing effective induction and training for Trustees. The induction of Trustees includes a meeting with the Chair and the Bishop, normally at the Church's offices, when the new Trustee is shown the facilities and is made familiar with the operations of the Church generally. They receive copies of the Memorandum and Articles of Association, the most recent annual report, the current budget, the most recent management accounts and the Rules and policies of the LCiGB. They also receive a copy of *'The essential Trustee: What you need to know'*, produced by the Charity Commission, and *'Understanding the role of a member of the LCiGB Council (Trustee)'*, which they are expected to read and sign, along with the *'Declaration of eligibility for newly appointed trustees'*.

All Trustees are sent email reminders to access the most recent updates of the Charity Commission, which helps them to keep abreast of relevant issues and concerns. Other relevant publications or articles are given to Trustees as appropriate. Trustees are made aware of training opportunities and Trustees are encouraged to attend seminars related to the responsibilities of Trustees.

Administrative and professional staff

Senior Administrative Manager

Mrs Rosanna Horridge (nee Mason)

Principal advisers

Bankers

CAF Bank Limited
Kings Hill Avenue
West Malling
Kent ME19 4JQ

Examination of accounts

C N Maundrell FCA
Paul & Maundrell
Chartered Accountants
The Athenaeum
Kimberley Place
Falmouth TR11 3QL

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Church is governed by its Memorandum and Articles of Association.

Committees

The Church has the following committees:

The Ministerium, which consists of the clergy of the LCiGB, discusses issues that relate to the life and witness of the Church, including theological matters, and makes recommendations to the Council. It also provides opportunities for mutual counselling, continuing education and fellowship amongst clergy and lay ministers.

The Finance Committee is responsible for making recommendations to the Council on long term financial strategies for the church, proposing financial policies and procedures and monitoring the financial position of the LCiGB and its congregations. It keeps abreast of new developments in charity finance and communicates these to the Council. It also assesses the needs of congregational treasurers for staff development and proposes specific training events. The Finance Committee terms of reference and membership was under review during 2011.

The Vocations Committee is responsible for ensuring that candidates for ordination follow an appropriate educational and pastoral formation track; supervising spiritual, educational and pastoral support of candidates; examining candidates who have completed an approved course of education and formation; and recommending to the Council of LCiGB whether candidates are prepared and suitable for ordination in the LCiGB. The committee also guides previously ordained candidates from other Christian churches through an appropriate path leading to recognition of their ministry within the LCiGB and facilitates the reception of ordained clergy from other Lutheran churches for ministry in the LCiGB. In addition, in 2011 the Council delegated to the Vocations Committee the responsibility of training and examining persons who wish to be lay ministers, as well as recommending to the Council whether candidates should be approved, ensuring their annual appraisals and conducting three yearly reviews of each serving lay minister.

The Chaplaincy Committee first met in 2011. It aims to enable contact and support between Pastors and Lay Ministers working in the field of student chaplaincy, as well as establishing guidelines for chaplaincy work and assisting the Council in setting strategic goals and future planning for chaplaincy. Its terms of reference are being drafted.

Relationships with other bodies

The Lutheran Church in Great Britain is a member church of the Lutheran World Federation (LWF), which has 145 member churches in 79 countries, spanning locations in Africa, Asia, the Pacific, Europe, Latin America and USA and Canada. Together these churches represent over 70 million Christians. Founded in 1947 in Lund, Sweden, the LWF represents around 95% of all Lutherans, and acts on behalf of its member churches in ecumenical and inter-faith relations, theology, aid and development and mission. Its secretariat is in Geneva, Switzerland.

In 2011 LCiGB continued to play a role in LWF life within the constraints of limited resources of time and finance. In April 2011 the LCiGB together with the Council of Lutheran Churches hosted a consultation in London for the European Council members of LWF; in September the Bishop attended a consultation on Biblical Hermeneutics in Nairobi, Kenya, at which she chaired the group writing the final report of the consultation. In December, the LCiGB Chair attended a workshop in Järvenpää, Finland, for the 'Seeking Conviviality' programme on diakonia of the Department for Mission and Development of the LWF.

