

The Lutheran Church in Great Britain

(Limited by guarantee)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

**For
Year ended 31 December 2012**

Company registration number 7034897
Charity registration number 1137050

**THE LUTHERAN CHURCH IN GREAT BRITAIN
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2012

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THE LUTHERAN CHURCH IN GREAT BRITAIN

THE COUNCIL'S ANNUAL REPORT

The Council (who are the Trustees of the charity and Directors of the company) have pleasure in presenting the report and examined financial statements of the Church for the year ended 31 December 2012.

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 nature and work of the Church

Established in 1961, the LCiGB is culturally diverse, worshipping in five different languages: English, Cantonese, Mandarin, Polish and Swahili. Through the LCiGB, Christians from all parts of the world are drawn together by their shared faith and common Lutheran heritage. Eleven congregations are affiliated to the LCiGB, located in various parts of England. Gustaf Adolf Kyrka in Liverpool has applied for membership in the LCiGB and is expected to be received as a member congregation in 2013. The congregation provides worship in Finnish, Norwegian and Swedish, as well as English.

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 regular news bulletin 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;
- 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 (LWF).

Further information about the LCiGB's work and achievements in 2012 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 active licensed 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 English and Swahili ministries)

St John's (High Wycombe - 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 Matthew's (Bradford, Leeds and Edinburgh - Polish and English ministry) with St Martin's, Manchester (Polish and English ministry)

St Paul's Lutheran Church, Corby (English ministry)

Trinity Lutheran, Leicester and Nottingham (English ministry)

Worship centres and student chaplaincies exist in several locations, under the supervision of affiliated congregations.

In December 2012 the Wengielawit Eritrean Lutheran Church in London expressed the desire to be an independent congregation; its membership in the LCiGB, therefore, was ended. The congregation stated that it was thankful for the work and support of the LCiGB over the 12 years of its affiliation and hoped to maintain spiritual unity with the LCiGB.

Governing Documents

The LCiGB operates as a registered charity and limited company in accordance with its Memorandum and Articles of Association. In accordance with its governing documents, the LCiGB Council has adopted a number of Rules and Regulations to guide and regulate the work of the Council, Officers, 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 elected by the Synod to those

pastoral offices and they are members of the Council *ex officio*. Together the Council are responsible for the governance of the Church. The Council during 2012 were:

Mr David Lin - Chair

Mrs Annette Higgins - Deputy Chair

Rev'd Lagle Heinla - Secretary, elected by Synod on 28 April 2012

Mrs Linda Bruch - Treasurer

The Revd Robert Wojtowicz (resigned 13 October 2012)

The Right Revd Jana Jeruma-Grinberga, Bishop (retired as Bishop and thus Council member on 31 October 2012)

The Very Revd Thomas Bruch, Dean

Mrs Sarah Farrow was appointed as an additional member of the Council on 5 January 2013.

The Interim Bishop, the Rt Revd Walter Jagucki, has attended Council meetings as an observer after the retirement of Bishop Jeruma-Grinberga.

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, the Senior Administrative Manager 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, as well as recent minutes of meetings. 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

Principal advisers

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill, 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 licensed 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 were under review during 2012.

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, the Council has delegated to the Vocations Committee the responsibility of training and examining persons who wish to be recognised 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 recognised lay minister.

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 2012 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 2012:

Support for congregations

The LCiGB provides material and practical support to its congregations and clergy. In 2012 grants totalling £21,795 were made: £14,830 was given to congregations to subsidise the salaries of their pastors; £6,000 for congregational mission and outreach; £510 to support student chaplaincies; and £455 for member assistance with training and education at specific events.

In 2012 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.

As a result of this support and advice, several congregations have accepted new constitutions, and are at various stages in the process of charity and company registration.

Congregational trustees are made aware of relevant training. 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.

During 2012, LCiGB was approved by the UK Border Agency to act as a sponsor for employees and volunteers from outside the European Economic Area, which will directly benefit congregations in the future.

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 2012 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 other forms of spirituality;
- provision of pastoral services for congregations without a pastor living locally, and for those with a pastoral vacancy;
- joint services of worship on special occasions, particularly in London, Leeds and Nottingham.

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

- grants totalling £21,795 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 retreats has been excellent;
- services of worship organised by LCiGB were well attended and appreciated.

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 2012 the pastors of the LCiGB included persons originally from Ethiopia, Malaysia, Poland, Tanzania and the United States, as well as from Britain.

