

The Lutheran Council of Great Britain
(Limited by guarantee)

Annual Report and Accounts



Year ended 31 December 2009

Company registration number 557552
Charity registration number 232042

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

YEAR ENDED 31 DECEMBER 2009

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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 2009.

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.

On 21 October 2008 the company acquired 100 shares of £1 each in LCGB Trading Limited (company number 6728480) for the purpose of carrying out trading activities, such as Augustana room letting, as from 1 January 2009. LCGB Trading Limited began trading on 1 January 2009. A profit on £1,713 in 2009 is to be transferred to the LCGB as Gift Aid.

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 180,000 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, 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 2009 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 2009 the members of the Council were (with the church represented named in brackets):

The Very Revd Dr Andris Abakuks (Latvian)
Mrs Ruta Abakuks (Latvian)
The Revd Sigurður Arnarson (Icelandic) (Resigned 30 November 2009)
The Revd John Evenson (Lutheran Church in Great Britain)
The Revd Lagle Heinla (Estonian)
The Revd Iris Hellmich (German)
The Revd Torbjørn Holt (Norwegian)
Mr Michael Hutchinson-Reis (Finnish) (Replaced on 18 June 2009)
The Revd Else Hviid (Danish)
The Rt Revd Walter Jagucki (Lutheran Church in Great Britain)
Mrs Guðrun Jensen (Icelandic)
Mrs Madelaine Mason (Swedish)
Mrs Maria-Liisa Morgan (Lutheran Church in Great Britain)
The Very Revd Robert Patkai (Hungarian)
The Revd Michael Persson (Swedish)
Mrs Margaret Pickford (Lutheran Church in Great Britain)
The Revd Juha Rintamäki (Finnish)
Prof. Reinhardts Vitols (Latvian)
Mrs Marja Zabiega (Finnish) (Appointed 18 June 2009)
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. The Trustees are:

Chair	The Revd Juha Rintamäki
Deputy Chair	The Revd Torbjørn Holt
Other Trustees:	The Very Revd Dr Andris Abakuks
	The Revd Sigurður Arnarson (Resigned 30 November 2009)
	The Rev'd Christoph Hellmich
	The Revd Lagle Heinla (resigned 17 March 2009)
	The Rev'd Else Hviid
	The Right Revd Jana Jeruma-Grinberga
	The Very Revd Michael Persson

New and retiring Trustees

There were no new Trustees appointed during the year. The Revd Lagle Heinla, who was appointed as a trustee on 8 June 2001, resigned on 17 March 2009; and the Revd Sigurður Arnarson, who was appointed as a trustee on 16 June 2004, resigned on 30 November 2009.

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 and with the Director of Finance and Operations 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 of '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 Trustees have attended seminars related to the responsibilities of Trustees.

Honorary President

The Council's Honorary President is the Very Revd Robert Patkai, who served for many years as its Chair and is the retired Dean of the Hungarian Lutheran Church in England.

Administrative and professional staff

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

Principal advisers

Bankers

CAF Bank Limited Kings Hill Avenue West Malling Kent ME19 4JQ	HSBC Bank plc 1 Woburn Place Russell Square London WC1H 0LQ
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Auditors

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

Solicitors

Bircham Dyson Bell LLP 2-6 Cannon Street London SW1H 0BL	Bates Wells & Braithwaite London LLP 50 Broadway London EC4M 6YH
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Investment Managers and Advisers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

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 was reformed in May 2009 and consists of four Trustees. Since then it has met several times, consulting both the General Secretary and the Director of Finance and Operations as it considers the future programme and staffing of the LCGB. A particular focus has been the forthcoming retirement, at the end of 2010, of the General Secretary.

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. It meets twice a year.

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 spanning 79 countries 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, 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 provides high quality residential care and supported living services to about 60 persons in the Midlands of England. One of the Council's Trustees, the Rt Revd Jana Jeruma-Grinberga, represents the Council at general meetings of Bethphage 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. The General Secretary of the Council is a member of IMPACT's Council and he served as its chair for a two-year term, which ended in September 2009. In that capacity he participates in regular teleconferences and an annual face-to-face meeting, which in 2009 took place in Germany.