The LCiGB is represented on the Council of Lutheran Churches (CLC), established as the Lutheran Council of Great Britain in 1948. It represents ecumenically and co-ordinates the common work of ten different Lutheran churches that have congregations or chaplaincies in Great Britain, including the LCiGB. Together the ten churches serve some 200,000 persons in Britain, who come from a wide range of national and language backgrounds. The CLC is a communion of autonomous churches that work together to express their shared Lutheran heritage and identity through common work in Britain, enriched by their cultural and linguistic diversity. Each church has its own administrative structure, which may be closely linked to the church in its country of origin, or to one of its synods or dioceses. They all offer particular ministries and programmes in Britain for the language groups that they serve.

Risk management

The Trustees have reviewed the major risks, financial and non-financial, to which the LCiGB is exposed in the course of its current activities. They have assessed these risks and have ensured that appropriate systems and controls exist to minimise internal risks and that effective response mechanisms exist to respond to and minimise the impact of external risks.

OBJECTIVES AND ACTIVITIES

The LCiGB's main charitable objective is stated in its Memorandum of Association:

- to promote and advance religion in accordance with the Statement of Faith in such ways to such people, without regard to their age, condition or religion, in the United Kingdom or the world...
- to relieve suffering and hardship and to promote and preserve spiritual and physical good health and well-being by the provision of funds, goods or services of any kind including, but without limitation, the provision of counselling and support to such people and communities, without regard to their age, condition or religion, in the United Kingdom or the world

The LCiGB carried out these activities in 2011 as resources permitted. A summary of its achievements in the year and measures to assess performance are given in the following pages. The Church continually reviews its programme and priorities to ensure that its work remains relevant to the needs and interests of the members of the LCiGB and other beneficiaries

ACHIEVEMENTS AND PERFORMANCE

Despite its relatively small size, the LCiGB makes a significant and beneficial impact to a wide range of people, both in this country and beyond these shores. These are the main areas of activity that the LCiGB has been involved in during 2011:

50th Anniversary

Since the LCiGB was founded as a Synod of four congregations in April 1961, it has grown in the extent and scope of its ministry, and has become a church home for people from many parts of the world. The survival and growth of the church is, in itself, a considerable achievement, and the current Council, on behalf of the present LCiGB, is grateful for all the commitment, faith, hard work and financial donations that have enabled the LCiGB not just to continue to exist, but to grow as a living church.

The LCiGB's 50th Anniversary in 2011 was marked in the following ways:

- A day of celebration was held at Christ Church, London, with reminiscences, music, a Holy Communion service and a reception. This was attended by representatives of most congregations, with music performed by choirs and musicians from several of them. The day was also attended by distinguished guests from our Lutheran and ecumenical partners, including those in this country and abroad;
- A special edition of The Forum, the newsletter of the LCiGB, was produced to commemorate the event;
- 'Change for Church', and 50/50 fundraising campaigns were run;
- a volume of poetry, Poems of Creation, by Peter Mathers was published.

Support for congregations

The LCiGB provides material and practical support to its congregations and clergy. In 2011 grants totalling £19,032 were made: £10,170 was given to congregations to subsidise the salaries of their pastors; £4,942 for congregational mission and outreach; £1,920 to support student chaplaincies; and £2,000 for the training of a person preparing for ordination.

In 2011 the LCiGB continued to advise and encourage congregations as progress towards good administration and governance continued. Advice and support were given to congregations about:

- employment issues, including contracts, registering with HMRC and running payroll;
- financial management;
- charity and company registration, as well as appropriate congregational constitutions;
- the role and responsibilities of church council members, who are the trustees charged with managing the administration of their congregations.

Congregational trustees are made aware of relevant training opportunities and a number attended two seminars for congregational treasurers. Staff and officers of the LCiGB continue to meet with the trustees of congregations as appropriate, offering advice and assistance to enable them to develop skills and understanding in administration and governance.

