

# THE BRITISH PROVINCE OF THE UNITAS FRATRUM (MORAVIAN CHURCH)

England & Wales · Charity number 251211

## Details

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Other names	MORAVIAN CHURCH, TSFG
Status	Registered
Legal form	Other
Company number	<a href="#">00133708</a>
Registered	1967-01-18
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	5 Muswell Hill London N10 3TJ
Phone	020 8883 3409
Email	<a href="mailto:office@moravian.org.uk">office@moravian.org.uk</a>
Website	<a href="http://www.moravian.org.uk">www.moravian.org.uk</a>

## Activities

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**Objects:** THE FURTHERANCE OF THE CHRISTIAN RELIGION AND IN PARTICULAR THE BELIEFS OF THE MORAVIAN CHURCH WITH ALLIED CHARITABLE WORK.

**Activities:** EDUCATION & TRAINING OVERSEAS AID / FAMINE RELIEF ACCOMMODATION / HOUSING RELIGIOUS ACTIVITIES

## Classification

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- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training, Overseas Aid/famine Relief, Accommodation/housing, Religious Activities
- **Who:** Other Defined Groups, The General Public/mankind

## Geography

- **Area of benefit:** NATIONAL.
- Northern Ireland
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£8,506,534	£8,226,864	£31,822,451	113
2023-08-31	£8,019,548	£7,557,788	£31,470,691	113
2022-08-31	£7,027,409	£7,460,665	£29,783,940	123
2021-08-31	£10,117,953	£11,600,352	£27,870,459	212
2020-08-31	£10,102,849	£12,191,182	£23,087,595	217

## Trustees

Name	Role	Appointed
<b>Roberta Margaret Ann Hoey</b>	Chair	2017-02-06
Rev David Howarth		2018-07-08
Rev Edwin Quildan		2022-09-25
Rev Jane Carter		2023-07-18
Rev Livingstone Thompson		2018-07-08
Rev Michael Kelvin Newman		2021-07-15

## Linked charities

- MORAVIAN CHOIR HOUSE, ST PETER'S STREET BEDFORD (251211-1)
- MORAVIAN CHOIR HOUSE, FULNECK (251211-2)
- MORAVIAN UNION (251211-3)
- FULNECK SCHOOL (251211-4)
- OCKBROOK SCHOOL (251211-5)

**THE BRITISH PROVINCE OF THE UNITAS FRATRUM (MORAVIAN CHURCH)**

England & Wales - Charity number 251211

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# Accounts

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**THE BRITISH PROVINCE OF THE UNITAS FRATRUM**

**operating as  
THE MORAVIAN CHURCH**

**Charity Number: 251211**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2024**

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

The trustees of the Moravian Church present their report and the consolidated financial statements for the year ended 31 August 2024 of the charity, the Moravian Church (The British Province of the Unitas Fratrum), which consolidate the results and net assets of the Church, its Congregations, its subsidiary charitable companies (The Moravian Union (Incorporated) and Fulneck School, and Fulneck Choir House. These have been prepared in the format required by the Statement of Recommended Practice, 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The report and statements also comply with the Charities Act 2011 and regulations made thereunder.

**LEGAL AND ADMINISTRATIVE DETAILS:**

The British Province of the Unitas Fratrum, generally known as the 'Moravian Church', which was established by Act of Parliament in 1749, is a registered charity, No. 251211. The Church is governed by a Book of Order as approved by Provincial Synod which consists of a biennial gathering of the provincial board, the clergy, one representative from each congregation per one hundred and fifty members and ex-officio as per the Book of Order.

The Committee of Management, who are the trustees of the charity (and directors in company law of the subsidiary charitable companies), are elected by Synod. The Book of Order (constitution) requires the Committee to act in accordance with resolutions of Synod. The Provincial Board (Committee of Management) for the year ended 31 August 2024 and subsequently comprised:

Miss R. M. A. Hoey\*  
 Rev. D. R. Howarth\*  
 Rev M Newman  
 Rev. Dr L. Thompson  
 Rev. E Quildan  
 Rev. J. Carter

\* Responsible for the day-to-day management of the Charity's affairs.

**The Registered Office:** Moravian Church House  
 5-7 Muswell Hill  
 London N10 3TJ

<b>Investment Advisors:</b>	UBS Wealth Management (UK) Ltd 1 Curzon Street, London W1J 5UB	LGT Wealth Management UK LLP 14 Cornhill London EC3V 3NR
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**Bankers:** CAF Bank Limited  
 25 Kings Hill Avenue  
 West Malling  
 Kent ME19 4JQ

Each subsidiary and branch have the power to appoint their own bank. Only the main banker is disclosed above.

**Solicitors:** Cripps Harries Hall  
 Wallside House  
 12 Mt. Ephraim Road  
 Tunbridge Wells,  
 Kent TN1 1EG

**Auditors:** Knox Cropper LLP  
 Chartered Accountants  
 65 Leadenhall Street  
 London EC3A 2AD

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Charity's constitution is defined by the Book of Order which is approved by Synod and can only be amended by Synod.

### **Group Structure**

The Moravian Church controls a number of related organisations including:

- the Moravian Union (company number 00133708), a company limited by guarantee, which holds the assets and administers the affairs of the Church.
- Fulneck School (company number 05086581), an independent school and company limited by guarantee.
- 28 congregations, 2 societies and one fellowship, and;
- One house of multiple occupancy (Fulneck Choir House).

Further details of The Moravian Union are available in their statutory accounts on request.

### **Fulneck School**

Fulneck School ceased trading on 8 July 2025 and Mr Ryan Davies of Moore Kingston Smith LLP was appointed as liquidator. The Trustees of Fulneck School and of the Moravian Church have acted throughout in accordance with their duties under the Companies Act 2006 and relevant charity law. The closure process has been conducted with a clear focus on care, compliance, and minimising disruption and harm wherever possible.

These accounts consolidate the results and net assets of all these organisations.

### **Procedures for the Recruitment and Appointment of Trustees**

The Book of Order, Section 3.1 states that the PEC consists of six members of the Moravian Church in the British Province, two serving in a full-time stipendiary capacity and four serving in a non-stipendiary capacity, part time. As part of its brief the PEC acts as the Board of Trustees (and Board of Directors) of the Moravian Union. Synod is the body with the power to appoint and remove members of the Board. Provincial Elders serve for a term of four years and may be appointed to serve a further two terms. Appointment is by election at the biennial Moravian Church Synod. Vacancies during an inter synod period shall be filled by a postal ballot election.

The Chair and Officers are appointed by the membership of the PEC from among their number. The Board convenes at least twelve times each year. Synod also elects members to the various standing and sub-committees which offer advice and support to the PEC. Each committee includes at least one Provincial Elder:

Finance and Property Committee  
 Mission and Society Committee  
 Faith and Order and Ecumenical Relations Committee  
 Church Service Committee  
 Youth and Children's Committee  
 World Mission Committee  
 Church Book Committee  
 Archives and Heritage

### **Procedures for the Induction and Training of Trustees**

On appointment, each Provincial Elder signs a code of conduct and completes a register of interests. The latter is renewed biennially following each Synod. They are given a Trustee Handbook that includes the Book of Order, the Memorandum and Articles of Association of each subsidiary company, the risk register, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investments, reserves, conflicts of interest and other guidance. It contains job descriptions for Trustees, officers and staff and a copy of Charity Commission leaflet CC3, 'The essential trustee, what you need to know, what you need to do'. All Trustees are provided with training opportunities through external training courses to keep abreast of changes and of their responsibilities.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

**Volunteers**

The Moravian Church has many committees covering its policy, education, congregational work etc. Without the many volunteers that serve on these committees we would not be able to carry out the wide variety of work that our congregations have come to rely on. No value can be placed on the many hours worked by volunteers.

**Organisational Management**

The British Province of the Moravian Church is the registered charity for the activities of the Moravian Church operated by the British Province in the UK and beyond. Synod is the ultimate authority within the Church and it elects the Provincial Elders Conference (PEC) which acts on behalf of Synod in the inter-synod period and is the ultimate decision-making body during that period. The PEC acts as the Moravian Church's board of trustees and meets on a monthly basis. Responsibility for the day-to-day management of the charity's affairs is delegated to the two full time members of the PEC.

Responsibility for control of the school is normally supported by an advisory Board of Governors whilst responsibility for the day-to-day affairs of each congregation is delegated to the local congregational committees.

**Risk Management**

The PEC has reviewed during the year an assessment of the risks to which the charity is exposed, particularly business, operational and financial risks, and the process of introducing procedures and a reporting regime to manage and reduce identified risks is ongoing. The PEC has agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities.

Risks are defined as those that, without appropriate mitigation, are likely to negatively impact on the Moravian Church serving its purpose of proclaiming the Gospel of Jesus Christ. The trustees recognise that it is not possible to eliminate risk entirely. We recognise that risk taking is inherent in proclaiming the Gospel. Our task is to minimise negative impacts and allow the Church to serve its purpose.

We have identified significant risks and are taking steps to mitigate in the following ways:

- **Failure to encourage people into ordained ministry, results in further decline, resulting in the Moravian Church ceasing to exist:** The PEC with the support of the Church Service Committee continue to review and implement strategies to recruit people into ministry. This includes dedicated Church services and enquiry days. The Church Service Committee are currently reviewing the provision of materials for training Lay people for service and have drafted resources for publication on opportunities for services as well as an understanding of ordained ministry.
- **Declining congregations and failure to grow resulting in congregation closures and ultimately the Moravian Church ceasing to exist:** The PEC have convened the Project 32 Implementation to consider the current framework of the province and consider ways to move forward into the future. The programme of renewal and growth, Project 32, which was approved by the Synod, is being progressed in line with the programme goals, under the leadership of programme coordinator.
- **Reputational damage which results in litigation and impacts on engagements with communities:** The PEC actively considers reputational damage as part of their strategy and planning. This provides the opportunity for identifying potential problems that could affect public perception, take remedial action where necessary and dictates how we communicate and manage expectations.
- **Lack of Diversity and Inclusion:** The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.
- **Dependency on limited income sources, shortfall for reserve and unforeseen shortfall on the pension funds:** The PEC continually monitors and reviews potential areas of weakness in our financial strategy and are supported by the Finance Committee who have the ability to convene emergency meetings if necessary. A Financial and Investment Risk Register is maintained.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

- **Loss of key personnel:** The PEC recognises the importance of personnel for the effective running of the organisation and is currently reviewing the framework for people management promoting a transparent and supportive environment. Losses cannot always be avoided, and the PEC must respond quickly to ensure smooth transitions.
- **Significant damage to historic buildings and archives:** The PEC work with the Estates manager and the Provincial Archivist to promote best practices for care and maintenance of historic buildings and archives.
- **Loss of significant and sensitive data:** The PEC continually monitors and reviews policies to ensure that we remain compliant with current legislative practices and seek to take remedial actions if weaknesses are identified. A recent audit has been completed to ensure compliance following the introduction of the General Data Protection Regulations.
- **Debt resulting from failed operation in the subsidiary company:** The PEC stepped up its oversight of the charity's subsidiary company, Fulneck School, with a view to ensuring that it remains a going concern, which is at risk without repayment of its loans.

**Pensions**

Following changes to legislation, the previous discretionary pension arrangements for ministers in service prior to 31 August 2010 have been replaced by a defined contribution pension scheme. This came into effect from 1 January 2016. The move recognised the historic pension obligation of The Moravian Union up to 31 December 2015. The most recent actuarial valuation of the pension liability was completed on 21 May 2025 and calculated the liability to be £3,014,504 as at 31 August 2024 compared to a liability of £2,946,467 as at 31 August 2023. All Ministers have been informed of their entitlement. Other Ministers and employees employed after 31 August 2010 hold defined contribution personal pension plans and contribute at rates chosen by themselves.

**OBJECTS AND ACTIVITIES**

**Principal Objectives**

The Church's objective is to administer the affairs of the Moravian Church in its work for the Kingdom of God, in accordance with the will of Synod.

