

# **The Lutheran Council of Great Britain**

**(Limited by guarantee)**

## **Annual Report and Accounts**



**Year ended 31 December 2007**

Company registration number 557552  
Charity registration number 232042

**THE LUTHERAN COUNCIL OF GREAT BRITAIN  
ANNUAL REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2007**

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## **THE LUTHERAN COUNCIL OF GREAT BRITAIN**

### **TRUSTEES' REPORT**

The Trustees have pleasure in presenting their report and the audited financial statements of the Council for the year ended 31 December 2007.

#### **REFERENCE & ADMINISTRATIVE DETAILS**

The Lutheran Council of Great Britain is a charity established as a company limited by guarantee. The charity registration number is 232042. The company registration number is 557552. The Council's principal address and registered office is 30 Thanet Street, London WC1H 9QH, England. The company secretary is Mr Timothy Fletcher.

The Lutheran Council of Great Britain is a Recognised Council of the Lutheran World Federation.

#### **The nature and work of the Council**

Established in 1948, the Council represents and co-ordinates the common work of ten different Lutheran churches that have congregations or chaplaincies in Great Britain. Together they serve some 120,000 persons in Britain, who come from a wide range of national and language backgrounds. The following Lutheran churches are represented on the Council:

- Danish
- Estonian
- Finnish
- German
- Hungarian
- Icelandic
- Latvian
- Lutheran Church in Great Britain (Amharic, Chinese, English, Eritrean, Oromo, Polish and Swahili)
- Norwegian
- Swedish

The Council is a communion of churches that have come 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. Through the Council they have chosen to collaborate in several key areas:

- Promoting Lutheran participation in ecumenical initiatives
- Providing spiritual and material assistance to Lutheran churches and projects that are not self-supporting
- Promoting fellowship and co-operation amongst Lutherans in education, mission and worship
- Providing information about Lutheranism
- Providing and managing the International Lutheran Student Centre and student chaplaincy in London.

Detailed information about the Council's work and achievements in 2007 are presented in the following sections of this report.

### **Ordinary members**

The ordinary members of the Council are nominated by Lutheran churches in Great Britain and approved by the Directors. Churches may nominate one lay and one clergy member; a church that employs more than four full-time equivalent clergy may nominate a second clergy member and a second lay member. In 2007 the members of the Council were (with the church represented named in brackets):

The Very Revd Dr Andris Abakuks (Latvian) (elected 20 June 2007)

Mrs Ruta Abakuks (Latvian)

The Revd Sigurður Arnarson (Icelandic)

The Revd John Evenson (Lutheran Church in Great Britain)

The Revd Lagle Heinla (Estonian)

Ms Gesine Hoare (German)

The Revd Torbjørn Holt (Norwegian)

The Revd Iris Hellmich (German) (elected 7 March 2007)

Mr Michael Hutchinson-Reis (Finnish)

The Rt Revd Walter Jagucki (Lutheran Church in Great Britain)

Mrs Guðrun Jensen (Icelandic)

The Very Revd Juris Jurgis (Latvian) (resigned 9 May 2007)

Mrs Madelaine Mason (Swedish)

Mrs Maria-Liisa Morgan (Lutheran Church in Great Britain)

The Very Revd Robert Patkai (Hungarian)

The Revd Ronald Pedersen (Danish) (elected 21 May 2007)

Mrs Margaret Pickford (Lutheran Church in Great Britain)

The Revd Juha Rintamäki (Finnish)

The Revd Dr Johann Schneider (German) (resigned 6 March 2007)

The Very Revd Lennart Sjöström (Swedish) (resigned 8 May 2007)

Prof. Reinhardts Vitols (Latvian)

Revd Eliza Zikmane (Latvian)

### **Trustees and Directors**

The Council elects the Trustees of the charity, who are also directors of the company. The Council elects one of the Trustees to be Chair, who must be a member of the company. The Deputy Chair is appointed by the Trustees. Together the Trustees are responsible for the governance of the Council.

## **Trustees**

Chair	The Revd Juha Rintamäki
Deputy Chair	The Revd Torbjørn Holt
Other Trustees:	The Revd Dr Andris Abakuks (elected 20 June 2007)
	The Revd Sigurður Arnarson
	The Very Revd Lagle Heinla
	The Revd Jana Jeruma-Grinberga (elected 21 May 2007)
	The Very Revd Michael Persson (elected 21 May 2007)

## **Retired Trustees**

Three long-serving Trustees resigned during the year. The Rt Revd Walter Jagucki, the Very Revd Juris Jurgis and the Very Revd Lennart Sjöström faithfully attended meetings and activities of the Council for many years. The Trustees are grateful for their significant contributions to the Council's work and their loyal support, and wish them well. Dean Sjöström, formerly chair of the Council, was honoured on his retirement by the Archbishop of Canterbury at a reception at Lambeth Palace and was given the Cross of St Augustine in recognition of his ecumenical work.