As a Lutheran church, the LCiGB understands that the church exists and lives where it is gathered around the preaching of the Word and the administration of the Sacraments. In 2011 the LCiGB provided:

- meetings for its pastors, giving them opportunities to discuss matters of mutual interest and concern and to experience spiritual refreshment;
- a retreat for pastors and lay ministers, providing rest and refreshment, and an opportunity to pray and worship together, as well as deepening knowledge of the Lutheran worship tradition;
- provision of pastoral services for congregations without a pastor living locally, and for those with a pastoral vacancy;
- joint services of worship for congregations, particularly in London, Leeds and Nottingham.

Summary of indicators or measures to assess achievement: support for congregations and their ministry:

- grants totalling £19,032 were distributed to support the pastoral, diaconal and educational programmes of congregations;
- the LCiGB played a key role in resolving several issues related to employment of pastors, congregational administration, and governance;
- awareness of responsibilities of congregational councils has continued to improve;
- feedback from meetings and seminars has been excellent;
- services of worship organised by LCiGB were well attended and appreciated, especially the 50th Anniversary event.

Mission and outreach

The LCiGB Statement of faith states that 'this Church affirms the special ministry of proclamation of the Gospel in the Apostolic tradition and administration of the Sacraments. Through the ministry of Word and Sacraments, exercised together with diaconal service, the Church fulfils its divine mission and purpose.' The Council has considered carefully, and will continue to do so, how this divine mission should best be fulfilled in our current context.

Pastoral Ministry, Student Chaplaincy and Lay Ministry

The congregational pastors, student chaplains and lay ministers are key to this fulfilment of the Church's mission.

The ministry of Word and Sacrament is carried out by ordained pastors. This calling requires not only extensive and continuing education, but also experience and expertise in areas such as worship leadership, pastoral counselling, preaching and teaching and parish administration. LCiGB pastors bring a wide range of cultural, educational and church backgrounds, which enriches and deepens our common experience and shared life. In 2011 the pastors of the LCiGB included persons originally from Ethiopia, Malaysia, Poland, Tanzania and the United States, as well as from Britain.

During 2011 the LCiGB supported chaplains in universities in Leeds, Birmingham and Leicester, giving them financial assistance, advice and spiritual support. In November, the LCiGB organised a seminar for student chaplains, held in London. Chaplains can play a key role in preparing international students for the challenges that they might encounter after they have finished their courses and gone back to their home countries. The seminar, which was led by a head of Student Services at a London institution, helped chaplains understand the nature of reverse culture-shock and to assist students to cope with it. Financial support for the seminar was provided by the United Evangelical Lutheran Church of Germany (VELKD). Opportunities to cooperate with the chaplain at the International Lutheran Student Centre in London, which is a ministry of the Council of Lutheran Churches, have continued to develop.

Many LCiGB congregations have lay ministers, persons who are approved by the LCiGB to assist in non-sacramental worship and provide various forms of support to the members of their congregations. Lay ministers provide a very valuable service to the Church, especially in situations where it is not possible to have a full-time pastor, and often work both skilfully and selflessly. The LCiGB organised a one-day seminar for lay ministers and students, looking specifically at the Lutheran Confessions and at preaching.

Ministerial training

The LCiGB has supervised the ministerial education of two students as they study at the South East Institute of Theological Education, one of whom completed his course in June 2011. In addition, the Vocations Committee is supervising four people at various stages of discernment of their vocations to ministry. We recognise the pressing need for new pastors and ministers for our church, as some of our longest-serving pastors have recently retired or are approaching retirement, and many of our congregations are also in need of additional pastoral leadership.

Resources for Women

The Women's Group of LCiGB organised two very successful events in 2011 – an awayday in Loughborough with a Church of England priest as guest speaker, and the Annual Retreat in November at Belsey Bridge in East Anglia. The theme of the Retreat was 'Living Simply'. These events were open to anyone who wished to attend, and offer fellowship and spiritual nourishment to women from many cultural backgrounds.

Helping hands

In the current world climate of financial austerity churches are challenged to extend support to others, while balancing the needs of their own members. In 2011 the LCiGB asked congregations to raise funds for the Lutheran World Federation Department for World Service, with the specific aim of supporting projects in Burundi and Jerusalem. The total raised was **£198**.