**Activities**

The parent charity's main activities consist of:

- (i) Ensuring a supply of ministers to congregations.
- (ii) Providing congregations with advice on complying with best practice under child protection regulations in the conduct of their work with young people.
- (iii) Advice to congregations on financial and administrative matters.
- (iv) Bishops, who are elected by Synod, but who are nonetheless employees of the Moravian Church, provide pastoral and spiritual guidance to congregations.
- (v) Administering the assets of the Church through its subsidiary company, The Moravian Union.
- (vi) Maintaining archives which relate to congregations of the Church and the British Province.
- (vii) By working with Fulneck School's advisory Board of Governors and with the professionals employed in the school, maintaining and further developing the standards of academic excellence and pastoral care offered.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**OBJECTS AND ACTIVITIES (Continued)**

**Strategies**

To promote these activities the parent charity:

- (i) Organises the training of both ordained and lay preachers.
- (ii) Has developed and made available to congregations a procedures manual to regulate their work with young people. The Church also actively works with "APCS" to protect the interests of young people.
- (iii) Provides advice to congregations on the principles of sound administration again through bulletins and publications.
- (iv) The Church's investment assets, which are held by its subsidiary company, are administered with the assistance of professional fund managers. The Church's land and buildings (which are held by its subsidiary The Moravian Union) are administered through the services of a Chartered Surveyor with a view in both instances to maximising the returns available to the Church within the constraints imposed by the Church's charitable mission.
- (v) The Church, through its subsidiary company employs a full-time archivist who spends a portion of her time advising congregations on how to maintain their archives.

**Principal Objectives for the year ended 31 August 2024**

The trustees determined the following principal objectives for the year ended 31 August 2024:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and also the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- To ensure the financial stabilisation of Fulneck School.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

## **ACHIEVEMENTS AND PERFORMANCE**

### **How our activities deliver public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year. The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to our congregations and the public in general.

### **Review of the year**

We continue to focus on the essentials of our existence, which are to be found in the Ground of the Unity (Church Order of the Unitas Fratrum), and to try and achieve a proper balance between these essentials of being a church and the challenges of governance in a context characterised by numerical decline and financial uncertainty. We remain confident that we can serve God effectively in the province despite the limitations of being a small church. We continue to look for more effective ways of engaging in mission.

The trustees have developed a new strategic plan, "Embracing a heart of Resilience", as an over-arching programme. The strategic plan will look at all areas of our current activities, with new priorities to ensure sustainability and future growth over the coming decade. Under this strategic plan sits the programme of renewal, Project 32, which will focus its work on development and growth in the congregations. Building on the previous work of the 'Future Directions and Sustainability Taskforce', the Project 32 Implementation Committee gives guidance to more effective ways of ensuring future Provincial sustainability and growth.

Project 32 got off the ground with the "Holy Habits" learning and study programme. Since then, most congregations have completed the Natural Church Development (NCD) survey. The results of these have helped to identify priorities for the province in general and for each congregation. These priorities, aimed at renewal and growth, will be the overall focus of work for ensuing year.

It has been a time of transition and adjustment for the Moravian Church, for our congregations and for the wider organisation. Renewal and growth remain an imperative for the church as a whole.

### **Ministry**

It is clear that, unless our congregations start to grow in membership, the present number of members will not be able to support paid ministry in the way that it has done in the past. This will mean significant changes will have to be made by both congregations and for ministers. Congregations will have to take time to assess their strengths and weaknesses and seize the opportunities to grow. Efforts will have to be made to build the capacity of members to be more intentional in faith renewal and numerical growth.

We have been reviewing the way that ministers are trained and deployed, to ensure that we are making best uses of our ministerial resources and taking advantage of growth opportunities.

Some ministers have taken advantage of the Continuing Education policy, which give support to Ministers and paid Lay workers who wish to pursue further education. The Provincial Board continues to review the support and pastoral care provisions for our Ministers, to ensure both spiritual refreshment and continuing educational development.

The Worship leaders training programme, focusing first-and-foremost on developing an understanding of Christian worship and its context within the Moravian Church, has seen three cohorts put through the basic programme. Seeing there was not new cohort in the past year, the focus was on building capacity and mentorship for those already trained. A few worship leaders are enrolled in the advanced programme at Northen college.

### **Young people and children's work**

Recognising the need for work with children and youth to be given priority, the PEC provided a grant of £4,000 for each district to organise activities aimed at youth across the whole district. Three districts took advantage of this grant. It is anticipated that all District take up the offer in the coming years. The PEC has finalised a programme of work which will see, over a few years, District coordinators appointed for each district. This is expected to begin in ne district in the Fall of 2025.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Fulneck School**

Following a detailed and careful strategic review of Fulneck School, the Trustees of Fulneck School concluded in early 2025 that the school could not viably continue. Only 238 students started the Autumn term in the 2024/25 academic year, against a budget of 264 students. Indicative cash flow modelling indicated that the school would become insolvent in August 2025 following the end of the academic year, and the Trustees sought immediate legal and insolvency advice to explore options and obtain advice on their duties as charity trustees and directors under the Companies Act 2006. Further analysis and modelling indicated a further decline to 217 students by September 2025, and 272 pupils (a 25% increase) or a 39% fee rise would be required to break event. There are several factors involved in the overall decline in student numbers, but the loss of financial reliefs, including VAT on fees, business rate relief, and increased employer NI contributions further weakened the school's financial position

This decision was not taken lightly, with trustees considering all available and viable options to ensure the school could continue. However, after careful consideration and no offers materialising, the difficult decision to plan to close the school was taken February 2025, and preparations began for an orderly closure at the end of the 2024/25 academic year. The intended closure was publicly announced to staff, parents, and the wider community on 24 March 2025.

The Trustees have taken all steps to ensure that loss to creditors is minimised and that the interests of all stakeholders, including staff, students, and the wider community, are protected. A detailed communications plan, developed in consultation with a professional agency, has guided open and transparent engagement with all affected parties. Formal consultation with employees and Trade Union representatives commenced following the announcement. The Trustees have engaged legal, financial, and insolvency advisors throughout, to ensure that all legal procedures are properly followed and that creditor claims are managed independently and fairly.

Fulneck School ceased trading on 8 July 2025 and Mr Ryan Davies of Moore Kingston Smith LLP was appointed as liquidator. The Trustees of Fulneck School and of the Moravian Church have acted throughout in accordance with their duties under the Companies Act 2006 and relevant charity law. The closure process has been conducted with a clear focus on care, compliance, and minimising disruption and harm wherever possible.

The outstanding intercompany loan totals £1.9 million and the Moravian Union is expected to be treated as an unsecured creditor. At this stage, the likelihood of full recovery is considered low, due to the school's limited assets and other liabilities which are expected to rank ahead of the unsecured creditors. The loans were provided incrementally, in response to short-term cashflow needs and within the broader context of a recovery strategy advised by professional consultants. The decisions to extend or renew loans were made in accordance with MU's charitable objectives, which include support for allied charitable work (in this case, education at Fulneck School). The loans were consistently reviewed against risk appetite, strategic fit, and the long-term interests of the charity.

**Choir House**

The Choir House at Fulneck, which is licensed as a house in multiple occupation, (HMO), sharing a common entrance hall, provides a number of comfortable, self-contained apartments. As a set of Grades 1 and 2 listed buildings, maintenance and upgrading works are expensive and have to be overseen by listed building specialists.

The Trustees are grateful to the work of Br Ian Haggas as the administrator.

**Finances**

In common with many other denominations with a reducing membership, the Moravian Church is finding it a challenge to renew and grow beyond a maintenance level of operation. The per capita financial contribution being asked of members is increasing, even with delimiting efforts. We therefore commend congregations that find ways to increase their income in this difficult situation.

The Trustees are, therefore, extremely sensitive to the need to ensure careful, fiduciary oversight of our investments.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

In May 2025 UBS advised that Moravian Union account with the institutions would be closed, as UBS would no longer be servicing accounts below £10 million. After a meeting with the bank, the Trustees decided that the portfolio, which was previous managed by UBS Wealth Management UK, has been transferred to LGT Wealth LLP.

We continue the structure of oversight, in which a small group comprising the Provincial Treasurer along with the Chairman and two members of the Finance Committee, meet with the investment manager to monitor performance. A further meeting with LGT reinforced that the investment policies, to ensure our monies are invested to meet the ethical and moral values we espouse. The Provincial Board has therefore reviewed and reaffirmed the Ethical Investment Policy which will be continuously reviewed and monitored and will help guide our investment strategy.

An area in which we took action was in regard to the pension commitment to workers. The current arrangement, which is consistent with charity regulations, in that all current and future stipendiary staff be included in a formal, contributory pension scheme. Congregations contribute 5.5% of stipend to the pension fund.

Previously the pension arrangement was one in which discretionary payments were made to retired church servants and their spouses. During the 2017 British Provincial Synod it was resolved that these payments to retirees should be recognised as an obligation and not discretionary. An amount was therefore set aside from Provincial operations to cover this obligation. This sum has continued to fall overtime, since the numbers of individuals to whom this is paid is reducing. Another formal actuarial valuation of the obligation was undertaken in May 2025 and are reflected in these financial statements.

**Unity**

Our partnerships with South Asia and the Moravian Church in Western Tanzania continues. At Unity Synod in 2023, South Asia was formally recognised as a Mission Province. It has held a Provincial Synod and Provincial Board has been appointed. The work is still supported by the British Province, via the British Mission Board, which is represented at the meetings of their Provincial Board.

The BMB, which was expanded following the acceptance of the general and specific principles laid down at the Synod of 2021, continues as the main instrument of overseas engagement. Members of the BMB help to share the overall workload and to widen the scope and breadth of what the BMB can accomplish. The BMB meets separately from the PEC, whilst reporting back to the Provincial Board. The BMB, with Sr Jane Carter as chair, has kept focus all aspect of the work in Tanzania and South East Asia.

Funding is being accumulated in the Mission Fund and available for the BMB to use in order to bolster Mission work throughout the Unity and beyond. This is helping the BMB to becoming more responsive and proactive in the way it responds to both emergencies and emerging projects around the world. From time-to-time different organisations and congregations make contributions to overseas missions and these are routed through the BMB.

We continue to offer an administration grant, albeit it at a reduced level, to the Jamaica Province to help with the purchase Textbooks from the Bookroom. This is of mutual benefit as the Jamaican order increases our print run and reduces the unit cost of the books to everyone. Support is also given to Elim Home in South Africa and the Star Mountain Rehabilitation Centre in Ramallah, Palestine. These are viewed as important works of the Moravian Church world-wide. Individuals and groups such as the Moravian Women's Association, the Men's Fellowship and the YPMA give money to many other projects. We are constantly touched by the generosity of such gifts.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**Ecumenical**

As a province, we continue to play as full a role as possible in the national and four-nation bodies, with representation on Churches Together in England, the Irish Council of Churches, and Churches Together in Britain & Ireland. We now have three Provincial Ecumenical Officers – Br Philip Cooper, Sr Lorraine Shorten and Br Michael Newman – appointed by the Provincial Board to represent the Moravian Church at a National level and we are grateful for their work. Sr Sarah Groves is currently serving as President of the Irish Council of Churches, after which she will remain in the presidium as Immediate Past President.

Br Cooper attends Church of England Synods as an ecumenical representative, and a working group continues to explore closer unity with the Church of Ireland following the Armagh Agreement. Br Newman is a governor at Northern College, a United Reformed Church theological education centre.

Most congregations play their part in the local ecumenical scene, both formally and informally. Three of our congregations are local ecumenical partnerships – Hall Green, Harlesden and Blackbird Leys.

Br Livingstone Thompson is a Trustee of Christian Aid Ireland, in which role he also sits a member of the Income, Finance, Risk and Audit (IFRA) committee, for Christian Aid Ireland in both jurisdictions on the island.

**Conclusion**

This province of the Moravian Church has been in existence for over 270 years, which gives it the privilege of a long institutional memory. The contribution that the church has made to society continues to be the subject of scholarly investigation, the outcomes of which must be faced maturely. It is evident that the decline in membership must be halted to avoid an irreversible existential crisis. However, when we consider the number of members and significant financial contributions, which we have been able to make to support our mission locally and overseas, we could say that the Church is having significant impact.

While the decline in numbers is similar to what we see in other communions, the trend reinforces the need for us to be clear about the kind of church we want to be in the future: the new strategic plan, the project 32 programme and effective use of tangible and intangible assets are some of the things, which we believe will make a difference for renewal, sustainability and effectiveness.

A major risk we face as a church is to fail to live up to the teachings of Jesus Christ in our dealings with each other and with those with whom we come into contact. The work of the Church can be described as being twofold: to nurture its members and develop their relationship with God and, reaching out to those in the wider community, to demonstrate the Christian message through our life and teaching.