During 2012 the LCiGB supported chaplains in universities in Leeds, Birmingham and Leicester, giving them financial assistance, advice and spiritual support. Opportunities to cooperate with the chaplain at

the International Lutheran Student Centre in London, which is a ministry of the Council of Lutheran Churches, remain.

Some LCiGB congregations have lay ministers who are recognised 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 in February 2012 for lay ministers and students, looking specifically at the Lutheran Confessions and at preaching.

Ministerial training

The Vocations Committee is supervising several people at various stages of pre-ordination preparation, from their initial reflection about the vocation of public ministry to formal programmes of study. In 2012 one candidate engaged in a series of tutorial sessions by video conferencing with a Lutheran scholar in the USA, a new and different approach for our church. The LCiGB recognises 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, an informal association, continues to bring together in fellowship, worship and prayer women from many parts of the world. In 2012 the Women's Group met twice; once in the summer in Loughborough for a fellowship day, and again in November, when the annual retreat for women gave participants an opportunity to use their varied creative gifts as a means of connecting with and responding to God in different ways.

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 2012 the LCiGB asked congregations to raise funds for the Lutheran World Federation Department for World Service, specifically for the emergency project in Jordan that supports the the Za'atri Refugee Camp for Syrians fleeing conflict in their own country. The total raised was £402.

Summary of indicators or measures to assess achievement in 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;
- Educational opportunities for lay ministers;
- Organising and promoting women's events;
- Encouraging donations for the relief of hardship.

Communications

Communications, whether traditional or innovative, are particularly important in maintaining contacts and developing relationships in the LCiGB, where congregations are relatively geographically distant

from one another. The LCiGB is in the process of reassessing priorities in its communication strategy to ensure that resources of time and finance are used in the most efficient and useful ways.

During 2012 *The Forum*, the printed newsletter of the LCiGB, was published once. In addition, regular e-bulletins are sent to many members, communicating items of interest from Council meetings. 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. The Bishop continues to send pastoral letters for the main occasions in the church's year. The web site includes current news items and provides information about the church's history, beliefs, activities and places of worship, as well as congregational resources. It also provides an avenue of communication for the Council of LCiGB to congregations and others interested in the work of the church. The website is regularly updated and assessed to ensure that it is relevant and useful.

The LCiGB Facebook page continues to provide a more rapid and informal medium of communication, including images of congregational and church-wide events. Those engaging with the page include current and former members, as well as Lutherans from other countries and those with an interest in Christian faith.

In 2012 the Council approved the establishment of a Communications Committee, the terms of reference and membership of which are still under consideration. Its main role will be to propose policies and procedures that promote good communication within the LCiGB and with the wider public, bearing in mind the opportunities and risks afforded by electronic media and social networking.

A Rule on congregational visitations, which was drafted in 2012 and discussed by the Ministerium, is being given further consideration by the Council. Its intention is to improve contact and communication between the officers of the church and the congregations, so that the issues and priorities of each are better understood by one another and taken into account.

In 2012 the United Evangelical Lutheran Church of Germany (VELKD) authorised funds for the LCiGB to organise and present a course on cross-cultural communications for church and congregational leaders, which will be of particular benefit to our culturally diverse community. It will be held in London on 18 May 2013 and led by professional trainers.

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;
- Web site receives thousands of hits each month;
- Facebook site viewed an average of approximately 400 times a week.
- Establishment of communications committee
- Structured programme of congregational visitations being developed
- Training course on cross-cultural communications being organised

Relationships with other Lutheran bodies

The Lutheran Church in Great Britain is a member church of the Lutheran World Federation (LWF), which is a global communion of Christian churches in the Lutheran tradition. Founded in 1947 in Lund, Sweden, the LWF now has 143 member churches in 79 countries all over the world representing over 70

million Christians in Africa, Asia, the Pacific, Europe, Latin America and North America. 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 2012 LCiGB continued to play a role in LWF life within the constraints of limited resources of time and finance. In May 2012 the LCiGB Chair attended a European Church Leaders' consultation in Ostrava, Czech Republic. The Chair also takes an active part in 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.