Summary of indicators or measures to assess achievement: Mission and outreach:

- Development and effective support of pastors, chaplains and lay ministers;
- Organising courses of study for persons preparing for ordination and providing supervision;
- training courses for lay ministers;
- Organising and promoting women's events;
- Encouraging donations for the relief of hardship.

Communications

Communications, whether oral, electronic or printed, are crucially important in maintaining relationships, developing the communal identity of the church and enabling education, growth and development.

During 2011 *The Forum*, the newsletter of the LCiGB, continued to be published quarterly and was distributed mainly by email and via the LCiGB website, as well as by means of some paper copies. It is much valued both by LCiGB congregations and their members, as well as contacts overseas and former LCiGB members worldwide. It has included articles about events within the church, theological thoughts, sermons, poetry and historical articles about the development of the LCiGB.

The LCiGB's web site provides information about its history, beliefs, activities and places of worship, as well as congregational resources. The website is regularly updated and assessed to ensure that it is relevant and useful.

In 2011 the LCiGB established a Facebook page which has gained in popularity rapidly. Via this medium the church is able to send out information quickly and without cost, to share photographs of services and other events, and also to maintain contact with both current members, those interested in our church and in faith matters, and friends overseas.

Lutherans in London, a slim volume about the history of early Lutheranism, has been reprinted; in 2011 the LCiGB also published a volume of reflective poetry, *Poems of Creation*, written by a member of St Anne's Lutheran Church in London, Pete Mathers. This has also proved popular.

Information continues to be sent out electronically to Chairs, Trustees and Treasurers of congregations as appropriate, including updates about governance, events and items of interest. In addition, an occasional e-bulletin is sent out from the LCiGB office, communicating items of interest from Council meetings; the Bishop continues to send pastoral letters for the main occasions in the church's year.

Summary of indicators or measures to assess achievement: Communications

- Positive feedback from congregations and pastors concerning the newsletter, web site, and information bulletins and pastoral letters;
- *Lutherans in London* reprinted, and *Poems of Creation* also well-received;
- Web site receives around 8000 hits a month, a tenfold increase on 2010;
- Facebook site viewed an average of approximately 400 times a week.

Relationships with other Lutherans

The LCiGB relies on the support and friendship of larger Lutheran bodies for financial assistance and educational and theological input. We also play our part on the wider Lutheran scene, however, as and when we are able. In 2011 our involvement included:

- The LCiGB's Polish congregations are particularly active in maintaining contacts with the Evangelical Church of the Augsburg Confession in Poland; these contacts resulted in the visit of its Presiding Bishop to Leeds and London, visiting Polish and English congregations, in April 2011;
- Together with the Council of Lutheran Churches (CLC), in April 2011 the LCiGB hosted a consultation in London for the European Council members of the LWF;
- In June the LCiGB was visited by a group of Lutheran pastors from Hannover on a study trip to London;
- in September the Bishop attended a consultation on biblical hermeneutics in Nairobi, Kenya, at which she chaired the group writing the final report of the consultation;
- In November 2011 the Bishop visited contacts in Finland, particularly the Bishop of Helsinki, the Finnish Ecumenical Council and Diaconal Education institutions to develop relationships further;
- In November, the LCiGB together with the CLC were visited by a group from the Danish Council for International Affairs;
- In December the LCiGB Chair attended a consultation in Järvenpää, Finland, for the 'Seeking Conviviality' programme on diakonia of the Department for Mission and Development of the LWF;
- Through the year, the LCiGB has maintained contact with the Arkansas-Oklahoma Synod of the Evangelical Lutheran Church in America, which has supported the ministry of St Mark's Congregation in Birmingham for many years;
- The LCiGB's 50th anniversary service in September was attended by the International Relations Secretary of the United Evangelical Lutheran Church of Germany;
- the LCiGB has sought to develop closer relationships with the Evangelical Lutheran Church of England in order to further witness to Christian faith.

Summary of indicators or measures to assess achievement: Lutheran relationships:

- Development of new links and opportunities;
- Successful use of existing links to provide educational opportunities;
- Contributions to international fora from our British Lutheran experience;
- Continuing support for congregations from partner churches.