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. The most significant risks relate to business continuity in the event of a major incident, and maintaining a high quality of staff and trustees. Contingency plans are in place for all major risks.

The management of the Lutheran Council of Great Britain

Direct responsibility for the administration of the Council is delegated to the Director of Finance and Operations, who reports to the General Secretary. While the General Secretary retains overall responsibility for the management of the Council, he focuses particularly on pastoral and theological issues and inter-church relations.

As well as preparing accounts, regulatory compliance and governance support, the Director of Finance and Operations also has direct responsibility for the operations of the International Lutheran Student Centre, including the management of staff, facilities and services.

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 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 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 national ecumenical 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 2009 as resources permitted. A summary of its achievements in the year and measures to assess performance are given in the following pages. The Council continually reviews its programme and priorities to ensure that its work remains relevant to the needs and interests of its beneficiaries.

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 country 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 must recognise and live in the unity that we have through baptism in Christ's 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 Churches International Students Network
- CTE Theology and Unity Group, serving as chair
- CTE Enabling Group
- Faith in Europe

The General Secretary was the Lutheran Co-Moderator of the Anglican-Lutheran Society for several years, retiring from that office in March 2009 but remaining on its executive committee. He participated in its international conference in September, in Turku, Finland. The society aims at bringing Anglicans and Lutherans closer together.

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 attends the annual meeting of church leaders organised by the Focolare Movement, an international ecumenical movement working for unity.

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

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 seminars for university staff.

The Director of Finance and Operations represents the Council on the Board of 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 Director of Finance and Operations attends meetings of the Human Resources Officers Group of Churches Together in England, which considers employment regulations, procedures and issues affecting the churches.

The General Secretary and the Director of Finance and Operations attend meetings of the Churches' Legislation Advisory Service (CLAS), which monitors legal developments affecting churches and makes representations to government bodies.

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. The Chaplain and the General Secretary regularly attend team meetings of the Anglican chaplaincies in London and the Chaplain cooperates with of the Chaplains in Higher Education Liaison Group (CHELG), a national ecumenical organisation. The Chaplain also organises occasional meetings with student chaplains for particular national groups, both Lutherans and those from other Christian traditions, and at least annually the chaplain 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 Inter-Religious Network.

Relations with particular churches

The Church of England (C of E) and the Council have met several times in recent years 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 final report on the consultations was prepared at the end of 2008 and mechanisms to enable a closer relationship are being actively considered.

The Council and the Catholic Bishops' Conference of England and Wales (CBCEW) organise events of interest to Catholics and Lutherans. The next one is planned for Spring 2010 and will focus on Church and society. On 11-15 January the General Secretary participated in an international ecumenical conference on 'receptive ecumenism and ecclesial learning', organised by The Centre for Catholic Studies, Department of Theology and Religion, Durham University, and St Cuthbert's Seminary, Ushaw College, Durham. He preached at a service of Holy Communion, with the Bishop of Durham presiding.

In addition to regular committee meetings, the Council was represented at many ecumenical events and special meetings in 2009, including:

- Vespers and farewell reception for Cardinal Cormac Murphy O'Connor on his retirement as Archbishop of Westminster
- Lecture at United Reformed Church about Calvin
- Reception by Archbishop of Canterbury at Lambeth Palace
- Vespers at Westminster Cathedral for new Archbishop of Westminster, the Most Revd Vincent Nicholls
- Forum (residential conference) of Churches Together in England
- Reception for and meeting with new Europe Secretary of Church of England's Council for Christian Unity
- Meeting with General Secretary of United Reformed Church
- Installation of the Most Revd Bernard Longley as Archbishop of Birmingham

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

- Continuing progress of discussions with Church of England
- Regular contacts with the Roman Catholic Church and other churches
- 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 many countries 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 cabled and wireless computer network that allows continuous connection to the Internet. The fire alarm system was significantly upgraded during the year and smoke or heat detectors are in every room. The lifts were also improved, to comply with current legislation and 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 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 a national code of standards for providers of student accommodation. The ILSC is accredited by ANUK as a provider of student accommodation for Larger Student Developments.