## **Induction and training of Trustees**

The Lutheran Council of Great Britain acknowledges the importance of providing effective induction and training programmes for Trustees. The induction of Trustees includes a meeting with the general secretary of the Council, normally at the Council's offices, when the new Trustee is shown the facilities, meets senior staff and is made familiar with the operations of the International Lutheran Student Centre and the Council generally. They receive copies of the Memorandum and Articles of Association, the most recent annual report, the current budget, management accounts and risk management report, together with a copy of 'The essential Trustee: What you need to know', produced by the Charity Commission. They are also briefed on the Council's strategy and activities.

All Trustees are sent email reminders to access the most recent edition of the newsletter of the Charity Commission, which helps them to keep abreast of relevant issues and concerns. Trustees receive a copy 'Governance - Essential information for effective Trustees', which is published six times a year. Other relevant publications or articles are given to Trustees as appropriate. Trustees are made aware of training opportunities and in the last year some Trustees have attended seminars related to the responsibilities of Trustees.

## **Administrative and professional staff**

General Secretary	The Revd Thomas Bruch
Director of Finance & Operations	Mr Timothy Fletcher
Student Chaplain	The Revd Jennifer Welsh
Administration Manager	Mrs Miriam Campbell
Housekeeping Manager	Ms Desta Beraki
Maintenance Manager	Mr Mauricio Garcia
Administrative Officer	Mrs Pui Fan Chan

## **Principal advisers**

### **Bankers**

CAFCash Ltd  
Kings Hill  
West Malling  
Kent ME19 4TA

### **Auditors**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London EC1M 3AP

### **Solicitors**

Bircham Dyson Bell  
50 Broadway  
London SW1H 0BL

Bates Wells & Braithwaite London LLP  
2-6 Cannon Street  
London EC4M 6YH

Osbornes Solicitors  
Livery House  
9 Pratt Street  
London NW1 0AE

### **Investments**

Cazenove Capital Management  
12 Moorgate  
London EC2R 6DA

CCLA Investment Management Ltd  
COIF Charity Funds  
80 Cheapside  
London EC2V 6DZ

Charities Property Fund  
c/o Carr Sheppards Crosthwaite  
2 Gresham Street  
London EC2V 7QN

The Charities Aid Foundation  
Kings Hill  
West Malling  
Kent ME19 4TA

Barclays Global Investors Limited  
Murray House  
1 Royal Mint Court  
London EC3N 4HH

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing documents**

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

### **Committees**

The Council has the following committees:

*The Finance Committee* is responsible for monitoring the Council's financial position and investment performance on behalf of the Trustees by considering regular management accounts in relation to budgets and receiving investment reports. The committee makes recommendations about the day-to-day financial management of the Council, including the International Lutheran Student Centre. A Trustee, the General Secretary and the Director of Finance and Operations are ex officio members of the committee. The committee includes three persons who are neither Trustees nor employees of the Council: Mr Peter Anwyl (Chair), Mr William Higman and Mr Alec Sandison.

*The Strategic Review Committee* considers the priorities for the future work of the Council, the allocation of work responsibilities, governance and possibilities for partnerships with similar bodies. The committee includes three Trustees and the general secretary. In 2007 the Committee recommended significant changes to the management structure, which were approved by the Trustees and implemented (see below). The Committee's terms of reference are being reviewed by the Trustees.

*The Student Chaplaincy Committee* advises the Trustees on all aspects of chaplaincy work, including current provision and possibilities for future development. It also advises and supports the student chaplain. In addition to staff members of the Council, the committee membership includes a resident of the International Lutheran Student Centre, a Lutheran pastor and a student chaplain of another Christian denomination.

### **Relationships with other bodies**

The Lutheran Council of Great Britain is a recognised council of the Lutheran World Federation (LWF), a global communion of Lutheran churches. Founded in 1947 in Lund, Sweden, the LWF represents about 95% of all Lutherans. There are 140 member churches in Africa, Asia, the Pacific, Europe, Latin America and North America. Its secretariat is in Geneva.

The LWF acts on behalf of its member churches in ecumenical and inter-faith relations, theology, humanitarian assistance, human rights, communication and mission and development work. The LWF supports hundreds of projects in local churches and communities and employs more than 5,500 staff in relief, rehabilitation and development programmes. As a recognised council, the Lutheran Council of

Great Britain is entitled to attend but not vote at assemblies of the LWF and may participate in certain areas of its work.

The Council is a corporate member of Bethphage Great Britain, a Lutheran-linked organisation that provides care for persons with learning disabilities. The other corporate member is Mosaic in the USA, a Lutheran provider of services to people with learning disabilities, which is an affiliate of the Evangelical Lutheran Church of America.

Bethphage Great Britain provides high quality residential care and assisted living support to about 60 persons in the Midlands of England. One of the Council's Trustees, the Revd Jana Jeruma-Grinberga, represents the Council at general meetings of Bethphage Great Britain and Tom Bruch, the general secretary, serves as a member of Bethphage's board of directors.