Ecumenical relationships

As a minority church in a country where Lutheranism is not widely known, the LCiGB exists in an environment that is particularly conducive to ecumenical involvement.

During 2011, the LCiGB has begun to find its place within the Porvoo Communion, where it has observer status at present with a view to full membership at an appropriate time. The Bishop is the nominated person for the Porvoo Contact Group, and in that capacity has taken part in the following events:

- a consultation on Conflict in Churches, Tallinn, Estonia, February 2011, at which she was a Keynote Listener;
- a second consultation on Marriage in Turku, Finland, in November 2011, at which she made a presentation on Genetics and Gender, in addition to a Keynote Listener role;
- a Porvoo Primates' Meeting and Contact Group Meeting in Cardiff, October 2011.

Planning is taking place for the next consultation in Sweden in March 2012 on Diaspora and Migration, where the LCiGB Chair will also be taking part with a presentation on the London Chinese Lutheran Church and its place in the Chinese Diaspora in the UK.

In addition, ecumenical activities have been undertaken both nationally and locally, and the location of the LCiGB office in the building used by Churches Together in England (CTE) has helped to facilitate that. As a President of Churches Together in England, representing a wide range of CTE member churches, the Bishop has taken part in the following activities:

- Two Presidents' Meetings together with the other CTE Presidents: the Archbishop of Canterbury, the Archbishop of Westminster and the Free Churches' Moderator;
- Induction of the Free Churches Moderator;
- A meeting with other church leaders to discuss deeper co-operation with Black Majority Churches;
- A seminar marking Inter Faith Week addressed both by the Archbishop of Canterbury and the Chief Rabbi.

On a local level, a number of LCiGB congregations or ministries are involved with ecumenical bodies:

- a lay minister at Trinity, Leicester, attends the Church Leaders' body of Churches Together in Leicester;
- St Luke's Congregation in Leeds is active in Churches Together in Headingley;
- The university chaplaincies, which are all ecumenical in nature, have led to closer links with other denominations and faiths.

Summary of indicators or measures to assess achievement: Ecumenical relations and activities:

- Official observer status within the Porvoo Communion
- Increasing ecumenical links locally, nationally and internationally
- Increasing participation in ecumenical bodies and activities

Income generation

The LCiGB receives income from its member congregations, which pay an annual contribution in relation to their resources available each year. Individuals also make financial contributions to the Church. During 2011 fundraising and donations raised considerable funds for LCiGB. The total unrestricted amount raised was £32,403 for the work of the church.

Investments and banking

The LCiGB does not hold investments. Funds are held in CAF Bank Limited.

Summary of Indicators or measures to assess achievement: income generation

- Nearly all member congregations were able to make contributions to the general funds of the Church;
- Fundraising efforts resulted in a significant increase of donations in relation to the previous year;
- Budgets were achieved and sufficient income was generated to allow planned expenditure during 2011 to take place.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 and have taken due regard of the Charity Commission's guidance on public benefit and are satisfied that the various activities of the Council provide a public benefit. In particular:

- providing financial and practical support for the mission and outreach work of congregations;
- through student chaplaincies, offering support to persons of all Christian traditions and other faith communities, providing worship, discussions, workshops and social activities that aim at building community in the context of diversity;
- maintaining good relationships with other traditions through meetings and other events that promote greater understanding and unity within the Christian community;
- preparing information for the wider public about the Lutheran tradition, through publications, a newsletter and its web site and Facebook page;
- organising training events that enable congregational officers to understand their roles and the regulations that apply to their responsibilities;
- organising meetings, services and retreats to support individuals;
- providing ministerial training and in-service support;
- encouraging cross-cultural experience and understanding;
- encouraging congregational contributions for persons experiencing hardship or having other special needs.

FINANCIAL REVIEW

During the year unrestricted funds were spent in full and some restricted funds had to be used for operational costs. Where possible, donors were contacted for permission to use their restricted donations and this permission was granted. For all other restricted funds that were used, a donation received in early 2012 has now replenished those funds.