The London Borough of Camden has 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 is the Revd Tuulia Matinkainen–Castledine, who took up the post on 6 January 2009. The Chaplain, who is based at the International Lutheran Student Centre, has pastoral responsibility for the residents at the centre and also makes contact with international Lutheran students elsewhere in London and Britain. The Chaplain has productive links with other chaplains in universities in London and organises meetings with other Lutheran student chaplains working in Britain.

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 2009 for ILSC residents and other students. Places visited and events organised included:

- Royal Academy of Arts Byzantium 330-1453 exhibition
- Visit and debate in St Paul's Cathedral
- Quiz night for Christian Aid
- Mamma Mia musical
- Human Rights discussion with Amnesty International
- Visit to British Museum Department of Prints and Drawings
- Walk in Hampstead Heath
- Celebration of Thomas Mass
- Day trip to Greenwich
- Treasures of British Library visit
- Harvest Festival supper
- Ecumenical Advent study sessions
- Christmas Sing for Christian Aid

Summary of indicators or measures to assess achievement: Student chaplaincy

- Many ILSC students and friends from outside the centre participate in chaplaincy activities.
- 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.
- 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) 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, church life and international links, and for other Christians to learn more about the Lutheran heritage.

After the AGM of the Council in June, two presentations were given. The General Secretary showed slides about a project of the Northern Diocese of the Evangelical Lutheran Church in Tanzania, which works within an international alliance of Lutheran-linked organisations (IMPACT) to improve the lives of persons with learning disabilities and their families. The main presentation was given by the Revd Maris Sants, a Lutheran pastor from Latvia who is now working in London. A qualified and practising psychotherapist, pastor Sants introduced *Enneagrams*, a system based upon personality types that has been applied to organisational development, career coaching and spiritual growth.

The Council also helps churches to develop a better understanding of the many administrative challenges and legal issues that face them in this country. On 2 June a Church Administrator's Conference was held at the Augustana Centre, which provided an up-date on topics that had been raised in the first such conference, held in 2008, and included a number of new topics. In response to the interest from its affiliated churches, the Council intends to make the conference an annual event. As the churches have personnel from a number of countries, where the systems and laws might be different, such information days are important, particularly as legal requirements often change.

The presentations, given by experts in the field, included:

- Paul Harris, Director of Cazenove Capital Management, talked about investments for charities, looking at risks and potential rewards;
- Jane Ayers of CAF Bank, which was established by the Charities Aid Foundation to meet the needs of the charity sector, gave details about the services available;
- Jesper Christensen, a partner at Bircham Dyson Bell Solicitors, spoke about legal and management issues related to the use of volunteers, such as youth leaders or Sunday School teachers;
- Simon Morrison of the Independent Safeguarding Authority (ISA), which is associated with the Home Office, gave information about the new procedures that began in October 2009 to safeguard children and vulnerable adults.

Sessions on the role of charity trustees, information resources and the joint purchasing of insurance were also presented.

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 2009 the Council distributed £18,750 as subsidies for clergy salaries. The churches receiving grants were the Lutheran Church in Great Britain and the Latvian Evangelical Lutheran Church in Great Britain. In addition two grants were approved in 2009 for the Lutheran Church in Great Britain: £1,574 for the purchase of vestments and £10,000 to support its administrative needs in 2010.

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.

The Council also makes small hardship grants from time to time for the support of students resident in the International Lutheran Student Centre or Lutheran students elsewhere who are suffering hardship. £447 was paid from this fund in the year.

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.

The Council regularly receives visitors from other Lutheran churches. In 2009, for example, groups of university chaplains from Sweden and Finland met the Student Chaplain and discussed matters of common interest. In February the General Secretary attended a meeting in Geneva with the Deputy General Secretary of the Lutheran World Federation (who had been a student in Britain and had lived at the International Lutheran Student Centre in London).