Bethphage is part of Impact, an international alliance of similar Lutheran-based organisations in Europe and the United States, which includes Bethel in Germany, Nord-Norges Diakonistiftelse in Norway and Mosaic and Bethesda in the USA. In 2007 the general secretary of the Council was elected chair of Impact for a two-year term.

### **Risk management**

The Trustees have reviewed the major risks, financial and non-financial, to which the Council 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.

The Finance Committee reviews risks at its meetings, ensures that the risk register is current and reports regularly to the Trustees in order to ensure that risk management is kept up to date.

### **Restructuring of the management of the Lutheran Council of Great Britain**

The Trustees of the Council made the decision in 2007 to reorganise its senior management as a result of deliberations that took place over several years, led by the Strategic Review Committee. The aim was to ensure the long-term effectiveness and sustainability of the organisation's overall administration and management.

The main outcome was the creation of a new post, Director of Finance and Operations, and the termination of two existing posts. The posts that were made redundant were the Director of the International Lutheran Student Centre (ILSC) and the Director of Operations.

The restructuring also entailed changes to the post of General Secretary, in both responsibilities and working hours. In June 2007, the post became part-time (60%) and direct responsibility for the administration of the Council, including that of the ILSC, was delegated to the new post. The Director of Finance and Operations reports to the General Secretary, who retains overall responsibility for the management of the Council but will focus on church relations.

The new post of Director of Finance and Operations was filled by Timothy Fletcher, a qualified accountant and experienced manager. He has direct responsibility for the operations of the Council and the ILSC, including the management of staff, facilities and services, as well as preparing accounts, regulatory compliance and governance support.

The Trustees of the LCGB express their good wishes to the former Director of the ILSC, Adelaide Nolan, and to Alec Sandison, who had been acting as the Director of Operations.

## **OBJECTIVES AND ACTIVITIES**

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

'The advancement of the Christian religion by bearing united witness before the World to the Gospel of Jesus Christ as the power of God for salvation.'

In pursuance of this objective the Council applies its financial and human resources to a number of aims, which are specified in the Memorandum of Association.

The Council's Mission Statement (which is being reviewed by the Strategic Review Committee) refers to the main aims of the Council and includes particular objectives for achieving them:

1. Affording spiritual and material support to and cultivating unity of faith and confession among the Lutheran churches in Great Britain and elsewhere.

The Council's strategies for achieving this are to:

- offer pastoral support to Lutheran students in the UK and to all residents at the International Lutheran Student Centre.
- provide information about the local Lutheran community to other Lutherans residing in or visiting the UK.
- receive and approve applications for loans or grants from churches represented on the Council in accordance with agreed policies and procedures.
- inform churches represented on the Council about the life and witness of Lutheran churches in the UK and in other countries.
- raise contributions for Lutheran churches or groups outside the UK.
- provide opportunities for Lutheran churches to consider and build upon their common faith and confession.

2. Promoting fellowship and co-operation in education, study, mission and worship among Lutherans.

The Council's strategies for achieving this are to:

- organise an annual conference or retreat for Lutheran clergy working in the UK.

- organise study sessions or retreats for lay persons, and practical seminars for church officers or lay workers.
  - produce or distribute topical study guides.
  - organise occasional inter-Lutheran worship.
  - advise churches on non-UK mission projects agreed by the Council.
3. Fostering Lutheran participation in ecumenical initiatives and generally fostering good relations with all other Christian churches.

The Council's strategies for achieving this are to:

- participate in discussions or meetings on bilateral relationships between Lutherans and other churches within the UK context.
  - maintain an active presence on appropriate committees of Churches Together in Britain and Ireland and related bodies.
  - through its affiliation with the Lutheran World Federation, keep informed of developments within the World Council of Churches.
  - facilitate exchanges of personnel and visits between Lutheran and other churches.
  - provide information to Lutheran churches in the UK about national and international ecumenical developments.
  - provide information to other UK churches about the history, beliefs, organisation, spirituality and current concerns of the Lutheran church.
4. Producing and distributing literature of all descriptions related to Lutheranism.

The Council's strategies for achieving this are to:

- produce a regular newsletter for Lutheran churches in the UK and other interested churches, groups or individuals.
- produce an information leaflet about the Lutheran presence in the UK and the work of the Council.
- develop and maintain an Internet web site.
- produce an annual directory of Lutheran clergy in the UK.
- produce occasional briefings for clergy, church workers and church officers on UK regulations and procedures of relevance and importance to churches.

5. Providing and managing hostels and other residential accommodation.

The Council's strategies for achieving this are to:

Maintain and develop the International Lutheran Student Centre as a hostel that provides high quality, competitively priced accommodation mainly for international students from Lutheran and other Christian churches as well as different faith communities, particularly those whose studies will enable them to contribute to the development of poorer countries.