Features of the year's results include:

The Lutheran Council of Great Britain [trading name of the Council of Lutheran Churches (CLC)] awarded the LCiGB a grant of £7,000 for administrative purposes and will give £5,000 for administration in 2012, the last year of the 3-year period of this grant;

The Lutheran Council of Great Britain [trading name of the Council of Lutheran Churches (CLC)] awarded the LCiGB a grant of £4,000 to assist with significant legal fees related to a revocation of licence case;

The Evangelical Church of the Augsburg Confession in Poland donated £3,173 towards the Polish ministry work in the UK;

Unexpected legal fees were incurred to safeguard the organisation during a disciplinary case amounting to approximately £27K and this resulted in a deficit this year. Trustees took steps to replenish these funds by appealing to donors and a grant has now been received (on 31st January 2012) which replenished the funds in full.

The United Evangelical Lutheran Church of Germany (VELKD) agreed that the LCiGB could retain unspent funding for chaplaincy work for use in 2012;

LCiGB congregations, with two exceptions, paid contributions in 2011 but the level of these donations decreased by £850 compared with the previous year.

Reserves policy

During 2011 the Council adopted a Reserves Policy which specified an amount totalling of £6K to be retained to ensure that office rent and salaries can be paid for contractual notice periods.

Investment policy

The LCiGB does not hold any investments.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for the charity for each financial year. Charity law requires the trustees to prepare group financial statements for the charity and its subsidiary undertakings. The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for the year. 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;
- make judgments and estimates that are reasonable and prudent;
- 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 accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Examination

The LCiGB's annual accounts have been subject to an independent examination and the report is appended on page 17.

PLANS FOR THE FUTURE

The Council is engaged in a strategic planning exercise, and the first meeting held was in February 2011. The Council is considering fundamental issues about the LCiGB's role, its viability, including how the Church relates to its congregations, and its sustainability, in particular with regard to the required number of pastors, the recruitment and employment of pastors, legal and governance structures for the congregations and raising sufficient income in the short, medium and long term to meet the essential operational needs of the Church.

CONCLUSION

Carrying out the LCiGB's programme requires the commitment and effort of many people. The Council is enormously thankful for the work of many members who contribute their time and talents to ensure that some of the most important practical tasks are managed responsibly. Without their involvement as committee members or volunteers for particular areas of work, the mission of the LCiGB would be seriously impeded.

We are thankful to our fellow trustees, who have given much time, thought and energy in the last year, to ensure that the LCiGB is well run and ready for the years ahead. We have been blessed by the efforts of the Bishop and the Dean, who have provided effective leadership to the LCiGB. The Council is also most grateful for the committed and efficient work of the LCiGB's Senior Administrative Manager, Ms Rosanna Horridge (nee Mason). We value her thoughtful approach, hard work and flexibility. Above all, we thank God for his gracious help in all that we do, and we pray that he will always give us what we need to contribute to the best of our abilities to the mission of his Church.

SIGNED BY ORDER OF THE BOARD



Right Revd Jana Jeruma-Grinberg (Bishop)
3 March 2012



Linda Bruch (Treasurer)
3 March 2012

Lutheran Church in Great Britain Limited

Legal and administrative information

Charity number 1137050

Company registration number 7034897

Business address c/o Churches together in England
27 Tavistock Square
London
WC1H 9HH

Registered office c/o Churches together in England
27 Tavistock Square
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Trustees

David Lin
Linda Bruch
Annette Higgins
Jana Jeruma-Grinberga
Thomas Bruch
Robert Wojtowicz
Tumaini Kallaghe
Lagle Heinla

Stanley Goh

Chair
Treasurer
Deputy Chair
Bishop
Dean

Resigned 16th August 2011
Trustee and Secretary - appointed
4th June 2011
Secretary until 4th June 2011

Company Secretary Rt Revd Jana Jeruma - Grinberga

Accountants Paul & Maundrell
The Athenaeum
Kimberley Place
Falmouth
Cornwall
TR11 3QL

Bankers CAF Bank Limited
Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Lutheran Church in Great Britain Limited

Independent examiner's report to the trustees on the unaudited financial statements of Lutheran Church in Great Britain Limited.