The LCiGB continues to maintain friendly contacts with Lutherans in the UK, Europe and more widely. We are grateful for spiritual and financial support from the Council of Lutheran Churches (CLC), the Lutheran World Federation (LWF), the United Evangelical Lutheran Church of Germany (VELKD) and the Evangelical Lutheran Church in America (ELCA), as well as specific support from the Arkansas-Oklahoma Synod of the ELCA and the Kosciol Evangelical Church of the Augsburg Confession in Warsaw. In 2012 our involvement included:

- The Chair of the LCiGB has continued to take part in the 'Seeking Conviviality' programme on diakonia of the Department for Mission and Development of the LWF;
- In February the Bishop (together with the Chair of CLC) attended a meeting with the General Secretary of LWF, the Rev. Martin Junge;
- Also in February the Bishop, Dean and Chair of LCiGB met the Rev. Dr. William Chang, Asia Desk Secretary of LWF to explore future co-operation and pastoral care;
- In March the LCiGB hosted the visit of Rev'd Stephen Nelson, Director for Global Service, ELCA, and the Revd Arden Haug, the ELCA's representative in Europe.
- In May the LCiGB hosted the visit of Bishop Michael Girlinghouse, Arkansas Oklahoma Synod of ELCA, including visits to two congregations of LCiGB in London and Birmingham.
- In May, the Chair took part in an LWF European Church Leadership Consultation in Ostrava, Czech Republic, while the Bishop took part in an LWF Virtual Conference on issues of Eco-justice;
- In May the LCiGB, together with the Finnish Church and CLC, facilitated the study visit of senior pastors from Helsinki to London. This was a direct follow up to the Bishop's visit to Finland in 2011;
- In June, the Bishop attended the consecration of the new Bishop of Iceland, Agnes M. Sigurðardóttir, representing both the LCiGB and LWF;
- In August, the Chair, Bishop and members of LCiGB took part in a meeting with the Rt. Rev. Ole Christian Mælen Kvarme, Bishop of Oslo, Church of Norway, and members of his staff, briefing them about the experience of a minority church in a multicultural setting;

- In October members of LCiGB took an active part in the joint CLC celebration of the 495th Anniversary of the Reformation in the Finnish Church in London;
- the relationship with the Evangelical Lutheran Church of England has continued to develop, through joint meetings and more informal contacts.

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 the UK, the LCiGB is a part of the ecumenical environment at several levels. This occurs by necessity, but it is also an important feature of our witness and ministry.

During 2012, the LCiGB's role as Observer Church in the Porvoo Communion of Lutheran and Anglican churches continued to develop. Bishop Emerita Jana Jeruma-Grinberga is the nominated person for the Porvoo Contact Group, and in that capacity has taken part in the following events:

- a consultation on Diaspora and Migration in Uppsala, Sweden, February 2012. She chaired this event and was also a Keynote Listener.
- a Porvoo Theological Conference and Contact Group Meeting in Copenhagen, Denmark, October 2012,

In addition, the Chair of LCiGB took part in the Uppsala Consultation, with the aim of presenting a more complete picture of British Lutheranism, with its particular context of diaspora communities.

At the LCiGB Synod held in Reading, United Kingdom, in April 2012, the keynote speaker was the Revd Dr Leslie Nathaniel, Anglican Co-Secretary of the Porvoo Contact Group. Dr Nathaniel described the history, principles and programmes of the Porvoo Communion. Synod members and guests were able to ask questions and make comments, which were strongly supportive of the LCiGB's involvement in the Porvoo Communion.

In September 2012, LCiGB members, including the Interim Bishop and other pastors, took part in the organisation of an International Conference of the Anglican Lutheran Society (ALS) in Mirfield, West Yorkshire. LCiGB and its members have actively supported ALS and its aims and activities for many years.

Other 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 this involvement. As a President of CTE, representing a wide range of CTE member churches, the Bishop has been present at:

- A Presidents' Meeting together with three of the other four CTE Presidents: the Archbishop of Westminster, the Free Churches' Moderator and the Archbishop of Thyateira and Great Britain;
- Joint Church of England and United Reformed Church service of reconciliation and commitment

- service at Westminster Abbey in February 2012;
- Commonwealth Day Service in March 2012;
- A Church Leaders' Easter Reception at 10 Downing Street in April 2012;
- A reception to mark the beginning of the Queen's Jubilee Year, as well as the service at St Paul's Cathedral during the Jubilee weekend in June;
- A lunch meeting and service with the Dalai Lama in June 2012;
- CTE Forum at Swanwick in October;
- Two receptions to mark the retirement of Archbishop Rowan Williams in November 2012.