The Council carried out these activities in 2007 as resources permitted. A summary of its achievements in the year and measures to assess performance are given in the following pages.

The Council is currently reviewing its programme and priorities to ensure that its work remains relevant to the needs and interests of its beneficiaries. A special meeting of the Trustees is being convened in 2008 for this purpose.

## **ACHIEVEMENTS AND PERFORMANCE**

Though the Lutheran community in Britain is comparatively small and is widely dispersed, the Council makes a significant and beneficial impact in various ways, both in this land and beyond these shores.

### **Ecumenical relations and activities**

The Council invests considerable time and energy in developing and maintaining good links with other churches in Britain. The Trustees believe that the Church of Christ must recognise and live in the unity that we have through baptism in his name. The Council, therefore, is involved in regular theological dialogue and practical cooperation with fellow Christians.

#### *Committees, groups and networks*

A large proportion of the time of the general secretary is devoted to maintaining or improving relationships with other Christian churches in Britain. The Council has been actively involved in Churches Together in Britain and Ireland (CTBI) and Churches Together in England (CTE), the national ecumenical instruments, and the general secretary represents the Council on several of their committees:

- CTBI Senior Representatives Meeting
- CTBI Churches International Students Network, serving as the Moderator of its executive committee
- CTBI Europe Mission Forum
- CTE Human Resources Officers Group
- CTE Theology and Unity Group, serving as chair
- CTE Enabling Group

The general secretary is the Lutheran Co-Moderator of the Anglican-Lutheran Society and is closely involved in organising its activities, which aim at bringing Anglicans and Lutherans closer together. In 2007 the society held its international conference in Dublin, on 'Aspects of Reconciliation', and organised presentations, held at the Finnish Church in London, on reaching out to those at the fringe of the Church.

The general secretary represents the Council on the International Ecumenical Fellowship and on the Society for Ecumenical Studies. These organisations convene meetings and conferences covering a broad range of topics related to the unity of the Church.

The general secretary represents the Council on Christian Aid, the development and aid agency of churches in Britain and Ireland.

The general secretary represents the Council on the Churches Agency for Safeguarding (CAS), an ecumenical organisation that assists churches (including those affiliated to the Council) in applying for disclosures to the Criminal Records Bureau, which is very important for all clergy and others who work with children and vulnerable adults. It also helps churches to develop policies and procedures in the area of child protection and the protection of vulnerable adults.

The general secretary is a member of the Senior Chaplains Liaison Group for universities in London, which includes the senior Anglican, Catholic, Lutheran, Methodist, Orthodox and United Reformed Church chaplains in London. It meets at least four times a year to discuss issues of common concern and to plan an annual seminar for university staff.

The student chaplain also has regular contacts and meetings with colleagues of other Christian traditions. These aim at improving the pastoral care provided for students, particularly those from other countries and cultures. She regularly attends team meetings of the Anglican chaplaincies in London and of the Chaplains in Higher Education Liaison Group (CHELG), a national ecumenical organisation. She organises occasional meetings with student chaplains for particular national groups, both Lutherans and those from other Christian traditions, and at least annually she convenes a meeting for Lutherans who acts as student chaplains in the UK.

The Trustees acknowledge and thank members and friends of the Council who offer their time by representing the Council on ecumenical committees:

- Mrs Margaret Pickford (Lutheran Church in Great Britain) on the committee of the Women's World Day of Prayer
- The Revd Dr Roy Long (Lutheran Church in Great Britain) on the Churches Commission on Inter Faith Relations.
- Mr Bereket Woldelessie (Lutheran Church in Great Britain) on the Minority Ethnic Christian Affairs Reference Group of Churches Together in England

#### *Relations with particular churches*

The Church of England (C of E) and the Council met three times during the year to consider mechanisms for establishing full communion between the C of E and the churches in the LCGB that are not included in the Porvoo Agreement, which established communion between the Anglican churches in Britain and Ireland and several Nordic and Baltic Lutheran churches. The Finnish, Icelandic, Norwegian and Swedish churches in Britain, which are represented on the Council, are part of the Porvoo community. The discussions began in 2004 and have covered a number of theological and practical topics, including Holy Communion and Baptism, episcopacy and the status of pre-war agreements between the C of E and the Latvian and Estonian Lutheran churches. The discussions have been very encouraging and ways of enabling the Lutheran churches in Britain to enter into the closest possible relationship with the Church of England have been carefully considered. A report was prepared at the end of 2007 and is being presented to bodies in the two churches. The next steps are being considered.