I report on the accounts of Lutheran Church in Great Britain Limited for the year ended 31 December 2011 set out on pages 4 to 26.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the Act), as amended by section 28 of the Charities Act 2006 and that an independent examination is needed. It is my responsibility to examine the accounts under section 43(3)(a) of the Act, as amended; to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the Act, as amended; and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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 statement below.

Independent examiner's statement

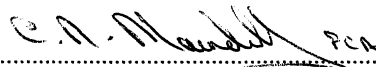
In connection with my examination, no matter has come to my attention:

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

- to keep proper accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

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



Paul & Maundrell
Chartered Accountants
Independent examiner
The Athenaeum
Kimberley Place
Falmouth
Cornwall
TR11 3QL



Date

Lutheran Church in Great Britain Limited

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 December 2011

	Notes	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	32,405	29,360	61,765	34,993
Investment income	3	27	-	27	32
Incoming resources from charitable activities	4	733	-	733	-
Total incoming resources		<u>33,165</u>	<u>29,360</u>	<u>62,525</u>	<u>35,025</u>
Resources expended					
Charitable activities	5	58,880	19,631	78,511	33,973
Governance costs	6	1,641	-	1,641	-
Total resources expended		<u>60,521</u>	<u>19,631</u>	<u>80,152</u>	<u>33,973</u>
Net incoming/(outgoing) resources before transfers		(27,356)	9,729	(17,627)	1,052
Transfer between funds		<u>13,547</u>	<u>(13,547)</u>	-	-
Net movement in funds/Net income/(expenditure) for the year		(13,809)	(3,818)	(17,627)	1,052
Total funds brought forward		<u>13,722</u>	<u>17,453</u>	<u>31,175</u>	<u>30,123</u>
Total funds carried forward		<u>(87)</u>	<u>13,635</u>	<u>13,548</u>	<u>31,175</u>

The notes on pages 22 to 26 form an integral part of these financial statements.

Lutheran Church in Great Britain Limited

Balance sheet as at 31 December 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	10		344		-
Current assets					
Debtors	11	3,012		4,838	
Cash at bank and in hand		11,930		26,337	
		<u>14,942</u>		<u>31,175</u>	
Creditors: amounts falling due within one year	12	<u>(1,738)</u>		<u>-</u>	
Net current assets			<u>13,204</u>		<u>31,175</u>
Net assets			<u>13,548</u>		<u>31,175</u>
Funds	13				
Restricted income funds			13,635		17,453
Unrestricted income funds			(87)		13,722
Total funds			<u>13,548</u>		<u>31,175</u>

The Balance Sheet continues on the following page.

The notes on pages 22 to 26 form an integral part of these financial statements.

Lutheran Church in Great Britain Limited

Balance sheet (continued)

Trustees statements required by the Companies Act 2006 for the year ended 31 December 2011

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 December 2011.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

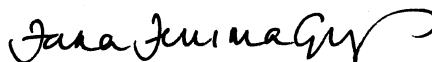
(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 3 March 2012 and signed on its behalf by



Linda Bruch
Director



Jana Jeruma-Grinberga
Director

Company number: 7034897

The notes on pages 22 to 26 form an integral part of these financial statements.

**Notes to financial statements
for the year ended 31 December 2011**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Income from investments is included in the year in which it is receivable.

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Office equipment - 25% straight line

Lutheran Church in Great Britain Limited

Notes to financial statements for the year ended 31 December 2011

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Lutheran Council of Great Britain (salary subsidy)	-	12,500	12,500	12,500
Lutheran Council of Great Britain (Capacity bldg)	-	7,000	7,000	10,000
Lutheran Council of Great Britain (Legal fees)	-	4,000	4,000	-
CTE Bishop consultancy	-	-	-	2,125
Martin Luther Bund (Shonga tuition fees)	-	-	-	1,647
Arkansas Oklahoma Synod	-	1,813	1,813	1,834
Mission offering for Haiti	-	-	-	240
Mission offering LWF DWS	-	198	198	-
Evang Ch of the Augsburg Confession in Poland	-	3,173	3,173	-
VELKD (chaplaincy)	-	143	143	-
Mathers booklet of poems printing	-	220	220	-
Youth work	-	313	313	-
Affiliation fees	3,580	-	3,580	4,430
Fundraising and donations	28,825	-	28,825	2,217
	<u>32,405</u>	<u>29,360</u>	<u>61,765</u>	<u>34,993</u>