The qualitative nature of our objectives is one that the Trustees consider to be at the heart of our existence as the Moravian Church. We pay tribute to the ongoing commitment and hard work of our ministers, the staff at the headquarters building and the numerous volunteers who offer such loyal service through their own congregations and without whom there would be no Moravian Church in these islands.

We present this report as being a true reflection of our present position.

**REVIEW OF FINANCIAL POSITION**

The Statement of Financial Activities summarises the movements in all the Group's funds during the year.

This indicates that the Group recorded a net increase in funds for the year of £351,760, compared to an increase of £1,686,751 in the preceding year. During both the current and preceding financial years there have been a number of significant events and transactions that have distorted the performance for the year as the Church has instigated its restructuring exercise to secure its financial viability going forward and achieve maximum return on its investments.

The Group's total income has increased by £486,986 to £8,506,534 and total expenditure by £669,076 to £8,226,864. This reflects the ongoing restructuring exercise being carried out.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**REVIEW OF FINANCIAL POSITION (Continued)**

Total net assets of the Group amount to £31,822,451 and are represented by the Group's fixed assets. At the year end the Balance Sheet on page 15 discloses net current assets of £635,987 compared to £267,464 at the preceding year end. This primarily reflects the impact of the ongoing restructuring exercise. The financial position of the Group remains strong, having an investment portfolio in stocks and shares of £3,487,159 as well as a property portfolio held for investment purposes of £26,969,063.

The Trustees review the group and individual entities reserves policies on an annual basis taking account of the total net assets of each entity and the group as a whole, proposed activities for the forthcoming year and their funding requirements.

**Investment Policy and Objectives**

Our investment policy is developed in consultation with the Finance and Property Committee, which makes recommendations to the PEC. The present investment objective is to achieve a balanced return in the investment portfolio. The investment portfolio is managed by professional fund managers and consists entirely of listed securities. Investment decisions are based on an ethical stance with the investment brokers being instructed to avoid specific commodities and prioritise those with reasonable environmental sensitivity.

The movement in market value of investments this year, both realised and unrealised, amounts to a gain of £173,757. Given the Charity's ethical investment stance, its income requirements and the current economic climate, the Trustees consider the portfolio's performance to be satisfactory.

The investment properties represent the managed estates and are held to generate rental income for the Moravian Union. The current market value of investment properties has been estimated at £26,969,063 and net rental income is £184,502 compared to the preceding financial year with net rental income of £143,126. Net rental income will fluctuate year on year depending on the level of maintenance work required on the estate's properties.

**Fundraising Policy**

The Charity does not use fundraising services, consultants or external professional fundraisers to undertake its fundraising activities and no data is shared with or sold to any external agencies.

The Charity does not undertake Direct Mail and does not approach or pressure vulnerable people to support its work. A complaints procedure is in place and the Charity adheres to the Fundraising Code of practice issued by the Fundraising Regulator.

**FUTURE PLANS**

During the forthcoming year the Trustees aim to continue to discharge their current responsibilities effectively and efficiently within the constraints of resources both financial and human. The Trustees continue to review the structure of administration to ensure that we are operating as efficiently as is possible given the above constraints.

Furthermore, the Church, with a view to simplifying its record keeping and financial reporting requirements, will continue to review its trust ledgers in order to gain Charity Commission consent to the merger of a number of the smaller funds.

The trustees determined the following principal objectives for the year ending 31 August 2025:

- To implement the activities associated with the strategic plan and the Project 32 Programme for renewal and growth.
- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.

### **RESERVES POLICY**

The trustees recognise that the Charity requires reserves to allow it to continue its work in the event of unforeseen interruptions to its income streams. The trustees consider the Charity's reserve requirements at least annually and to be prudent are of the opinion that unrestricted reserves equivalent to at least one year's total expenditure should be held. At the current year-end, unrestricted reserves (excluding those earmarked for designated purposes) amounted to £1,417,797 and this represented approximately 37% of annual expenditure, excluding School's expenditure.

The current economic climate has continued to have a significant impact on the activities, income generation and expenditure of the Group. The Trustees have considered this when assessing the Charity's ability to continue as a going concern and the level of reserves it will require. As explained in note 1 to these financial statements, the Trustees are of the opinion that the reserves available to the Charity are sufficient to ensure that the Charity continues for the foreseeable future.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Charity 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 Group and of the incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parent Charity and the Group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Parent Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### ***On behalf of the Trustees***



**Miss R. M. A. Hoey**  
**Chair**



**Rev Dr L. A. Thompson**  
**Treasurer**

**Date: 28 July 2025**

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**OPINION**

We have audited the financial statements of The British Province of the Unitas Fratrum operating as Moravian Church for the year ended 31 August 2024, which comprise the Consolidated Statement of Financial Activities, the Group and the Parent Charity's Balance Sheet, the Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the parent charity and the group's affairs as at 31 August 2024, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

This report is made solely to the Trustees in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to the Trustees 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 and the charity's Trustees for our audit work, for this report, or for the opinions we have formed.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**OTHER INFORMATION**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**RESPONSIBILITIES OF THE TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for preparing the Report of the Trustees and the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under Section 144(1) of the Charities Act 2011 and report in accordance with regulations made under that Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Knox Cropper LLP**  
**Statutory Auditor**  
**65 Leadenhall Street**  
**London**  
**EC3A 2AD**

**Date: 28 July 2025**

Knox Cropper LLP is eligible to act as an auditor of the Charity in terms of section 1212 of the Companies Act 2006.

**MORAVIAN CHURCH**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total 2024	Total 2023
		£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and Legacies	2	479,526	6,642	805,530	1,291,698	1,187,249
Other Trading Activities	3	-	-	113,346	113,346	93,243
Investments	4	880,873	15,782	420,513	1,317,168	1,235,190
		1,360,399	22,424	1,339,389	2,722,212	2,515,682
<b>Charitable activities</b>	5	50,812	2,520	4,504,690	4,558,022	4,026,293
<b>Other</b>	6	1,226,300	-	-	1,226,300	1,477,573
<b>Total Income</b>		2,637,511	24,944	5,844,079	8,506,534	8,019,548
<b>Expenditure on:</b>						
<b>Raising Funds</b>						
Fundraising trading: cost of goods sold and other costs	7	-	-	(158,576)	(158,576)	(123,007)
Investment management costs	7	(752,036)	(1,474)	(9,818)	(763,328)	(810,508)
		(752,036)	(1,474)	(168,394)	(921,904)	(933,515)
<b>Charitable Activities</b>	7	(1,093,120)	(877,249)	(5,334,591)	(7,304,960)	(6,624,273)
<b>Total Expenditure</b>		(1,845,156)	(878,723)	(5,502,985)	(8,226,864)	(7,557,788)
Net Gains/(Losses) on investment assets	10, 11	101,282	(4,110)	156,316	253,488	754,305
Net income/(expenditure)		893,637	(857,889)	497,410	533,158	1,216,065
<b>Other Recognised Gains/(Losses)</b>						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	19	-	(181,398)	-	(181,398)	470,686
Transfers between reserves	17	(752,848)	1,217,679	(464,831)	-	-
<b>NET MOVEMENT IN FUNDS</b>		140,789	178,392	32,579	351,760	1,686,751
<b>Reconciliation of Funds:</b>						
<b>Total Funds Brought Forward</b>	17	1,277,008	25,977,279	4,216,404	31,470,691	29,783,940
<b>TOTAL FUNDS CARRIED FORWARD</b>		£1,417,797	£26,155,671	£4,248,983	£31,822,451	£31,470,691

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

As a result of its activities for the year the parent charity, The Moravian Church, disclosed a net increase in funds of £36,968. Its total net assets at the year end stood at £1,147,488

The notes form part of these financial statements.

**MORAVIAN CHURCH**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 AUGUST 2024**

Notes	Group		Parent		
	2024	2023	2024	2023	
	£	£	£	£	
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	9	4,224,404	4,756,235	347,556	355,279
Investment Property	10	26,969,063	27,143,814	-	-
Investments	11	3,487,159	2,939,874	141,172	192,898
		<u>34,680,626</u>	<u>34,839,923</u>	<u>488,728</u>	<u>548,177</u>
<b>CURRENT ASSETS</b>					
Stock	12	33,076	47,552	-	-
Debtors	13	679,115	585,976	124,377	129,423
Cash at Bank and in Hand		1,925,408	1,328,993	943,842	919,341
		<u>2,637,599</u>	<u>1,962,521</u>	<u>1,068,219</u>	<u>1,048,764</u>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	(2,001,612)	(1,695,057)	(409,459)	(486,421)
<b>NET CURRENT ASSETS</b>		<u>635,987</u>	<u>267,464</u>	<u>658,760</u>	<u>562,343</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>35,316,613</u>	<u>35,107,387</u>	<u>1,147,488</u>	<u>1,110,520</u>
<b>CREDITORS: Amounts falling due after more than one year</b>					
Defined Benefit Pension Liability	15	(479,658)	(690,229)	-	-
	19	(3,014,504)	(2,946,467)	-	-
<b>TOTAL NET ASSETS</b>		<u>£31,822,451</u>	<u>£31,470,691</u>	<u>£1,147,488</u>	<u>£1,110,520</u>
<b>The Funds of the Charity:</b>					
Restricted Funds	17	4,248,983	4,216,404	1,115,139	1,079,796
Unrestricted Funds					
General	17	1,417,797	1,277,008	-	-
Designated Fund – Defined Benefit Pension Liability	17	(3,014,504)	(2,946,467)	-	-
Designated	17	29,170,175	28,923,746	32,349	30,724
		<u>27,573,468</u>	<u>27,254,293</u>	<u>32,349</u>	<u>30,724</u>
<b>TOTAL FUNDS</b>		<u>£31,822,451</u>	<u>£31,470,691</u>	<u>£1,147,488</u>	<u>£1,110,520</u>

Approved by the Trustees on 28 July 2025 and signed on their behalf by



**Rev Dr L. Thompson**



**Miss R. M. A. Hoey**

Charity Number: 251211

The notes form part of these financial statements.

**MORAVIAN CHURCH**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

	Notes	2024		2023	
		£	£	£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>			512,558		(490,454)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income		1,317,168		1,235,190	
Payments to acquire tangible fixed assets	9	(3,155)		(783,469)	
Proceeds on disposal of tangible fixed assets		372,617		-	
Proceeds on disposal of investment property assets	10	154,482		432,464	
Purchase of fixed asset investments	11	(989,417)		(978,491)	
Proceeds of sale of fixed asset investments	11	615,889		3,130,955	
			1,467,584		3,036,649
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(194,532)		(226,676)	
Movement on Loans		(164,079)		(2,151,204)	
			(358,611)		(2,377,880)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			596,415		168,315
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>			1,328,993		1,160,678
<b>Cash and Cash Equivalents at the end of the reporting period</b>			<u>£1,925,408</u>		<u>£1,328,993</u>

**RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH OUTFLOW**

	2024	2023
	£	£
Net Movement in funds for the year	351,760	1,686,751
Investment Income	(1,317,168)	(1,235,190)
Interest Paid	194,528	226,676
Depreciation	213,690	164,421
(Gains)/Losses on disposal of property fixed assets	(51,322)	(946,429)
(Gains)/Losses on disposal of other fixed assets	-	-
(Gains)/Losses on investment assets	(47,830)	(5,271)
Investment asset impairment	(105,658)	198,160
(Increase)/Decrease in Stock	14,476	(20,028)
(Increase)/Decrease in Debtors	(93,139)	(78,609)
Increase/(Decrease) in Creditors	260,068	137,157
Movement on Defined Benefit Pension Liability	68,037	(618,092)
	<u>£ (512,558)</u>	<u>£ (490,454)</u>

**NET DEBT RECONCILIATION**

	01/09/2023	Cashflow	31/08/2024
	£	£	£
Cash at Bank and in Hand	1,328,993	596,415	1,925,408
UBS facility drawn down	-	-	-
Loans repayable within one year	(157,353)	58,572	(98,781)
Loans repayable outside one year	(585,165)	105,507	(479,658)
	<u>£586,475</u>	<u>£760,494</u>	<u>£1,346,969</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

1. **ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the provisions of the Charities Act 2011, the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), FRS 102 and the Charities Act 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102.