The Council was represented at many ecumenical events and meetings in 2007, including:

- Meeting of Rejesus, a web site for enquirers about Christianity
- Meeting of Christian Aid
- Service of student chaplaincies at Southwark Cathedral for families of those who gave their bodies for medical research
- The anniversary service of Women's World Day of Prayer
- Ecumenical reception at Lambeth Palace
- Reception by Mayor of Camden for representatives of faith communities
- Meeting the Rt Revd David Hamid, Suffragan Bishop of the Church of England's Diocese in Europe
- Meetings with the Revd Canon Bob Fyffe, the general secretary of Churches Together in Britain and Ireland

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

- Continuing progress of meetings with Church of England
- Frequent attendance by staff and volunteers at ecumenical events and meetings
- Leadership roles given to Council staff by ecumenical groups

### **International Lutheran Student Centre**

The International Lutheran Student Centre (ILSC) in London, run by the Council, provides accommodation, social support and a chaplaincy programme for 79 postgraduate students in central London. Since 1978 the centre has been a welcoming home for thousands of international students from many countries, Christian traditions and other faiths, promoting the values of tolerance and mutual understanding and offering Christian love and hospitality to sojourners in this land.

The centre has residents from every region of the world, the majority studying medicine, public policy or social science. Priority is given to students whose courses and career plans aim at the improvement of the welfare of their home countries. Some will be influential leaders when they return home. Several Christian traditions are represented and about a third of the residents are non-Christians, including Muslims, Buddhists, Hindus and other faiths.

The Council tries to ensure that the centre's facilities are well maintained and to provide resources appropriate for postgraduate students. All residents have individual telephones and access to a wireless computer network that allows continuous connection to the Internet. Improvements have been made to the telephone system, to ensure that it provides a good service and meets current technical standards.

The broad range of cultures and faiths represented at the centre enriches the experience of its residents, many of whom will return to positions of great responsibility and influence in their home countries. The Trustees recognise that

developing international awareness and sensitivity is vitally important in today's world.

Various social activities are organised for residents during the year, including international suppers each term, which are very popular and provide some of the best food in London. Video evenings, discussion groups and other activities are also organised. The programme offered by the student chaplain provides further opportunities for social interaction, including outings and discussions.

The long-service of two members of the ILSC staff was marked during the year: Ms Desta Beraki, Housekeeping Manager, and Mrs Pui Fan Chan, Administrative Officer. Both began their employment in 1992. The Trustees are grateful for their loyal and committed service.

The ILSC is a member of Central London International Centres (CLIC), a group of five specialist providers of accommodation or other forms of support to international students. CLIC meets once a term to consider issues of common concern, such as relevant regulations, student welfare, best practice and cost-savings.

The ILSC is a member of the Network of Independent Collegiate Halls (NICH), which discusses a range of administrative and welfare affecting private halls of residence. NICH includes church-based (Catholic, Lutheran and Methodist) providers of student accommodation in London, as well as a large, secular hall of residence.

The ILSC is a member of ANUK, a national body that sets and monitors standards for providers of student accommodation. An inspection of the centre was conducted early in 2008 and the report is awaited.

The London Borough of Camden recently awarded the ILSC a five-star hygiene rating, which places it in the 'excellent' category. This is a testimony to the excellence of the ILSC staff who are responsible for maintaining standards of hygiene at the centre, in particular the Housekeeping Manager, Ms Desta Beraki.

#### *Summary of indicators or measures to assess achievement: International Lutheran Student Centre*

- Residents are asked to complete evaluation questionnaires each year, which show high levels of satisfaction with the services provided by the ILSC and with the overall experience of living at the centre;
- Occupancy rate reports are produced each quarter, for consideration by the Finance Committee; these consistently show occupancy rates during the academic terms of 98-100%;
- Regular meetings are held with residents to ensure the ILSC is meeting their needs;
- Regular meetings are held with other providers of student accommodation to discuss relevant issues;
- Membership of a national body that sets and monitors standards of provision;
- A five-star hygiene rating by the local authority.

## **Student Chaplaincy**

The student chaplain, the Revd Jennifer Welsh, is based at the International Lutheran Student Centre. She has pastoral responsibility for the residents at the centre and makes contact with international Lutheran students elsewhere in London and Britain. She also has productive links with other chaplains in universities in London, organises meetings with other Lutheran student chaplains working in Britain and is part of a group for chaplains, from several denominations, who work with international students in London.

An important role of the chaplain is to promote greater tolerance and understanding amongst diverse cultural and faith communities. In a context of growing inter-faith suspicion or even hatred in the world, this aspect of the chaplain's work has never been more crucial and relevant. By providing support to these students and helping them to make the best of their academic and social experience in Britain, the chaplaincy indirectly benefits the home countries of the students, to which they will return and contribute their new knowledge and skills.

The chaplain conducts regular worship and leads discussions on religious and other topics throughout the academic year. She is always available for counselling students who are experiencing problems, whatever their faith background.

The chaplaincy organised several outings and other events during 2007 for ILSC residents and other students. Places visited included: Coventry Cathedral and its International Centre for Reconciliation; the British Museum to discuss heritage, politics and space, using the Parthenon Marbles as a focus; the British Library's Sacred Exhibition, which showed artefacts and manuscripts from the three Abrahamic faiths; the North Downs, in Kent for a day of hiking; a performance of *The Mysteries* (a modern version of a medieval mystery play) at St Paul's Church, Covent Garden; St Paul's Cathedral and the St Paul's Institute, which provides 'a forum for reflection and debate on the spiritual and ethical challenges of our times.'