3. Investment income

	Unrestricted funds £	2011 Total £	2010 Total £
Bank interest	27	27	32
	<u>27</u>	<u>27</u>	<u>32</u>

4. Incoming resources from charitable activities

	Unrestricted funds £	2011 Total £	2010 Total £
Other income from charitable activities	733	733	-
	<u>733</u>	<u>733</u>	<u>-</u>

Lutheran Church in Great Britain Limited

Notes to financial statements for the year ended 31 December 2011

5. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Charitable activities	58,880	19,631	78,511	33,973
	<u>58,880</u>	<u>19,631</u>	<u>78,511</u>	<u>33,973</u>

6. Governance costs

	Unrestricted funds £	2011 Total £	2010 Total £
Governance costs	1,641	1,641	-
	<u>1,641</u>	<u>1,641</u>	<u>-</u>

7. Net (outgoing)/incoming resources for the year

	2011 £	2010 £
Net (outgoing)/incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	115	-
Auditors' remuneration	660	-
	<u>775</u>	<u>-</u>

8. Employees

Employment costs	2011 £	2010 £
Wages and salaries	<u>13,481</u>	<u>15,080</u>

No employee received emoluments of more than £60,000 (2010 : None).

Number of employees

The average monthly numbers of employees (including the trustees) during the year, calculated on the basis of full time equivalents, was as follows:

2011 Number	2010 Number
<u>1</u>	<u>1</u>

Lutheran Church in Great Britain Limited

Notes to financial statements for the year ended 31 December 2011

9. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

10. Tangible fixed assets

	Office equipment £	Total £
Cost		
Additions	459	459
At 1 January 2011 and At 31 December 2011	459	459
Depreciation		
At 1 January 2011	-	-
Charge for the year	115	115
At 31 December 2011	115	115
Net book values		
At 31 December 2011	344	344

11. Debtors

	2011 £	2010 £
Trade debtors	62	1,910
Other debtors	2,950	2,928
	3,012	4,838

12. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	1,078	-
Accruals and deferred income	660	-
	1,738	-

Lutheran Church in Great Britain Limited

Notes to financial statements for the year ended 31 December 2011

13. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2011 as represented by:			
Tangible fixed assets	344	-	344
Current assets	1,307	13,635	14,942
Current liabilities	(1,738)	-	(1,738)
	<u>(87)</u>	<u>13,635</u>	<u>13,548</u>

14. Unrestricted funds

	At 1 Jan 2011 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 Dec 2011 £
General fund	<u>13,722</u>	<u>33,165</u>	<u>(60,521)</u>	<u>13,547</u>	<u>(87)</u>

15. Restricted funds

	At 1 Jan 2011 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 Dec 2011 £
Evag Ch of the Augsburg Confession in Poland	-	3,173	(3,129)	(44)	-
Lutheran Council of Great Britain (salary subsidy)	-	12,500	(10,170)	-	2,330
Lutheran Council of Great Britain (Edu, Mission)	15,064	-	(3,445)	(2,086)	9,533
Lutheran Council of Great Britain (Capacity bldg)	-	7,000	-	(7,000)	-
Lutheran Council of Great Britain (Legal fees)	-	4,000	-	(4,000)	-
Mathers Poem Booklet printing costs	-	220	-	(220)	-
VELKD (chaplaincy)	2,389	143	(1,074)	(197)	1,261
Other funds	-	2,324	(1,813)	-	511
	<u>17,453</u>	<u>29,360</u>	<u>(19,631)</u>	<u>(13,547)</u>	<u>13,635</u>

16. Transactions with trustees

During 2011, a total of £2,600 (2010 £990) was paid to trustees as directly reimbursable expenses against receipts for actual costs only. The total includes mainly travel to meetings, but also amounts for postage stamps and photocopying.