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

- A lay minister at Trinity Congregation who is also a Chaplain at Leicester University attends the Church Leaders' body of Churches Together in Leicester;
- St Luke's Congregation in Leeds is active in Churches Together in Headingley;
- The Interim Bishop plays an active role with the West Yorkshire Church Leaders Group;
- St Anne's Congregation in London has links with their local ecumenical church group;
- 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 and attendance at related meetings and consultations
- Involvement of Anglican Co-Secretary of Porvoo Contact Group at Annual Synod
- 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 2012 fundraising and donations raised considerable funds for LCiGB. Although the total unrestricted amount raised in 2012 was £45,710 for the work of the church, £31.9K of that amount was from a single grant to cover legal costs incurred in 2011, and only £13.8K was from individual donations within the LCiGB. This individual donations figure represents a reduction from the previous year, and donations need urgently to be increased if the LCiGB is to remain financially sustainable. Stewardship will be a major focus in 2013.

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 2012 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 adequate to meet operational costs.

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 £5,000 for administrative purposes as 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)] allowed the LCiGB to retain the balance of a grant for mission and development to assist with the costs of implementing a congregational visitations programme in 2013 (£1,502);

The Evangelical Church of the Augsburg Confession in Poland donated £1,565 towards the Polish ministry work in the UK;

The United Evangelical Lutheran Church of Germany (VELKD) agreed that the LCiGB could retain unspent funding for chaplaincy work for use in 2013;

LCiGB congregations, with one exception, paid contributions in 2012 and the level of these donations increased by £1,818 compared with the previous year;

A generous donation of £31,904 was received from a sister church abroad which covered in full necessary legal costs incurred the previous year.

Reserves policy

The LCIGB Reserves Policy specifies an amount totalling £6000 as unrestricted funds 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;
- agree transfers between funds, i.e. between restricted and unrestricted funds;
- 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

Council members took part in two-day strategic planning exercise, held in February 2012 and led by an external facilitator. On the basis of the outcomes of the exercise, the Council prepared a strategic plan, presented it to the Synod in April 2012 and listened to comments and suggestions offered. A draft business plan, related to the strategic plan, has also been prepared. Congregations most directly affected by the proposals of the strategic plan were invited to undertake a further consultation exercise and give their comments to the Council in early 2013. The core objective of the strategic plan is to form parishes in particular regions and to provide experienced clergy to serve them and lead them into the future. To meet these objectives, the LCIGB and its congregations would need to raise significant funds. Further development of the strategic plan will continue in 2013 and the Council intends that a clear and achievable way forward can be agreed in 2013.

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. In particular, the Council expresses its gratitude to the Rt Revd Jana Jeruma-Grinberga, who retired as Bishop on 31 October 2012, having devoted tremendous energy and much time to the work of the LCiGB in the four years that she occupied the office. Her faithful and caring leadership of the LCiGB was a great asset during challenging times. We pray that God will bless her in the years ahead and we look forward to her continuing involvement in the life of the LCiGB. We also thank the Rt Revd Walter Jagucki who agreed to act as Interim Bishop for one year while the LCiGB engages in recruiting a new Bishop.

The Council is also most grateful for the committed and efficient work of the LCiGB's Senior Administrative Manager, Ms Rosanna Horridge. 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



Mr David Lin (Chair)

5 April 2013



Linda Bruch (Treasurer)

5 April 2013

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
London
WC1H 9HH

Trustees	David Lin	Chair
	Annette Higgins	Deputy Chair
	Linda Bruch	Treasurer
	Jana Jeruma-Grinberga	Bishop - retired 31/10/12
	Thomas Bruch	Dean
	Robert Wojtowicz	Retired 13/10/2012
Lagle Heinla	Trustee and Secretary	

Company Secretary Rt Revd Jana Jeruma - Grinberga -
retired 31/10/12

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 2012 set out on pages 17 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 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. It is my responsibility to examine the accounts under section 145 of the Charities Act and follow procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act: 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 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Charities Act
- 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

5th April 2013

Date

Lutheran Church in Great Britain Limited

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

For the year ended 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total £	2011 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	45,401	25,680	71,081	61,765
Investment income	3	30	-	30	27
Incoming resources from charitable activities	4	-	-	-	733
Total incoming resources		<u>45,431</u>	<u>25,680</u>	<u>71,111</u>	<u>62,525</u>
Resources expended					
Charitable activities	5	24,918	33,656	58,574	78,511
Governance costs	6	1,625	-	1,625	1,641
Total resources expended		<u>26,543</u>	<u>33,656</u>	<u>60,199</u>	<u>80,152</u>
Total funds brought forward		<u>(87)</u>	<u>13,635</u>	<u>13,548</u>	<u>31,175</u>
Total funds carried forward		<u>18,801</u>	<u>5,659</u>	<u>24,460</u>	<u>13,548</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 2012