The financial statements consolidate the incoming resources and resources expended, assets and liabilities of the following entities:

Moravian Church and its Congregations (The Parent)  
The Moravian Union (Incorporated)  
Fulneck School  
Ockbrook School (until 28 July 2021)  
Fulneck Choir House

The presentation currency of the financial statements is Pound Sterling (£).

**Going Concern**

The trustees consider that there are no material uncertainties about the Group's ability to continue as a going concern. The Group is continuing a financial restructuring exercise (see note 22) and has secured a lease on its Ockbrook School properties, which previously entered administration, and provisions made against its loan to Fulneck School to support its financial stability. In forming this opinion, they have considered the impact of the ongoing financial restructuring exercise on both its income and expenditure for at least a period of twelve months from the date of approval of these financial statements. The Charity's reserves, including the investment properties revaluation reserve, and plans in place are sufficient to ensure that it remains a going concern for the foreseeable future.

**Income Recognition**

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

*Donations and Legacies*

Income from donations and legacies is generally recognised on receipt. However, income from the Mrs E M Bates Trust is accrued at the balance sheet date if the trustees are satisfied that the criteria of entitlement, certainty and measurement have been met on the basis of declarations and/or payments by the donating organisation after the year end.

*School Fees*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the schools.

*Rental Income*

Rents receivable are included on an accruals basis.

*Investment Income*

Investment income is recognised when received by the investment managers.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**1. ACCOUNTING POLICIES (Continued)**

**Income Recognition (Continued)**

*Other Income*

Other income is generally recognised on an accruals basis.

**Expenditure**

Liabilities are recognised when a legal or constructive obligation to make a payment arises, it is probable that a transfer of economic benefits will be required and it can be measured reliably. Expenditure is charged on an accruals basis. All expenditure heads in the SOFA include both direct costs and apportioned overhead costs. Overhead costs are apportioned on the basis of employee time.

Charitable activities represent the direct costs of carrying out the charity's aims, together with allocated support costs which are apportioned to the different expenditure heads on the basis of staff time. Governance costs are the costs of meeting the charity's regulatory obligations and are included within support costs.

**Stock**

Stock is valued at the lower of cost and net realisable value.

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within certain sectors or sub sectors.

**Investment Property**

Residential investment property is valued at market value at the balance sheet date. It was independently valued on 3 July 2015 by SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors (RICS), based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. The market value of the properties is reviewed annually and adjusted based on the condition and usage of those properties, as advised by John Forrester Ltd, using the Halifax Regional House Price Indices and other supporting information when available. The properties of the former Ockbrook School have been valued based on future rental income net of future repair costs.

**Leases**

Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease. Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the life of the lease with payments to the lessor being apportioned between capital which writes down the outstanding obligation and interest which is charged to the Statement of Financial Activities over the period of the lease on a straight-line basis.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

All freehold property is analysed between functional properties (e.g. Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties') which are maintained to generate rental income. The functional properties are carried at cost and depreciated. The investment properties are carried at market value.

For functional properties, depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated on a straight-line basis at 1% pa for the structure and 2.5% pa for the roof. Certain properties used by congregations are not reflected on the balance sheet, although legal title may be vested in the Union, as they were acquired a number of years ago and no record of their cost is available.

Depreciation of fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

	<i>Moravian Union</i>	<i>Fulneck School</i>
Freehold land and buildings	1%- 2.5%	N/A
Leasehold land and buildings	N/A	2%
Furniture and equipment	25- 33.3%	10- 15%
Computer equipment	N/A	33.3%
Motor vehicles	N/A	25%
Leased Assets	Over the life of the lease	

**Taxation**

For all charitable activities, the Church enjoys exemption from corporation tax under the Corporation Taxes Act 2010. The charity is not registered for Value Added Tax (VAT) and expenditure includes irrecoverable VAT where incurred.

**Advance Fees Scheme**

Where the school offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract, the amounts received are invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financing costs include amounts accrued in accordance with the terms of the Advance Fees contracts.

**Fund Accounting**

Funds held by the charitable group are either: -

- Unrestricted general funds – these are funds which can be used for any purpose which is in accordance with the charity's objectives and at the discretion of the Trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for a specific future purpose or project. All sums applied to the purchase of property are classified as designated funds.
- Restricted funds – these are funds that can only be used for a particular purpose within the objects of the charity. Restrictions arise when specified by either the donor or by way of indication when certain funds are raised.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**1. ACCOUNTING POLICIES (Continued)**

**Pensions**

The different entities of the Moravian Church run a variety of pension schemes. Further details of each scheme are shown in Note 19.

As explained in note 19 to these financial statements, The Moravian Union has recognised discretionary pensions payable to retired ministers as an obligation. This liability is valued by The Moravian Union's actuaries (BWCI). The Trustees review the reasonability of assumptions underlying the most recent valuation annually and consider whether a new valuation is required. If a new valuation is not considered necessary, adjustment should be made to unwind the discount applied to the most recent valuation by one year. The Trustees consider that the assumptions underlying the previous valuation, as at 31 August 2017, have now changed significantly and an actuarial valuation was commissioned and completed on 6 April 2023 providing valuations as at 31 August 2021 and 31 August 2022. The actuarial valuation commissioned as at 31 August 2022 indicated that the assumptions as at 31 August 2021 had changed significantly and a prior year adjustment has been made (Note 23). Movements during the year are disclosed in note 19 to these financial statements.

With effect from 31 December 2015 the discretionary scheme for active members was discontinued and replaced by a defined contribution scheme. The charitable company's liability under this scheme is limited to paying contributions as they arise and these costs are recognised in the accounts when the contributions fall due.

The Moravian Union contributes at the rate of 7% of pensionable salaries to the private pension plans of a number of employees. As the charitable company's liability under these schemes is limited to paying contributions due to the schemes at the appropriate time, these costs are recognised in the accounts when the contributions fall due.

A number of the professional staff employed at Fulneck School participate in a multi-employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The TPS is a multi-employer pension scheme open to the school's teaching staff and it is not possible to identify the assets and liabilities of the scheme attributable to the school. The TPS is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The scheme is managed by the Department for Education. Contributions to defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable. The school withdrew from the TPS Scheme with effect from 31 August 2023

**Short-term debtors and creditors**

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event to make payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

1. **ACCOUNTING POLICIES (Continued)**

**Key Judgements and Estimates**

(i) Financial instrument classification

The classification of financial instruments, both assets and liabilities, as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes the type of investment or loan and its return. The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

Concessionary loans received are initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

(ii) Useful lives of functional properties

The remaining useful lives of depreciable properties are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

(iii) Recognition and valuation of investment properties

The classification of The Moravian Union's properties between functional and investment purposes requires judgement of the use of those properties. Management annually reviews the usage of properties and their classification is amended when necessary.

The market value of properties classified as investments is annually reviewed by management and, based on the condition of those properties, the value is adjusted using a recognised market indices.

(iv) Valuation of retired ministers' defined benefit pension liability

The assumptions underlying the pension scheme actuarial valuation are reviewed annually by the trustees. If they consider that the principal actuarial assumptions have not changed significantly the liability at the year-end should be adjusted by unwinding the discount by one year. If they consider that changes in the principal actuarial assumptions will have a material impact on the value of the liability then an actuarial valuation will be commissioned. It is intended that an actuarial valuation will be carried out at least every five years to realign the liability. As detailed above under Pensions the actuarial valuation carried out indicated that the 2021 assumptions had changed significantly and a prior year adjustment has been made (note 23).

(v) Doubtful debt provision

The recoverability of outstanding debtor balances is reviewed by senior management on an annual basis. When recoverability is considered doubtful, a provision is made against the balance.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds		Restricted Funds	Total 2024	Total 2023
	General	Designated			
	£	£	£	£	£
Mrs E M Bates Trust	416,204	6,642	-	422,846	365,101
Grants	-	-	57,499	57,499	26,842
Donations and Legacies	3,322	-	748,031	751,353	732,306
The London Mission in Aid of Moravian Mission	60,000	-	-	60,000	63,000
	<u>£479,526</u>	<u>£6,642</u>	<u>£805,530</u>	<u>£1,291,698</u>	<u>£1,187,249</u>

**3. OTHER TRADING ACTIVITIES**

Fundraising events	-	-	113,346	113,346	93,243
	<u>£-</u>	<u>£-</u>	<u>£113,346</u>	<u>£113,346</u>	<u>£93,243</u>

**4. INVESTMENT INCOME**

Quoted Securities	8,350	14,080	153,406	175,836	197,256
Rents Receivable	872,523	1,702	261,746	1,135,971	1,032,481
Bank Interest	-	-	5,361	5,361	5,453
	<u>£880,873</u>	<u>£15,782</u>	<u>£420,513</u>	<u>£1,317,168</u>	<u>£1,235,190</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

School Fees					
Fulneck School	-	-	4,222,559	4,222,559	3,685,733
Congregational Activities	-	-	186,662	186,662	199,411
Unity Income	-	-	10,989	10,989	11,000
Book Sales	19,335	-	195	19,530	18,234
Other Activities	31,477	2,520	84,285	118,282	111,915
	<u>£50,812</u>	<u>£2,520</u>	<u>£4,504,690</u>	<u>£4,558,022</u>	<u>£4,026,293</u>

**6. OTHER INCOME**

Gain on disposal of fixed assets	1,226,300	-	-	1,226,300	1,477,573
	<u>£1,226,300</u>	<u>£-</u>	<u>£-</u>	<u>£1,226,300</u>	<u>£1,477,573</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**7. EXPENDITURE**

	Costs of Raising Funds		Charitable Activities			Support Costs	Total 2024	Total 2023
	Fundraising Trading Activities and other costs	Investment Management Costs	Education Costs	Ministry and Congregations				
				Domestic	Overseas			
£	£	£	£	£	£	£	£	
Fulneck School General Education Costs	-	-	644,415	-	-	-	644,415	555,398
Congregation Fundraising Activities	61,810	-	-	-	-	-	61,810	22,243
Ministry	-	-	-	630,301	-	-	630,301	591,090
Grants and Projects	-	-	-	112,584	91,998	-	204,582	237,217
Burial Ground Costs	-	-	-	5,663	-	-	5,663	1,642
Estate Management Costs	-	745,495	-	-	-	-	745,495	728,500
Staff Costs	42,614	-	2,253,006	316,720	33,614	877,630	3,523,584	3,281,471
Ministers Travel	-	-	-	35,139	-	-	35,139	36,591
Ministerial Training	-	-	-	36,853	-	-	36,853	14,177
Other Ministerial Costs	-	-	-	32,851	-	-	32,851	26,225
Archive Costs	-	-	-	57,384	-	-	57,384	59,026
Brokers Fees	-	17,833	-	-	-	-	17,833	27,572
Honorariums	1,000	-	-	16,196	-	-	17,196	15,746
Provision for Doubtful Debts	-	-	-	-	-	-	-	106,261
Youth and Children	-	-	-	35,537	-	-	35,537	36,537
Audit	-	-	-	16,780	-	48,640	65,420	44,140
Bank Charges	11,309	-	-	3,686	-	-	14,995	15,654
Interest	129	-	-	-	-	194,399	194,528	226,676
Depreciation	-	-	169,739	7,723	-	36,228	213,690	164,422
Book Purchases	-	-	-	14,840	-	-	14,840	10,124
Subscriptions and Licences	-	-	-	20,512	-	-	20,512	19,827
Messenger	-	-	-	25,440	-	-	25,440	24,798
Stationery and Postage	-	-	-	10,470	-	17,552	28,022	22,592
Premises (cleaning, repairs, security, light, power and utilities)	41,714	-	288,872	521,785	-	361,809	1,214,180	865,217
Legal & Professional	-	-	-	43,117	-	29,530	72,647	97,049
Computer Software Maintenance & Licences	-	-	-	-	-	102,277	102,277	83,217
Communications	-	-	-	-	-	3,179	3,179	5,759
Insurance	-	-	71,639	68,616	-	13,629	153,884	130,120
Ministers Removal Costs	-	-	-	3,906	-	-	3,906	45,109
Other Congregations Costs	-	-	-	38,999	-	-	38,999	54,439
Other Office Costs	-	-	-	10,401	-	1,301	11,702	5,271
	158,576	763,328	3,427,671	2,065,503	125,612	1,686,174	8,226,864	7,557,788
Apportioned Support Costs (based on staff time)	-	-	991,836	604,074	90,264	(1,686,174)	-	-
<b>Total 2024</b>	<b>£158,576</b>	<b>£763,328</b>	<b>£4,419,507</b>	<b>£2,669,577</b>	<b>£215,876</b>	<b>£-</b>	<b>£8,226,864</b>	<b>£7,557,788</b>
<b>Total 2023</b>	<b>£123,007</b>	<b>£810,508</b>	<b>£3,886,713</b>	<b>£2,406,061</b>	<b>£331,499</b>	<b>£-</b>	<b>£7,557,788</b>	