The chaplaincy also sponsored two presentations by ILSC residents: a short workshop on using digital cameras, by a photography enthusiast, and the second was a presentation on Chile, by two Chilean students.

The Trustees are very grateful for the financial support given to the chaplaincy by fellow Lutheran churches through the Lutheran World Federation (LWF).

### *Summary of indicators or measures to assess achievement: Student chaplaincy*

- Many ILSC students and friends from outside the centre participate in chaplaincy activities;
- Six-monthly reports from the chaplaincy are given to the LWF, who comment on the work of the chaplaincy.
- Responses to the ILSC evaluation questionnaire, completed by residents, include a number of favourable comments about the work of the chaplaincy and no negative statements.
- A meeting held with residents to evaluate the chaplaincy programme indicating support and satisfaction.

- The Student Chaplaincy Committee, which includes external members and a student resident, monitors the effectiveness of the chaplaincy programme.

## **Communications**

The Council produces information about its work and about the Lutheran community in Britain.

A booklet, *Lutheran Churches in Britain - An Introduction*, has proved popular, hundreds having been distributed. It includes short sections on: Martin Luther and the development of the Lutheran churches; the history of Lutherans in Britain since the 17th century; what Lutherans believe; how Lutherans worship; the importance of music in the church; why Lutherans call themselves 'evangelical'; how the churches are organised; ecumenical relationships; the work of the Lutheran Council of Great Britain; and the role of the Lutheran World Federation. The booklet, which includes many colour photographs, is intended as a concise guide for those who want to know something about the Lutheran church in general or about its presence in Britain.

The Council's web site ([www.lutheran.org.uk](http://www.lutheran.org.uk)) includes current news about the Council's work and activities, its annual report and audited accounts and dedicated pages for the International Lutheran Student Centre and the Augustana Centre.

Three issues of *The Lutheran Link* were produced during the year. It is the Council's newsletter for clergy, other interested Lutherans in Britain, and ecumenical and international contacts. The newsletter includes short articles about Lutheran activities in Britain, ecumenical news and practical information for Lutheran churches and congregations. A web edition of *The Lutheran Link* can be downloaded from the Council's web site.

A directory of Lutheran clergy serving churches affiliated to the Council is up-dated annually.

The Council responds to enquiries received by post, telephone and email concerning various aspects of the Lutheran church. These include requests for information about the location of Lutheran churches in particular towns or regions; Lutheran teaching and practices; and Lutheran beliefs on particular ethical questions.

### *Summary of Indicators or Measures to assess achievement: Communications*

- Hundreds of enquiries received annually (general and ILSC) and most enquiries dealt with within a day;
- Informal feedback indicates booklet, newsletter and web site provide useful information to Lutheran community and wider readership.

## **Support for Lutheran churches**

### Talks and study days

The Council provides opportunities for Lutherans in Britain to learn more about their history, theology and church life, and for other Christians to learn more about the Lutheran heritage.

After the AGM of the Council in June, representatives of the churches affiliated to the Council were invited to give reports about the life and work of their churches, including information about the communities that they serve; their structure, leadership and governance; their main activities and facilities; their main strengths, joys, weaknesses and challenges. Nearly all churches gave reports and were able to learn about the particular characteristics of their fellow Lutheran churches, as well as to gain insights into other ways of doing things.

In November, a seminar on registering churches as charities was held in at the Council's facilities in London. Representatives of Chinese, English, Eritrean, Icelandic, Polish and Swedish congregations participated in the seminar, which was led by a charity governance and management specialist and the general secretary of the Council. The seminar enabled participants to understand how churches and congregations could comply with the legal requirements for charities.

The reason for the seminar was that while some Lutheran churches and local congregations in England are already registered as charities, others are not. The position has been confusing for churches that have associated bodies that are registered charities (for example, societies or social clubs) but the churches or congregations have not applied for registration as charities in their own right.

The seminar was intended for church or congregational Trustees and for church administrators. Its aim was to enable them to become familiar with the requirements and processes related to charity registration and consider practical issues that might arise. Participants were given numerous handouts and Charity Commission guidance notes to help them go forward with the registration process. The possibility of a further training session is being considered.

The general secretary was invited to give a one-day presentation in April about the history, beliefs and practices of the Lutheran Church to an inter-church group in Scotland, in preparation for their participation in an ecumenical event in Europe. The day included the celebration of Holy Communion according to a Lutheran rite, which was the first time that some of the participants had experienced Lutheran worship. Some were struck by how 'Catholic' it was.