	Notes	£	2012	£	2011	£
Fixed assets						
Tangible assets	10		527			344
Current assets						
Debtors	11	2,849			3,012	
Cash at bank and in hand		21,881			11,930	
			24,730		14,942	
Creditors: amounts falling due within one year	12	(797)			(1,738)	
Net current assets			23,933			13,204
Net assets			24,460			13,548
Funds	13					
Restricted income funds			5,659			13,635
Unrestricted income funds			18,801			(87)
Total funds			24,460			13,548

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 2012**

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 2012.

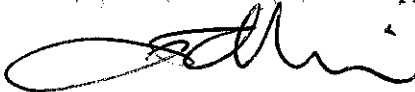
(c) that we acknowledge our responsibilities for:

(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 and signed on its behalf by



David Lin
Director



Linda Bruch
Director

Company number: 7034897

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

Lutheran Church in Great Britain Limited

Notes to financial statements for the year ended 31 December 2012

1. Accounting policies

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

1.1. Basis of accounting

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.

1.2. Incoming resources

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.

1.3. Resources expended

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.

1.4. Tangible fixed assets and depreciation

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 2012

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2012 Total £	2011 Total £
Lutheran Council of Great Britain (salary subsidy)	-	12,500	12,500	12,500
Lutheran Council of Great Britain (Capacity bldg)	-	5,000	5,000	7,000
Lutheran Council of Great Britain (Legal fees)	-	-	-	4,000
Arkansas Oklahoma Synod	-	1,797	1,797	1,813
Legal drafting/ advice honorarium	-	50	50	-
Mission offering LWF DWS	-	1,288	1,288	198
Evang Ch of the Augsburg Confession in Poland	-	1,565	1,565	3,173
Mirfield Conf and/or Education/Training	-	700	700	-
VELKD (chaplaincy)	-	-	-	143
Bs Jana on-going project: Porvoo contact mtgs	-	1,670	1,670	-
Staff wedding gift	-	110	110	-
Mathers booklet of poems printing	-	-	-	220
Pastor Retreat donation presenters & attenders bur	-	1,000	1,000	-
Youth work	-	-	-	313
Affiliation fees	5,398	-	5,398	3,580
Fundraising and donations	8,099	-	8,099	28,825
Donation to cover legal fees in 2011	31,904	-	31,904	-
	<u>45,401</u>	<u>25,680</u>	<u>71,081</u>	<u>61,765</u>

3. Investment income

	Unrestricted funds £	2012 Total £	2011 Total £
Bank interest	30	30	27
	<u>30</u>	<u>30</u>	<u>27</u>

4. Incoming resources from charitable activities

	2012 Total £	2011 Total £
Other income from charitable activities	-	733
	<u>-</u>	<u>733</u>

Lutheran Church in Great Britain Limited

**Notes to financial statements
for the year ended 31 December 2012**

5. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2012 Total £	2011 Total £
Charitable activities	24,918	33,656	58,574	78,511
	<u>24,918</u>	<u>33,656</u>	<u>58,574</u>	<u>78,511</u>

6. Governance costs

	Unrestricted funds £	2012 Total £	2011 Total £
Governance costs	1,625	1,625	1,641
	<u>1,625</u>	<u>1,625</u>	<u>1,641</u>

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

	2012 £	2011 £
Net incoming/(outgoing) resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	215	115
Auditors' remuneration	882	660
	<u>1,097</u>	<u>775</u>

8. Employees

	2012 £	2011 £
Employment costs		
Wages and salaries	12,589	13,481

No employee received emoluments of more than £60,000 (2011 : 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:

	2012 Number	2011 Number
	1	1
	<u>1</u>	<u>1</u>

Lutheran Church in Great Britain Limited

Notes to financial statements for the year ended 31 December 2012

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		
At 1 January 2012	459	459
Additions	398	398
At 31 December 2012	857	857
Depreciation		
At 1 January 2012	115	115
Charge for the year	215	215
At 31 December 2012	330	330
Net book values		
At 31 December 2012	527	527
At 31 December 2011	344	344

11. Debtors

	2012 £	2011 £
Trade debtors	-	62
Other debtors	2,849	2,950
	2,849	3,012

12. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	-	1,078
Accruals and deferred income	797	660
	797	1,738