All grants are made to charitable institutions and are to help fund the ministry and congregations. They range in value from £200 to £50,000.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**8. STAFF COSTS**

	<b>Moravian Church</b>	<b>Moravian Union</b>	<b>Fulneck School</b>	<b>2024 Total</b>	<b>2023 Total</b>
	£	£	£	£	£
Gross Pay	457,445	299,105	2,722,155	3,478,705	3,138,510
Social Security Costs	48,568	28,888	225,151	302,607	265,233
Pension Costs	88,019	17,312	209,041	314,372	423,363
	594,032	345,305	3,156,347	4,095,684	3,827,106
Other staff costs	-	3,105	-	3,105	6,380
	<b>£594,032</b>	<b>£348,410</b>	<b>£3,156,347</b>	<b>£4,095,684</b>	<b>£3,833,486</b>
Included in Note 7 as follows:					
Staff Costs	76,145	291,092	3,156,347	3,523,584	3,281,471
Archive Costs	-	57,318	-	57,318	58,960
Ministry	420,222	-	-	420,222	474,682
Ministerial Training	-	-	-	-	-
Youth and Children	97,665	-	-	97,665	18,373
	<b>£594,032</b>	<b>£348,410</b>	<b>£3,156,347</b>	<b>£4,098,789</b>	<b>£3,833,486</b>
Average Staff Numbers:					
	No.	No.	No.	No.	No.
Teaching	-	-	63	63	63
Ministers	13	-	-	13	13
Other	3	6	28	37	37
	<b>16</b>	<b>6</b>	<b>91</b>	<b>113</b>	<b>113</b>
Between £70,001 - £80,000	-	-	1	1	1
Between £80,001 - £90,000	-	-	-	-	-
Between £90,001 - £100,000	-	-	-	-	-
Between £100,001 - £110,000	-	-	-	-	-

The Key Management Personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any trustee of the Charity. Key Management Personnel of the Moravian Church are considered to be the members of the Provincial Elders' Conference, who are also the trustees. The Trustees are not remunerated for their services as such. However, the regulations and practice of Synod allows serving ministers and Church House staff to be elected to the Provincial Elders' Conference and to continue to receive their stipends/salaries. During the period the following emoluments (including benefits) were paid.

	<b>2024</b>	<b>2023</b>
	£	£
Rev. D. R. Howarth	37,466	35,686
Miss R. M. A. Hoey	38,679	36,211
	<b>£76,145</b>	<b>£71,897</b>

An amount of £25,544 (2023: £11,875) was reimbursed to the Trustees for travel expenses incurred during the period.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**9. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Land and Buildings</b>	<b>Furniture, Fixtures and Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
Brought Forward	7,030,316	1,414,948	17,893	8,463,157
Additions	-	588	2,567	3,155
Disposals	(365,918)	(6,699)	-	(372,617)
At 31 August 2024	6,664,398	1,408,837	20,460	8,093,695
<b>Depreciation</b>				
Brought Forward	2,434,032	1,254,998	17,893	3,706,923
Charge for period	102,109	111,404	177	213,690
Depreciation on disposals	(47,833)	(3,489)	-	(51,322)
At 31 August 2024	2,488,308	1,362,913	18,070	3,869,291
<b>Net Book Value</b>				
At 31 August 2024	£4,176,090	£45,924	£2,390	£4,224,404
At 31 August 2023	£4,596,284	£159,949	£-	£4,756,235
<b>PARENT</b>				
<b>Cost</b>				
Brought Forward	386,172	21,413	-	407,585
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2024	386,172	21,413	-	407,585
<b>Depreciation</b>				
Brought Forward	30,893	21,413	-	52,306
Charge for period	7,723	-	-	7,723
Depreciation on disposals	-	-	-	-
At 31 August 2024	38,616	21,413	-	60,029
<b>Net Book Value</b>				
At 31 August 2024	£347,556	£-	£-	£347,556
At 31 August 2023	£355,279	£-	£-	£355,279

Part of the above Land and Buildings are subject to Mortgages – see Note 15. Certain properties used by congregations are not reflected on the balance sheet, although legal title is vested in the Moravian Union, as they were acquired a significant number of years ago and no record of their cost is available. These are functional properties used for charitable purposes.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**10. INVESTMENT PROPERTIES**

	<b>2024</b>	<b>2023</b>
	£	£
<b>Market Value</b>		
At 1 September 2023	27,143,814	26,817,467
Impairment	-	(198,160)
Disposal Proceeds	(154,482)	(432,464)
Realised gain on disposal	-	213,342
Unrealised Revaluation Gains/(Losses)	(20,269)	743,629
At 31 August 2024	<u>£26,969,063</u>	<u>£27,143,814</u>

The Charity's estate properties were independently valued in November 2024 by John Forrester, Chartered Surveyors & Land Agents. The valuation was a desktop-based exercise and not a Red Book valuation. However, the valuation did follow the guidance of the RICS Valuation Professional Standards (Global & UK edition 2021).

In addition, a report and valuation was commissioned from Savills for the Ockbrook School estate as at 31 August 2024. This valuation was RICS compliant.

**11. INVESTMENTS**

	<b>Group</b>		<b>Parent</b>	
<b>LISTED INVESTMENTS</b>	<b>Total 2024</b>	<b>Total 2023</b>	<b>Total 2024</b>	<b>Total 2023</b>
	£	£	£	
Carrying Value at Beginning of year	2,939,874	5,097,609	192,898	161,694
Additions	989,417	978,491	-	35,982
Disposal Proceeds	(715,889)	(3,130,955)	(65,030)	(2,042)
Realised Gains/(Losses)	47,830	99,327	(1,251)	880
Unrealised Gains/(Losses)	225,927	(104,598)	14,555	(3,616)
Carrying Value at 31 August	<u>£3,487,159</u>	<u>£2,939,874</u>	<u>£141,172</u>	<u>£192,898</u>

The following investments individually represented more than 5% of the total market value of the portfolio:

The Charities Property Fund	<u>£300,269</u>	<u>£420,769</u>
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**12. STOCK  
Group**

	<b>2024</b>	<b>2023</b>
	£	£
Moravian Union	19,476	20,254
Schools Stocks	13,600	27,298
	<u>£33,076</u>	<u>£47,552</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

13. **DEBTORS**

	<b>Group</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	£	£	£	£
Trade Debtors	165,455	138,636	-	-
Amounts due from related Organisations	2,292	-	104,911	109,752
Other Debtors	152,438	82,970	19,466	19,671
Prepayments and Accrued Income	276,356	245,301	-	-
Agents Balances	33,965	67,128	-	-
Rent Due	48,609	51,941	-	-
	<u>£679,115</u>	<u>£585,976</u>	<u>£124,377</u>	<u>£129,423</u>

14. **CREDITORS: Amounts falling due in less than one year**

	<b>Group</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	£	£	£	£
Loans and Overdrafts				
Bank Loans	52,654	106,906	9,755	67,620
Trade Creditors	136,620	124,846	-	-
Amounts due to related Organisations	-	-	215,746	242,413
Other Creditors	416,148	40,628	1,584	1,584
Social Security and other Taxes	123,138	96,847	-	-
Accruals and Deferred Income	365,163	350,146	182,374	174,804
Fees in advance	852,007	925,237	-	-
Hire Purchase Contract	-	-	-	-
Bates Trust Loan	55,882	50,447	-	-
	<u>£2,001,612</u>	<u>£1,695,057</u>	<u>£409,459</u>	<u>£486,421</u>

Deferred Income consists of rent and School fees in advance.

	<b>Group</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	£	£	£	£
Balance brought forward	925,237	861,063	-	-
Rent and School Fees received in advance	852,007	925,237	-	-
Released to revenue during the year	(925,237)	(861,063)	-	-
Balance carried forward	<u>£852,007</u>	<u>£925,237</u>	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

15. **CREDITORS: Amounts falling due in more than one year**

<b>Group</b>	<b>1 – 2 years £</b>	<b>2 – 5 years £</b>	<b>More than 5 years £</b>	<b>2024 £</b>
Bank Loans - Fulneck School	17,208	35,062	9,124	61,394
- Moravian Union	42,000	126,000	32,877	200,877
	59,208	161,062	42,001	262,271
Bates Trust Loan	51,708	47,983	-	99,691
Other Creditors	117,696	-	-	117,696
	£228,612	£209,045	£42,001	£479,658

<b>Group</b>	<b>1 – 2 years £</b>	<b>2 – 5 years £</b>	<b>More than 5 years £</b>	<b>2023 £</b>
Bank Loans - Fulneck School	19,497	39,700	21,694	80,891
- Moravian Union	22,206	76,547	248,191	346,944
	41,703	116,247	269,885	427,835
Bates Trust Loan	52,016	105,314	-	157,330
Other Creditors	105,064	-	-	105,064
	£198,783	£221,561	£269,885	£690,229

When Ockbrook School went into administration in 2021, The Moravian Union as guarantor assumed responsibility for the liability in respect of Ockbrook School's outstanding bank loan balances which amount to £243,776 at the balance sheet date (2023: £367,676), of which £42,899 was repayable within one year (2023: £20,732). The outstanding loans are secured against Moravian Union property.

Fulneck School has one bank loan (2019), secured against the Fulneck School property which is owned by the Moravian Union. At the year-end £61,394 (2023: £99,445) remained outstanding, of which £Nil (2023: £18,554) was repayable within one year. On the winding up of Fulneck School, this liability will transfer to the Moravian Union.

During 2017 a loan of £500,000 was extended to The Moravian Union by the Mrs EM Bates Trust. The loan was to provide investment funding to The Moravian Union to undertake a major fixed asset properties repair programme. The loan is to be repaid over a period of 10 years and is secured against Flat 5 Winkley Court, a property valued at in excess of £500k. Interest is charged at 2%. The loan is considered a concessionary loan.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total 2024</b>
	<b>General</b>	<b>Designated</b>	<b>Funds</b>	<b>2024</b>
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	4,569	2,005,367	2,214,467	4,224,403
Investments	1,308,085	207,586	1,971,487	3,487,158
Investment Properties	-	26,969,063	-	26,969,063
Cash at bank and in hand	2,459,011	206,973	(740,576)	1,925,408
Other net assets/(liabilities)	(2,353,868)	(3,233,318)	803,605	(4,783,581)
	<u>£1,417,797</u>	<u>£26,155,671</u>	<u>£4,248,983</u>	<u>£31,822,451</u>
<b>Parent</b>				
Tangible fixed assets	-	-	347,556	347,556
Investments	-	-	141,172	141,172
Cash at bank and in hand	-	32,349	911,493	943,842
Other net assets/(liabilities)	-	-	(285,082)	(285,082)
	<u>£-</u>	<u>£32,349</u>	<u>£1,115,139</u>	<u>£1,147,488</u>
<b>2023</b>				
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2023</b>
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	6,953	2,357,353	2,391,929	4,756,235
Investments	1,077,656	171,018	1,691,200	2,939,874
Investment Properties	-	27,143,814	-	27,143,814
Cash at bank and in hand	1,002,581	190,137	133,275	1,325,993
Other net assets/(liabilities)	(810,182)	(3,885,043)	-	(4,695,225)
	<u>£1,277,008</u>	<u>£25,977,279</u>	<u>£4,216,404</u>	<u>£31,470,691</u>
<b>Parent</b>				
Tangible fixed assets	-	-	355,279	355,279
Investments	-	-	192,898	192,898
Cash at bank and in hand	-	30,724	888,617	919,341
Other net assets/(liabilities)	-	-	(356,998)	(356,998)
	<u>£-</u>	<u>£30,724</u>	<u>£1,079,796</u>	<u>£1,110,520</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