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

- Talks or seminars provided in 2009, on practical or theological issues, with good attendance and positive feedback from participants;
- Grants totalling £20,324 for Lutheran churches in Britain
- 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 and banking

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 2009, the investments managed by Cazenove, including an average end-of-quarter cash balance of £2,035,901, yielded a return of 3.0%. The underlying value of investments rose by £235,297 (10.6% of the opening portfolio of £2,212,050).

With the exception of cash held for investment purposes through Cazenove, the Council's every day banking is with CAF Bank Limited and HSBC plc.

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 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:

- 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 many 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, and to students experiencing hardship.

FINANCIAL REVIEW

During the year unrestricted funds, before the increase in investment values, fell by £13,291.

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 and approved on 4 July 2008. However, due to the difficulty in obtaining consensus within the London Borough of Camden's Listed Building and Building Control sections, work was delayed. Work commenced on 12 January 2009, and a certificate of practical completion issued on 9 November 2009. The defects liability period ends on 9 May 2010. The capital cost of the refurbishment to 31 December 2009 was £410,409. At 31 December two flats were leased to tenants, and the remaining two flats were leased in the first quarter of 2010.

Other features of the year's results include:

- Occupancy levels at the International Lutheran Student Centre continued to remain high.
- Designated funds were adjusted to reflect the value of investments, tangible fixed assets after investment in the Sandwich Street development, new hostel equipment and after provision for depreciation and major repairs.
- The income from the Augustana Centre was lower due to refurbishment of the kitchen in August, when the Centre was not available.

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. 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 16 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 £41,199 at the year end after adjustments to restricted and designated reserves.

Investment policy

Funds that are not required in the short-term (£2.0 m at 31 December 2009) 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 at 31 December 2009 are set out in note 12 to the accounts. Funds are invested through Cazenove Capital Management, who have discretion to buy and sell listed investments approved by the Council's finance committee for the Council's account without further approval by 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 in 2006 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 property including refurbishment costs approximates to the amount 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 are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for the charity for each financial year. Charity law requires the trustees to prepare group financial statements for the charity and its subsidiary undertakings. The financial statements must be prepared in accordance with United Kingdom Generally Accepted

Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles in the Charities SORP
 - make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

The Trustees (as directors for company purposes) who held office at the date of approval of the Annual Report and Accounts confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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. On 18-19 May 2009 the Trustees and the Finance Committee met to review the current position of the Council and to consider future needs and priorities. The Trustees were guided by an external facilitator, who prepared a report based upon the discussion, for the consideration of the Trustees. The Strategic Review Committee is meeting regularly 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

We have audited the group and parent charity financial statements of The Lutheran Council of Great Britain Limited for the year ended 31 December 2009 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the group financial statements, to the charity's trustees as a body, in accordance with regulations made under section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's members and trustees 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 charity, the charity's members as a body and the charity's trustees 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 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.

The trustees were not required by section 399 of the Companies Act 2006 Act to prepare group financial statements accounts for the financial year and accordingly have prepared the group financial statements in accordance with the requirements of the Charities Act 1993 and regulations made under that Act.

We have been appointed as auditors under the Companies Act 2006 and, in respect of our audit of the group financial statements, under the Charities Act 1993. We report to you in accordance with those Acts and in accordance with regulations made under section 44 of the Charities Act 1993.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been properly prepared in accordance with the Companies Act 2006 and, in respect of the group financial statements, the Charities Act 1993 and regulations made thereunder. We also report whether the information given in the trustees' report is consistent with those financial statements.

We also report to you if, in our opinion, the parent charity has not kept adequate accounting records, if the charity's individual financial statements are not in agreement with those records and returns, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity and other members of the group is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This information comprises only the Chairs Message. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

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 group's and the parent charity'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 of the state of the group's and the parent charity's affairs as at 31 December 2009 and of the group's incoming resources and application of resources for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- The financial statements have been prepared in accordance with the Companies Act 2006 and, in respect of the group financial statements, in accordance with the Charities Act 1993 and regulations made thereunder; and
- The information given in the trustees' report is consistent with the financial statements.

Ian Mathieson
Senior statutory auditor
For and on behalf of PKF (UK) LLP, statutory auditors
London, UK