### Grants

The Council uses some of its income to provide subsidies for Lutheran clergy who do not receive an adequate income and whose churches cannot afford to pay them more. The churches that receive grants are those with the smallest financial resources; they provide ministries mainly to persons who came to Britain as refugees, either after World War II or in recent years, and the members often have

limited means to support the work of their churches. In 2007 the Council distributed £20,000 as subsidies for clergy salaries. The churches receiving grants were the Lutheran Church in Great Britain; the Estonian Lutheran Church in Great Britain; the Latvian Evangelical Lutheran Church in Great Britain; and the Hungarian Lutheran Church in England.

Grants are only made if there is a demonstrable need for financial assistance and depend on the availability of funds for such purposes. Amounts are allocated to churches according to a formula devised by Trustees who are not associated with any of the churches receiving grants. The maximum grant is £50,000.

During the year the Council transferred the title of the Lutheran Church House in Leeds to the Lutheran Church House Trust, which represents the local Lutheran communities that use the property for worship and congregational activities - mainly St Luke's Lutheran Church (a congregation of the Lutheran Church in Great Britain) and the Leeds German congregation. The Council did not charge the Lutheran Church House Trust for the property, as it was being held by the Council until the local Lutheran communities were properly constituted for the purpose of managing the house. The Council incurred legal and administrative costs in executing the transfer, thus providing further financial support to Lutheran churches in Britain.

In 2006 the Trustees approved a special fund of up to £50,000 for mission and development projects by Lutheran churches in Britain and elsewhere. A committee appointed by the Trustees received applications in 2007 and grants totalling £40,000 were approved for projects sponsored by Lutheran churches in Britain and India. An application for work being done by the Evangelical Lutheran Church in Tanzania is under consideration.

The grant awarded to the Evangelical Lutheran Church in India supports its work among Dalits, also known as the 'untouchables'. The church in India is providing educational programmes and skills-building for hundreds of members of the Dalit community, from whom many Lutherans in India have come.

The Council also makes small hardship grants from time to time for the support of students resident in the Student Centre or Lutheran students elsewhere who are suffering hardship.

### Links with other Lutherans

The Trustees recognise that although there are relatively few Lutherans in Britain, the Lutheran communion world-wide is the oldest and one of the largest churches in the Reformation tradition. The Trustees believe that it is important to maintain good links with Lutherans in other countries, for mutual learning and support.

Fifty clergy and church workers from Reykjavik West Deanery visited the facilities of the Council during a study trip to London in February. The group, which included priests, musicians, vergers and other personnel from the deanery area, were in London to find out more about the work of the Church of England and about the Lutheran community in Britain. The Council provided a welcome and gave presentation about its history and activities.

In the October the Most Revd Elmars Rozitis, Archbishop of the Latvian Evangelical Lutheran Church Abroad, visited the Council. The meeting provided an opportunity to hear how the Latvian Church Abroad, which has parishes in a number of countries (including Britain), related to the indigenous Lutheran church. The possibility of closer relations between the Council and the Church of England was also discussed.

*Summary of indicators or measures to assess achievement: support for Lutheran churches:*

- Talks or seminars provided in 2007, on practical or theological issues, with good attendance and positive feedback from participants;
- Grants totalling £20,000 distributed to four Lutheran churches in Britain and £7,000 to the United Evangelical Lutheran Church in India during 2007; and special mission and development grants of £43,000 offered to churches affiliated to the Council and to other Lutheran churches;
- Strengthening of links with our sister churches through hosting visits.

## **Income generation**

### *Augustana Centre*

Although the Council does not actively carry out fundraising activities, it operates the Augustana Centre and invests surplus funds so as to produce income to subsidise the Council's charitable activities. The ILSC and St Mary's with St George's German Lutheran congregation in London use some of their facilities for groups that need rooms for meetings and conferences. The part of the building being used for this purpose is called the Augustana Centre. The Council runs the Augustana Centre and pays the German congregation a fee to use some of its facilities for this purpose.

### *Investments*

The performance of investments is measured on a total return basis, based on the value of investments, adjusted for subsequent investments and withdrawals of cash, against agreed benchmarks. In the year ended 31 December 2007, the investments managed by Cazenove, including an average cash balance of £122,400, yielded 7.6%, and the total portfolio, including additional third party funds, yielded 4.2%. The underlying value of investments fell by £28,250 (1.1% of a portfolio of £2.5m).

*Summary of Indicators or Measures to assess achievement: income generation*

- Budgets were achieved and sufficient income was generated to allow planned expenditure to take place
- The different components of the investment portfolio are measured against external benchmarks.

## **PUBLIC BENEFIT**

The Trustees are satisfied that the various activities of the Council provide a public benefit. In particular:

- the International Lutheran Student Centre provides a good standard of accommodation and welfare support to 79 postgraduate students from many countries and several faith communities;
- the Lutheran Student Chaplaincy offers support to persons of all Christian traditions and other faith communities, providing worship, discussions and social activities that aim at building community in the context of diversity;
- the Council's ecumenical engagement through meetings and other events promotes greater understanding and unity within the Christian community;
- the Council prepares information for the wider public about the Lutheran tradition, through booklets, a newsletter and its web site, and answers a range of enquiries;
- the Council organises seminars and other educational activities that enable a wide range of people to develop practical knowledge and deeper theological understanding;
- the Council provides grants in support of Lutheran churches in Britain and elsewhere.