17. **MOVEMENTS ON FUNDS**

GROUP AND PARENT 2024	Opening Balance At 01/09/23	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/24
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union							
Evangelical	167,047	5,958	(5,958)	8,242	-	-	175,289
Ministers emoluments	640,029	18,870	(23,870)	26,339	-	-	661,368
Education	117,310	9,896	(7,180)	3,301	-	-	123,327
Overseas	363,676	1,170	(1,170)	17,087	-	-	380,763
Property	1,841,915	123,757	(104,308)	75,429	-	-	1,936,793
Relief of poverty	3,314	75	(75)	152	-	-	3,466
Other	431,094	38,358	(151,713)	12,463	-	109,317	439,519
	3,564,385	198,084	(294,274)	143,013	-	109,317	3,720,525
Moravian Church (congregations) – Parent only	1,079,796	1,267,577	(692,438)	13,303	-	(553,099)	1,115,139
Fulneck School	(651,966)	4,328,885	(4,473,559)	-	-	7,117	(789,523)
Fulneck Choir House	93,963	42,851	(42,714)	-	-	-	94,100
Comenius Foundation	130,226	6,682	-	-	-	(28,166)	108,742
	4,216,404	5,844,079	(5,502,985)	156,316	-	(464,831)	4,248,983
<b>DESIGNATED</b>							
Moravian Union							
Defined Benefit Pension Scheme	(2,946,467)	-	(151,946)	-	(181,398)	265,307	(3,014,504)
Ministers emoluments	59,320	9,779	(139)	2,027	-	(2)	70,986
Property	1,965,244	3,481	(1,328)	14,040	-	23,930	2,005,367
Investment Property – Cost	1,567,207	-	-	-	-	5,665	1,572,872
Investment Property – Revaluation	25,208,930	-	-	(20,269)	-	207,527	25,396,188
Other	2,127	7	(7)	92	-	-	2,219
Mission Renewal	90,193	-	-	-	-	-	90,193
	25,946,554	13,267	(153,420)	(4,110)	(181,398)	502,427	26,123,321
Moravian Church and Congregations – Parent only	30,725	11,676	(725,303)	-	-	715,252	32,350
	25,977,279	24,943	(878,723)	(4,110)	(181,398)	1,217,679	26,155,671
<b>GENERAL</b>							
Moravian Union	1,277,008	2,637,017	(1,827,339)	101,282	-	(770,171)	1,417,797
Moravian Church – Parent only	-	494	(17,817)	-	-	17,323	-
	1,277,008	2,637,511	(1,845,156)	101,282	-	(752,848)	1,417,797
	£31,470,691	£8,506,534	£(8,226,864)	£253,488	£(181,398)	£-	£31,822,451

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church. During the current year the Comenius Foundation funds were transferred from Fulneck School to a separately administrated restricted fund within the Group.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

17. **MOVEMENTS ON FUNDS (Continued)**

GROUP AND PARENT 2023	Opening Balance At 01/09/22	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/23
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union							
Evangelical	167,130	5,758	(32,516)	(81)	-	26,756	167,047
Ministers emoluments	644,835	15,634	(15,634)	(4,887)	-	1	640,029
Education	114,472	6,955	(61,677)	(32)	-	57,591	117,310
Overseas	363,844	1,815	(1,815)	(167)	-	(1)	363,676
Property	1,844,177	56,508	(58,055)	(721)	-	7	1,841,915
Relief of poverty	3,319	76	(76)	(1)	-	(3)	3,314
Other	539,991	80,101	(294,228)	(121)	-	105,349	431,094
	<u>3,677,768</u>	<u>166,847</u>	<u>(464,001)</u>	<u>(5,929)</u>	<u>-</u>	<u>189,700</u>	<u>3,564,385</u>
Moravian Church (congregations) – Parent only	1,009,630	1,132,496	(555,368)	(1,970)	-	(504,992)	1,079,992
Fulneck School (Restated)	(380,516)	3,766,720	(3,933,702)	-	-	(104,468)	(651,966)
Fulneck Choir House	91,594	44,503	(42,134)	-	-	-	96,963
Comenius Foundation	154,000	5,276	-	-	-	(29,050)	130,226
	<u>4,552,476</u>	<u>5,115,842</u>	<u>(4,995,205)</u>	<u>(7,899)</u>	<u>-</u>	<u>(448,810)</u>	<u>4,216,404</u>
<b>DESIGNATED</b>							
Moravian Union							
Defined Benefit Pension Scheme	(3,564,559)	-	(140,250)	-	470,686	287,656	(2,946,467)
Ministers emoluments	44,750	14,805	(215)	(20)	-	-	59,320
Property	1,962,735	4,636	(1,986)	(139)	-	(2)	1,965,244
Investment Property – Cost	1,602,959	-	-	(5,665)	-	(30,087)	1,567,207
Investment Property – Revaluation	24,603,127	-	-	551,134	-	54,669	25,208,930
Other	2,127	10	(10)	-	-	-	2,127
Mission Renewal	90,194	-	-	-	-	-	90,194
	<u>24,741,332</u>	<u>19,451</u>	<u>(142,461)</u>	<u>545,310</u>	<u>470,686</u>	<u>312,236</u>	<u>25,946,554</u>
Moravian Church and Congregations – Parent only	28,455	11,542	(696,634)	-	-	687,362	30,725
	<u>24,769,787</u>	<u>30,993</u>	<u>(839,095)</u>	<u>545,310</u>	<u>470,686</u>	<u>999,598</u>	<u>25,977,279</u>
<b>GENERAL</b>							
Moravian Union	460,191	2,872,479	(1,722,192)	216,894	-	(550,364)	1,277,008
Moravian Church – Parent only	1,486	234	(1,296)	-	-	(424)	-
	<u>461,677</u>	<u>2,872,713</u>	<u>(1,723,488)</u>	<u>216,894</u>	<u>-</u>	<u>(550,788)</u>	<u>1,277,008</u>
	<u>£29,783,940</u>	<u>£8,019,548</u>	<u>£(7,557,788)</u>	<u>£754,305</u>	<u>£470,686</u>	<u>£-</u>	<u>£31,470,691</u>

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**17. MOVEMENTS ON FUNDS (Continued)**

The broad purposes of the main restricted and designated funds of the group are as follows:

***Restricted funds,***

Evangelical – to further the religious objectives of the Moravian Church;  
 Ministers emoluments – to support the payment of ministers’ stipends and related costs;  
 Education – towards educational purposes;  
 Overseas – to fund overseas provinces missionary work;  
 Property – congregations funds from sale of functional property restricted for future property use by the congregation;  
 Relief of Poverty – to fund grants and support for the relief of poverty; and  
 Other – this is made up of numerous small restricted donations to fund specific activities at congregations.

***Designated funds,***

Defined Benefit Pension Scheme Fund - represents the value of the unfunded deficit on the scheme (Note 18(i)). The transfer to this fund reflects pensions paid during the year;  
 Ministers’ emoluments – to support the payment of ministers’ stipends and related costs;  
 Property – represents the net book value of functional properties and other funds designated for property projects at congregations but held within the Moravian Union as the Church’s asset holding body. The transfer in the current year is to fund an overspend;  
 Investment property cost and investment property revaluation reserves – represent in aggregate the carrying value of investment properties adjusted by transfer for outstanding loans secured on those properties;  
 Other - this is made up of numerous small designated reserves to fund specific activities at congregations: and  
 Mission renewal - to fund overseas mission work.

**18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS FOR EQUIPMENT**

<b>Group</b>	<b>2024</b>	<b>2023</b>
	£	£
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:		
Less than One Year	5,899	5,899
Between One and Five Years	41,912	46,820
After more than Five Years	-	991
	<u>£47,811</u>	<u>£53,710</u>

No obligations arise in the parent.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

19. **PENSIONS**

*Moravian Union/Moravian Church*

The Moravian Church through the Moravian Union operates three pension schemes,

(i) Defined benefit pension scheme

Under this scheme discretionary pensions were paid to retired ministers in service prior to 31 August 2010 in accordance with the rules established by Synod, provided sufficient funds were available. The assets used to pay these pensions are not held separately from other funds of the Charitable Company. As a result of a resolution passed at the 2016 British Provincial Synod, The Moravian Union has recognised these pensions as an obligation and an actuarial valuation of the liability was obtained as at the 31 August 2024.

**Employee benefit obligations for the Moravian Church in respect of the Liability**

The amounts recognised in the Balance Sheet are as follows:

	<b>31/08/2024</b>	<b>31/08/2023</b>
	£	£
Fair value of Liability Assets	-	-
Present value of funded obligations	(3,014,504)	(2,946,467)
Net (under)/overfunding of Liability	<u>£(3,014,504)</u>	<u>£ (2,946,467)</u>
Unrecognised assets	-	-
Net Defined Benefit Liability	<u>£(3,014,504)</u>	<u>£ (2,946,467)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>31/08/2024</b>	<b>31/08/2023</b>
	£	£
Service cost	-	-
Cost of benefit changes	-	-
Curtailement costs / (gains)	-	-
Settlement costs / (gains)	-	-
Net Interest on Net Defined Benefit Liability	151,946	140,250
Expense recognised in Profit or Loss	<u>£151,946</u>	<u>£140,250</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**19. PENSIONS (Continued)**

The Moravian Union contributed £265,307 to fund the payment of benefits over the year from 1 September 2023 to 31 August 2024. No contributions were made by members over the period as the Liability is an unfunded arrangement.

No contributions are expected from the Church or from members over the next year from 1 September 2024 to 31 August 2025. The liability is unfunded, and pensions are paid directly by the Moravian Union.

**Changes in the present value of the Liability's Defined Benefit Obligation are as follows:**

	<b>31/08/2024</b>	<b>31/08/2023</b>
	£	£
Opening Defined Benefit Obligation	2,946,467	3,564,559
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(265,307)	(287,656)
Interest on obligation	151,946	140,250
Experience losses / (gains)	73,646	56,678
Losses / (gains) from changes in assumptions	107,752	(527,364)
Closing Defined Benefit Obligation	<u>£3,014,504</u>	<u>£2,946,467</u>

The weighted average duration of the liabilities of the Liability was 9 years as at 31 August 2024.

**Employee Benefit Obligations for The Moravian Union in Respect of the Liability**

Changes in the fair value of the assets are as follows:

	<b>31/08/2024</b>	<b>31/08/2023</b>
	£	£
Opening fair value of Liability assets	-	-
Interest on assets	-	-
Return on assets (not included in interest)	-	-
Assets distributed on settlements	-	-
Contributions by Moravian Union	265,307	287,656
Contributions by members	-	-
Benefits paid	(265,307)	(287,656)
Administration expenses	-	-
Closing fair value of Liability assets	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

19. **PENSIONS (Continued)**

Principal actuarial assumptions used for the most recent FRS 102 disclosures:

	<b>31/08/2024</b>	<b>31/08/2023</b>
	% pa	% pa
Discount rate at end of year	5.00	5.40
Discount rate at start of year	5.40	4.10
Rate of increase in deferred pensions (LPI 3%)	2.60	2.60
Rate of increase in deferred pensions (LPI 4%)	3.10	3.10
Rate of increase in pensions in payment (LPI 3%)	2.60	2.60
Rate of increase in pensions in payment (LPI 4%)	3.10	3.10

**Mortality Assumptions**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female.

For a member currently aged 50 the assumptions are that if they attain age 65, they will live on average until age 88 if they are male and until age 90 if female.

(ii) Active ministers defined contribution scheme

With effect from 31 December 2015 the discretionary scheme for active ministers was discontinued and replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the previous scheme, which were recognised as obligations by Synod during the preceding year, have been calculated and index linked to retirement, capped at either 3% or 4%, as part of the actuarial valuation.

(iii) Other employees personal pension plans

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 7% of pensionable salaries to each plan. The employer's contribution in the year was £17,312 (2023: £20,394).

*Fulneck School*

Up until the 31 August 2023 the school participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

19. **PENSIONS (Continued)**

**Opt Pensions**

Fulneck School participates in a support staff pension scheme that is regulated by Opt Pensions which is an auto enrolment scheme whereby the school contributes 5% of gross earnings. The pension charge for the year includes contributions payable to Opt Pensions of £30,846 (2023: £27,722).