Lutheran Church in Great Britain Limited

**Notes to financial statements
for the year ended 31 December 2012**

13. Analysis of net assets between funds

	Restricted funds	Total funds
	£	£
Fund balances at 31 December 2012 as represented by:		
Current assets	5,659	5,659
	5,659	5,659
	5,659	5,659

14. Unrestricted funds

	At 1 Jan 2012	Incoming resources	Outgoing resources	At 31 Dec 2012
	£	£	£	£
General fund	(87)	45,431	(26,543)	18,801
	(87)	45,431	(26,543)	18,801
	(87)	45,431	(26,543)	18,801

15. Restricted funds

	At 1 Jan 2012	Incoming resources	Outgoing resources	At 31 Dec 2012
	£	£	£	£
Evag Ch of the Augsburg Confession in Poland	-	1,565	(1,565)	-
Lutheran Council of Great Britain (salary subsidy)	2,330	12,500	(14,830)	-
Lutheran Council of Great Britain (Edu, Mission)	9,533	-	(8,031)	1,502
Lutheran Council of Great Britain (Admin funding)	-	5,000	(5,000)	-
Mirfield conference	-	700	(455)	245
Pastors Retreat	-	1,000	(309)	691
VELKD (chaplaincy)	1,261	-	(135)	1,126
Other funds	511	4,915	(3,331)	2,095
	13,635	25,680	(33,656)	5,659
	13,635	25,680	(33,656)	5,659

16. Transactions with trustees

During 2012, a total of £2,645 (2011 £2,600) 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.

Lutheran Church in Great Britain Limited

The following pages do not form part of the statutory accounts.

Lutheran Church in Great Britain Limited

Detailed statement of financial activities

For the year ended 31 December 2012

	2012		2011	
	£	£	£	£
Incoming resources				
Incoming resources from generating funds:				
<i>Voluntary income</i>				
Lutheran Council of Great Britain (salary subsidy)	12,500		12,500	
Lutheran Council of Great Britain (Capacity bldg)	5,000		7,000	
Lutheran Council of Great Britain (Legal fees)	-		4,000	
Arkansas Oklahoma Synod	1,797		1,813	
Legal drafting/ advice honorarium	50		-	
Mission offering LWF DWS	1,288		198	
Evang Ch of the Augsburg Confession in Poland	1,565		3,173	
Mirfield Conf and/or Education/Training	700		-	
VELKD (chaplaincy)	-		143	
Bs Jana on-going project: Porvoo contact mtgs	1,670		-	
Staff wedding gift	110		-	
Mathers booklet of poems printing	-		220	
Pastor Retreat donation presenters & attenders bur	1,000		-	
Youth work	-		313	
Affiliation fees	5,398		3,580	
Fundraising and donations	8,099		28,825	
Donation to cover legal fees in 2011	31,904		-	
	71,081		61,765	
<i>Investment income</i>				
Bank interest	30		27	
	30		27	
Total incoming resources from generating funds	71,111		61,792	
Incoming resources from charitable activities				
Other income from charitable activities	-		733	
	-		733	
Total incoming resources	71,111		62,525	

Lutheran Church in Great Britain Limited

Detailed statement of financial activities

For the year ended 31 December 2012

Resources expended	2012 £	2011 £
Charitable activities		
Charitable activities		
<i>Support costs</i>		
Salaries and Honoraria	12,589	13,481
Lutheran Council of Great Britain (salary subsid	16,627	11,983
Lutheran Council of Great Britain (edu, mission)	8,031	3,445
Mirfield Conf and/or Education/Training	455	-
VELKD (chaplaincy)	135	1,074
Mission project	584	-
Specific legal advice honoraria	50	-
Evang Ch of the Augsburg Confession in Poland	1,500	3,129
Staff wedding gift	110	-
Office expenses	7,906	8,842
Bishop's expenses	2,716	1,143
Administrative meetings	1,566	1,328
Ministerium meetings	730	1,556
Legal fees	3,764	29,913
Independent examiners fee	882	660
Fees and memberships	674	1,822
Bank charges	40	20
Office equipment depreciation	215	115
	58,574	78,511
Charitable activities total expenditure	58,574	78,511
Governance costs		
<i>Activities undertaken directly</i>		
Governance costs	1,625	1,641
	1,625	1,641
Total governance costs	1,625	1,641
Net incoming/(outgoing) resources for the year	10,912	(17,627)