## **FINANCIAL REVIEW**

During the year unrestricted funds rose by £23,141. The property at 4 Sandwich Street, purchased in December 2006, was the subject of a Planning Application for extensive refurbishment. The Application was submitted in February 2008.

Other features of the year's results include:

- Occupancy levels at the International Lutheran Students Centre continued to remain high.
- Property income was lower due to the sale of rented property in 2006 at Kingscroft Road, London NW.
- The income from the Augustana Centre increased due to increased demand.

## **Reserves policy**

The Council maintains a Student Hardship Fund as a restricted fund. This represents the unspent balance of donations specifically for the support of students suffering hardship and cannot be used for the Council's general purposes. In

addition, funds received from the Lutheran World Federation (LWF) for the Student Chaplaincy are restricted, but costs exceeded LWF funds received.

The Council also holds certain designated funds (funds that the Trustees have earmarked for a particular purpose but are not irrevocably confined to that purpose). These funds, which are summarised in note 17 to the accounts, comprise:

*Capital Fund:* the Capital Fund is maintained in order to provide a capital base that generates sufficient income to allow the Council's work to continue. This fund was created in 1998 when the Council's freehold property in Kensington was sold and represents the amount originally transferred to this fund on its creation adjusted by net gains or losses on the Council's investments since then.

*Fixed Assets Fund:* the Fixed Assets Fund represents the amount that is tied up in tangible fixed assets and so not available to spend on the Council's day to day activities. The total varies from year to year as new assets are acquired and older assets are depreciated.

*Property Maintenance Fund:* the Property Maintenance Fund is used to finance essential maintenance work to the Council's properties in order to maintain them in a safe and presentable condition, and to improve them in accordance with the Council's longer-term objectives. In the longer-term, the balance of this fund will be increased to a level that provides from a zero base for all maintenance work, routine and structural, over the estimated life of the properties.

*General Funds* stand at £45,169 at the year end after adjustments to restricted and designated reserves.

### **Investment policy**

Funds that are not required in the short-term (£2.5m at 31 December 2007) are invested in the Stock Market in such a way as to spread the risk over a number of markets and sectors. Details of all investments comprising the total portfolio are listed in note 13 to the accounts. Of the total amount invested at 31 December 2007, £1.75m was invested through Cazenove Capital Management, who have discretion to buy and sell listed investments for the Council's account without reference to the Council. Investments are not made in arms manufacturers and Cazenove use a 'medium risk' strategy when selecting stocks.

### **Market value of land and buildings**

The cost of the freehold property purchased during last year was in line with a professional valuation of the property and the Trustees are of the opinion that the current aggregate market value of freehold properties approximates to the amount at which they are included in the balance sheet.

The Trustees are of the opinion that the aggregate market value of the leasehold property is substantially in excess of the amount at which it is included in the balance sheet. The Trustees do not consider that the cost of obtaining a professional valuation in order to quantify the excess would be justified.

## **Statement of Trustees' responsibilities**

The Trustees (as directors) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the net income or expenditure for the year. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees has confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

## **Auditors**

The Council's auditors, PKF (UK) LLP, a limited liability partnership, have signified their willingness to continue in office.

## **PLANS FOR THE FUTURE**

The Council continues to act in all the areas described above and the Trustees have initiated a process of evaluation of the Council's work and planning for the future. The Strategic Review Committee has been established to review the activities that are currently undertaken and to consider how the Council can best serve the Lutheran community in Britain in the coming years.

## **CONCLUSION**

Carrying out the Council's programme requires the commitment and effort of many people. The Trustees are most grateful for the work of Council and committee members who contribute their time and talents to ensure that some of the most important practical tasks are managed responsibly.

The Trustees are most appreciative of the Council's employees. We value their hard work, loyalty and willingness to go that extra step to ensure that all is done well. We are thankful to our general secretary and his committed team, on whom the Council relies for the implementation of our mission. 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 carry out the objectives of the Lutheran Council of Great Britain.

SIGNED BY ORDER OF THE BOARD

Juha Rintamäki (Chair)

Torbjørn Holt (Deputy Chair)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LUTHERAN COUNCIL OF GREAT BRITAIN LIMITED**

We have audited the financial statements of the Lutheran Council of Great Britain for the year ended 31 December 2007 which comprise the statement of financial activities, the balance sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditors**

The responsibilities of the Trustees (who are also the directors of the charitable company for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the Trustees' report is consistent with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial

statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

PKF (UK) LLP  
Registered Auditors  
London, UK  
2008