20. **RELATED ORGANISATIONS**

Two of the Moravian Church's Trustees are also Trustees of the London Association in Aid of Moravian Missions. The charity is the principal beneficiary of the income of the Mrs E M Bates Trust and sole beneficiary of the London Association in Aid of Moravian Missions, charities established for the benefit of the Moravian Church. Neither organisation is considered a member of The Moravian Church group. The group received the following amounts from related parties during the period: -

	<b>2024</b>	<b>2023</b>
	£	£
Mrs E.M. Bates Trust	<u>£422,846</u>	<u>£365,101</u>
The London Mission in Aid of Moravian Missions	<u>£60,000</u>	<u>£63,000</u>
At 31 August 2024, the following balances were outstanding: -		
Due from Mrs E.M. Bates Trust	<u>£76,204</u>	<u>£80,270</u>
Due to Mrs E.M. Bates Trust	<u>£155,573</u>	<u>£207,777</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

21. **COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted</b>	<b>Total</b>
	<b>General</b>	<b>Designated</b>	<b>2023</b>
	£	£	£
<b>Income and endowments from:</b>			
Donations and Legacies	450,619	4,831	731,799
Other Trading Activities	-	-	93,243
Investments	921,931	16,717	296,542
	1,372,550	21,548	1,121,584
<b>Charitable activities</b>	22,590	9,445	3,994,258
<b>Other</b>	1,477,573	-	-
<b>Total income</b>	2,872,713	30,993	5,115,842
<b>Expenditure On:</b>			
<b>Raising Funds</b>			
Fundraising trading: cost of goods sold and other costs	-	-	(123,007)
Investment management costs	(739,536)	(2,211)	(68,761)
	(739,536)	(2,211)	(191,768)
<b>Charitable Activities</b>	(983,953)	(836,884)	(4,803,437)
<b>Total expenditure</b>	(1,723,488)	(839,095)	(4,995,205)
Gains/(Losses) on investment Assets	216,894	545,310	(7,899)
Net income/(expenditure)	1,366,119	(262,792)	112,738
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	-	470,686	-
Transfers between reserves	(550,788)	999,598	(448,810)
	815,331	1,207,492	(336,072)
Total Funds Brought Forward	461,677	24,769,787	4,552,476
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>£1,277,008</b>	<b>£25,977,279</b>	<b>£4,216,404</b>
	<b>£31,470,691</b>		

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

**22. ASSESSMENT OF GOING CONCERN**

As with many other entities, the current economic climate has had, and is likely to have in the future, a significant impact on the financial performance of the Group and the individual entities within the Group. The Trustees have reviewed the projected performance and financial position of the Group and the entities within the Group and are of the opinion that both the parent charity and its subsidiary, The Moravian Union, will remain going concerns for the foreseeable future.

In July 2021 Ockbrook School, a former fellow subsidiary of the Moravian Union, was put into administration. The Moravian Union acted as guarantor in respect of the school's loans from NatWest Bank, which are secured on properties owned by the Moravian Union. In accordance with a payment plan agreement dated 26 July 2021, the Moravian Union agreed to assume responsibility for repayment of the outstanding loans. In a revised payment plan, an annual lump sum payment of £81,000 is made to the Natwest Bank, alongside the ongoing monthly amount of £5,610.00. The loan will be fully repaid in 2026.

The Moravian Union acted as guarantor in respect of Fulneck School's loans from RBS (see note 15). With the closure of the school on 8 July 2025, The Moravian Union has assumed responsibility for that loan which will become due by 31 August 2026. The Fulneck School estate, from which the School operated, is leased at a peppercorn rent from The Moravian Union and is carried in these financial statements as a functional property at depreciated cost. From the date of closure of the School the estate reverts to The Moravian Union and will be revalued to market value as an investment property.

After considering the Charity's reserves, held primarily within The Moravian Union, which acts as the asset holding body of the Moravian Church, and future cash flow forecasts for a period well in excess of 12 months from the date of approval of these financial statements, the Trustees are confident that the assets of the Church are sufficient to meet these liabilities as they arise.

## Appendix 1

### **MORAVIAN CHURCH** **PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES** **FOR THE YEAR ENDED 31 AUGUST 2024**

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>General</b>	<b>Designated</b>			
	£	£	£	£	£
<b>Income and endowments from:</b>					
Donations and Legacies	-	310,000	708,685	1,018,685	912,774
Other Trading Activities	-	-	69,592	69,592	46,290
Investments	494	11,677	264,030	276,201	248,308
	494	321,677	1,042,307	1,364,478	1,207,372
<b>Charitable activities</b>	-	-	225,270	225,270	250,525
<b>Total income</b>	494	321,677	1,267,577	1,589,748	1,457,897
<b>Expenditure On:</b>					
<b>Raising Funds</b>					
Fundraising trading: cost of goods sold and other costs	-	-	(61,810)	(61,810)	(22,243)
Investment management costs	-	-	-	-	(54,436)
	-	-	(61,810)	(61,810)	(76,679)
<b>Charitable Activities</b>	(17,817)	(725,303)	(761,154)	(1,504,274)	(1,308,299)
<b>Total expenditure</b>	(17,817)	(725,303)	(822,964)	(1,566,084)	(1,384,978)
Gains/(losses) on investment assets	-	-	13,305	13,305	(1,970)
Net income/(expenditure)	(17,323)	(403,626)	457,918	36,969	70,949
Transfers	17,323	405,251	(422,574)	-	-
<b>NET MOVEMENT IN FUNDS</b>	-	1,625	35,344	36,969	70,949
Total Funds Brought Forward	-	30,725	1,079,795	1,110,520	1,039,571
<b>TOTAL FUNDS CARRIED FORWARD</b>	£-	£32,350	£1,115,139	£1,147,489	£1,110,520

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

**THE BRITISH PROVINCE OF THE UNITAS FRATRUM (MORAVIAN CHURCH)**

England & Wales - Charity number 251211

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# Accounts

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**THE BRITISH PROVINCE OF THE UNITAS FRATRUM**

**operating as  
THE MORAVIAN CHURCH**

**Charity Number: 251211**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2023**

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees of the Moravian Church present their report and the consolidated financial statements for the year ended 31 August 2023 of the charity, the Moravian Church (The British Province of the Unitas Fratrum), which consolidate the results and net assets of the Church, its Congregations, its subsidiary charitable companies (The Moravian Union (Incorporated) and Fulneck School, and Fulneck Choir House. These have been prepared in the format required by the Statement of Recommended Practice, 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The report and statements also comply with the Charities Act 2011 and regulations made thereunder.

**LEGAL AND ADMINISTRATIVE DETAILS:**

The British Province of the Unitas Fratrum, generally known as the 'Moravian Church', which was established by Act of Parliament in 1749, is a registered charity, No. 251211. The Church is governed by a Book of Order as approved by Provincial Synod which consists of a biennial gathering of the provincial board, the clergy, one representative from each congregation per one hundred and fifty members and ex-officio as per the Book of Order.

The Committee of Management, who are the trustees of the charity (and directors in company law of the subsidiary charitable companies), are elected by Synod. The Book of Order (constitution) requires the Committee to act in accordance with resolutions of Synod. The Provincial Board (Committee of Management) for the year ended 31 August 2023 and subsequently comprised:

Rev Prof P Gubi	(Resigned 25 September 2022)
Miss R. M. A. Hoey*	
Rev. P. M. Holdsworth	(Deceased 25 January 2023)
Rev. D. R. Howarth*	
Rev M Newman	
Rev. Dr L. Thompson	
Rev. E Quildan	(Appointed 25 September 2022)
Rev. J. Carter	(Appointed 18 July 2023)

\* Responsible for the day-to-day management of the Charity's affairs.

**The Registered Office:** Moravian Church House  
5-7 Muswell Hill  
London N10 3TJ

<b>Investment Advisors:</b>	UBS Wealth Management (UK) Ltd 1 Curzon Street, London W1J 5UB	LGT Wealth Management LLP 14 Cornhill London EC3V 3NR
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**Bankers:** CAF Bank Limited  
PO Box 289  
Kings Hill  
Kent ME19 4TA

Each subsidiary and branch have the power to appoint their own bank. Only the main banker is disclosed above.

**Solicitors:** Cripps Harries Hall  
Wallside House  
12 Mt. Ephraim Road  
Tunbridge Wells,  
Kent TN1 1EG

**Auditors:** Knox Cropper LLP  
Chartered Accountants  
65 Leadenhall Street  
London EC3A 2AD

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Charity's constitution is defined by the Book of Order which is approved by Synod and can only be amended by Synod.

### **Group Structure**

The Moravian Church controls a number of related organisations including:

- the Moravian Union (company number 00133708), a company limited by guarantee, which holds the assets and administers the affairs of the Church.
- Fulneck School (company number 05086581), an independent school and company limited by guarantee.
- thirty congregations (reduced to 28 after the Balance Sheet date), two societies and one fellowship, and;
- One choir house.

Further details of The Moravian Union and Fulneck School are available in their statutory accounts on request.

These accounts consolidate the results and net assets of all these organisations.

### **Procedures for the Recruitment and Appointment of Trustees**

The Book of Order, Section 3.1 states that the PEC consists of six members of the Moravian Church in the British Province, two serving in a full-time stipendiary capacity and four serving in a non-stipendiary capacity, part time. As part of its brief the PEC acts as the Board of Trustees (and Board of Directors) of the Moravian Union. Synod is the body with the power to appoint and remove members of the Board. Provincial Elders serve for a term of four years and may be appointed to serve a further two terms. Appointment is by election at the biennial Moravian Church Synod. Vacancies during an inter synod period shall be filled by a postal ballot election.

The Chair and Officers are appointed by the membership of the PEC from among their number. The Board convenes at least twelve times each year. Synod also elects members to the various standing and sub-committees which offer advice and support to the PEC. Each committee includes at least one Provincial Elder:

Finance and Property Committee  
 Mission and Society Committee  
 Faith and Order and Ecumenical Relations Committee  
 Church Service Committee  
 Youth and Children's Committee  
 World Mission Committee  
 Church Book Committee  
 Archives and Heritage

### **Procedures for the Induction and Training of Trustees**

On appointment, each Provincial Elder signs a code of conduct and completes a register of interests. The latter is renewed biennially following each Synod. They are given a Trustee Handbook that includes the Book of Order, the Memorandum and Articles of Association of each subsidiary company, the risk register, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investments, reserves, conflicts of interest and other guidance. It contains job descriptions for Trustees, officers and staff and a copy of Charity Commission leaflet CC3, 'The essential trustee, what you need to know, what you need to do'. All Trustees are provided with training opportunities through external training courses to keep abreast of changes and of their responsibilities.

### **Volunteers**

The Moravian Church has many committees covering its policy, education, congregational work etc. Without the many volunteers that serve on these committees we would not be able to carry out the wide variety of work that our congregations have come to rely on. No value can be placed on the many hours worked by volunteers.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

**Organisational Management**

The British Province of the Moravian Church is the registered charity for the activities of the Moravian Church operated by the British Province in the UK and beyond. Synod is the ultimate authority within the Church and it elects the Provincial Elders Conference (PEC) which acts on behalf of Synod in the inter-synod period and is the ultimate decision-making body during that period. The PEC acts as the Moravian Church's board of trustees and meets on a monthly basis. Responsibility for the day-to-day management of the charity's affairs is delegated to the two full time members of the PEC.

Responsibility for control of the school is supported by an advisory Board of Governors whilst responsibility for the day-to-day affairs of each congregation is delegated to the local congregational committees.

**Risk Management**

The PEC has reviewed during the year an assessment of the risks to which the charity is exposed, particularly business, operational and financial risks, and the process of introducing procedures and a reporting regime to manage and reduce identified risks is ongoing. The PEC has agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities.

Risks are defined as those that, without appropriate mitigation, are likely to negatively impact on the Moravian Church serving its purpose of proclaiming the Gospel of Jesus Christ. The trustees recognise that it is not possible to eliminate risk entirely. We recognise that risk taking is inherent in proclaiming the Gospel. Our task is to minimise negative impacts and allow the Church to serve its purpose.

We have identified significant risks and are taking steps to mitigate in the following ways:

- **Failure to encourage people into ordained ministry, results in further decline, resulting in the Moravian Church ceasing to exist:** The PEC with the support of the Church Service Committee continue to review and implement strategies to recruit people into ministry. This includes dedicated Church services and enquiry days. The Church Service Committee are currently reviewing the provision of materials for training Lay people for service and have drafted resources for publication on opportunities for services as well as an understanding of ordained ministry.
- **Declining congregations and failure to grow resulting in congregation closures and ultimately the Moravian Church ceasing to exist:** The PEC have convened the 'Future Directions and Sustainability Taskforce' to consider the current framework of the Province and consider ways to move forward into the future. Further to this, the Synod has approved a programme of renewal and growth, Project 32, for which a programme coordinator is to be appointed.
- **Reputational damage which results in litigation and impacts on engagements with communities:** The PEC actively considers reputational damage as part of their strategy and planning. This provides the opportunity for identifying potential problems that could affect public perception, take remedial action where necessary and dictates how we communicate and manage expectations.
- **Lack of Diversity and Inclusion:** The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.
- **Dependency on limited income sources, shortfall for reserve and unforeseen shortfall on the pension funds:** The PEC continually monitors and reviews potential areas of weakness in our financial strategy and are supported by the Finance Committee who have the ability to convene emergency meetings if necessary. A Financial and Investment Risk Register is maintained.
- **Loss of key personnel:** The PEC recognises the importance of personnel for the effective running of the organisation and is currently reviewing the framework for people management promoting a transparent and supportive environment. Losses cannot always be avoided, and the PEC must respond quickly to ensure smooth transitions. Lack of Diversity and Inclusion: The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

- **Significant damage to historic buildings and archives:** The PEC work with the Estates manager and the Provincial Archivist to promote best practices for care and maintenance of historic buildings and archives.
- **Loss of significant and sensitive data:** The PEC continually monitors and reviews policies to ensure that we remain compliant with current legislative practices and seek to take remedial actions if weaknesses are identified. A recent audit has been completed to ensure compliance following the introduction of the General Data Protection Regulations.
- **Debt resulting from failed operation in the subsidiary company:** The PEC stepped up its oversight of the charity's subsidiary company, Fulneck School, with a view to ensuring that it remains a going concern, which is at risk without repayment of its loans.

**Pensions**

Following changes to legislation, the previous discretionary pension arrangements for ministers in service prior to 31 August 2010 have been replaced by a defined contribution pension scheme. This came into effect from 1 January 2016. The move recognised the historic pension obligation of The Moravian Union up to 31 December 2015. The most recent actuarial valuation of the pension liability was completed on 29 April 2024 and calculated the liability to be £2,946,467 as at 31 August 2023 compared to a liability of £3,564,559 as at 31 August 2022. All Ministers have been informed of their entitlement. Other Ministers and employees employed after 31 August 2010 hold defined contribution personal pension plans and contribute at rates chosen by themselves.

**OBJECTS AND ACTIVITIES**

**Principal Objectives**

The Church's objective is to administer the affairs of the Moravian Church in its work for the Kingdom of God, in accordance with the will of Synod.

**Activities**

The parent charity's main activities consist of:

- (i) Ensuring a supply of ministers to congregations.
- (ii) Providing congregations with advice on complying with best practice under child protection regulations in the conduct of their work with young people.
- (iii) Advice to congregations on financial and administrative matters.
- (iv) Bishops, who are elected by Synod, but who are nonetheless employees of the Moravian Church, provide pastoral and spiritual guidance to congregations.
- (v) Administering the assets of the Church through its subsidiary company, The Moravian Union.
- (vi) Maintaining archives which relate to congregations of the Church and the British Province.
- (vii) By working with Fulneck School's advisory Board of Governors and with the professionals employed in the school, maintaining and further developing the standards of academic excellence and pastoral care offered.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**OBJECTS AND ACTIVITIES (Continued)**

**Strategies**

To promote these activities the parent charity:

- (i) Organises the training of both ordained and lay preachers.
- (ii) Has developed and made available to congregations a procedures manual to regulate their work with young people. The Church also actively works with "APCS" to protect the interests of young people.
- (iii) Provides advice to congregations on the principles of sound administration again through bulletins and publications.
- (iv) The Church's investment assets, which are held by its subsidiary company, are administered with the assistance of professional fund managers. The Church's land and buildings (which are held by its subsidiary The Moravian Union) are administered through the services of a Chartered Surveyor with a view in both instances to maximising the returns available to the Church within the constraints imposed by the Church's charitable mission.
- (v) The Church, through its subsidiary company employs a full-time archivist who spends a portion of her time advising congregations on how to maintain their archives.

**Principal Objectives for the year ended 31 August 2023**

The trustees determined the following principal objectives for the year ended 31 August 2023:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and also the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- To ensure the financial stabilisation of Fulneck School.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

## **ACHIEVEMENTS AND PERFORMANCE**

### **How our activities deliver public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year. The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to our congregations and the public in general.

### **Review of the year**

We continue to focus on the essentials of our existence, which are to be found in the Ground of the Unity (Church Order of the Unitas Fratrum), and to try and achieve a proper balance between these essentials of being a church and the challenges of governance in a context characterised by numerical decline and financial uncertainty. We remain confident that we can serve God effectively in the province despite the limitations of being a small church. We continue to look for more effective ways of engaging in mission.

The trustees have developed a new strategic plan, "Embracing a heart of Resilience", as an over-arching programme. The strategic plan will look at all areas of our current activities, with new priorities to ensure sustainability and future growth over the coming decade. Under this strategic plan sits the programme of renewal, Project 32, which will focus its work on development and growth in the congregations. Building on the work of the 'Future Directions and Sustainability Taskforce', the Project 32 Implementation Committee gives guidance to more effective ways of ensuring future Provincial sustainability and growth. Project 32 got off the ground with the "Holy Habits" learning and study programme.

It has been a time of transition and adjustment for the Moravian Church, for our congregations and for the wider organisation. In the time under review one congregation (Kingswood), closed and two others (Salem & Royton) merged to single congregation. Renewal and grow remain an imperative for the church as a whole.

### **Ministry**

It is clear that, unless our congregations start to grow in membership, the present number of members will not be able to support paid ministry in the way that it has done in the past. This will mean significant changes will have to be made by both congregations and for ministers. Congregations will have to take time to assess their strengths and weaknesses and seize the opportunities to grow. Efforts will have to be made to build the capacity of members to be more intentional in faith renewal and numerical growth.

We have been reviewing the way that ministers are trained and deployed, to ensure that we are making best uses of our ministerial resources and taking advantage of growth opportunities.

Some ministers have taken advantage of the Continuing Education policy, which give support to Ministers and paid Lay workers who wish to pursue further education. The Provincial Board continues to review the support and pastoral care provisions for our Ministers, to ensure both spiritual refreshment and continuing educational development.

The Worship leaders training programme, focusing first-and-foremost on developing an understanding of Christian worship and its context within the Moravian Church, saw its 3<sup>rd</sup> cohort put through the basic programme. A few have also enrolled in the advanced programme at Northen college. Certification and recognition as a Worship Leader comes after a year of study, conducted over a number of weekends of training on Zoom, finalising in a residential weekend in which the physical experience of leading worship can be gained, and feedback can be offered on practice. It is anticipated that a 4<sup>th</sup> cohort will register for the session beginning October 2024.

### **Young people and children's work**

The Youth & Children's Officer moved into a re-defined post as Safeguarding officer. Given the geographical spread of our congregations it is extremely beneficial that youth work is coordinated so that our young people feel a sense of belonging.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

The PEC's effort to recruit a youth worker did not materialise but will be revisited with a new approach for the coming year. In the meanwhile, the PEC has set aside £25k, to support youth work in the districts, at a maximum of £4k per district.

### **ACHIEVEMENTS AND PERFORMANCE (Continued)**

#### **Fulneck School**

The School with support of the Trustees, having engaged external professional services to help effect a turnaround, has worked hard to re-establish financial stability, organisational resilience and increased pupil recruitment.

The Fulneck School continues normal operation; the deficit in its operation has been greatly reduced. While the Trustees continue to review their long-term position, it is in the Moravian Church's interest to seek arrangements and security whereby the loan due to Moravian Union can be repaid.

#### **Choir House**

The Choir House at Fulneck, which is licensed as a house in multiple occupation, (HMO), sharing a common entrance hall, provides a number of comfortable, self-contained apartments.

As a set of Grades 1 and 2 listed buildings, maintenance and upgrading works are expensive and have to be overseen by listed building specialists.

The Trustees are grateful to the work of Br Ian Haggas as the administrator.

#### **Finances**

In common with many other denominations with a reducing membership, the Moravian Church is finding it a challenge to renew and grow beyond a maintenance level of operation. The per capita financial contribution being asked of members is increasing, even with delimiting efforts. We therefore commend congregations that find ways to increase their income in this difficult situation.

The Trustees are, therefore, extremely sensitive to the need to ensure careful, fiduciary oversight of our investments. Our portfolios are managed by UBS (Wealth Management UK) and LGT Wealth LLP. A small group comprising the Provincial Treasurer along with the Chairman and two members of the Finance Committee, meet with the investment managers at least once each year to monitor performance. We make clear to fund managers that as a church we want to ensure that the companies in which our monies are invest meet the ethical and moral values we espouse. The Provincial Board has therefore developed an Ethical Investment Policy which will be continuously reviewed and monitored and will help guide our investment strategy.

As highlighted previously, an area in which we need to take actions was in regard to the pension commitment to workers. The current arrangement, which is consistent with charity regulations, in that all current and future stipendiary staff be included in a formal, contributory pension scheme. Congregations now contribute 5.5% of stipend to the pension fund.

Previously the pension arrangement was one in which discretionary payments were made to retired church servants and their spouses. During the 2017 British Provincial Synod it was resolved that these payments to retirees should be recognised as an obligation and not discretionary. An amount was therefore set aside from Provincial operations to cover this obligation. This sum has continued to fall overtime, since the numbers of individuals to whom this is paid is reducing. This year a formal actuarial valuation of the obligation as at 31 August 2023 was commissioned and is reflected in these financial statements.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Unity**

Our partnerships with South Asia and the Moravian Church in Western Tanzania continue to offer opportunities for members in this province to offer support to brothers and sisters in these developing areas of the Unity. At Unity Synod in 2023, South Asia was formally recognised as a Mission Province. It has held a Provincial Synod and Provincial Board has been appointed. The work is still supported by the British Province, via the British Mission Board.

Following the acceptance of the general and specific principles laid down at the Synod of 2021 the BMB has been expanded in line with the wishes of members of that Synod. The new members of the BMB are helping to share the overall workload and to widen the scope and breadth of what the BMB can accomplish. The BMB meets separately from the PEC, whilst reporting back to the Provincial Board. The BMB, with Sr Jane Carter as chair, has kept focus all aspect of the work in Tanzania and South East Asia.

Funding is being accumulated in the Mission Fund and available for the BMB to use in order to bolster Mission work throughout the Unity and beyond. This is helping the BMB to becoming more responsive and proactive in the way it responds to both emergencies and emerging projects around the world. In addition, we continue to offer an administration grant, albeit it at a reduced level, to the Jamaica Province to help them purchase Textbooks from the Bookroom. This is of mutual benefit as the Jamaican order increases our print run and reduces the unit cost of the books to everyone. Support is also given to Elim Home in South Africa and the Star Mountain Rehabilitation Centre in Ramallah, Palestine. These are viewed as important works of the Moravian Church world-wide. Individuals and groups such as the Moravian Women's Association, the Men's Fellowship and the YPMA give money to many other projects. We are constantly touched by the generosity of such gifts.

**Ecumenical**

As a province, we continue to play as full a role as possible in the national and four-nation bodies, with representation on Churches Together in England and Churches Together in Britain & Ireland. The National Ecumenical Officer was appointed by the Provincial Board to represent the Moravian Church at a National level and we are grateful for the work of Br Philip Cooper who currently serves in this capacity. The PEC will ask Synod to approve that several ecumenical officers can be appointed on the future, as a way to ensure that the role of representation is focussed and less onerous.

Sr Sarah Groves has been appointed President of the Irish Council of Church, (ICC). She will hold this post for one year, after which she will remain in the presidium as Immediate Past President. The late Bishop Joe Cooper is the only other Moravian has held this post, which to date has been held by on two women. Most congregations play their part in the local ecumenical scene, both formally and informally. Br Livingstone Thompson is a Trustee Christian Aid Ireland, in which role he also sits a member of the Income, Finance, Risk and Audit (IFRA) committee, for Christian Air Ireland in both jurisdictions on the island.

**Conclusion**

This province of the Moravian Church has been in existence for over 250 years, which gives it the privilege of a long institutional memory. The contribution that the church has made to society continues to be the subject scholarly investigation, the outcomes of which must be faced maturely. It is evident that the decline in membership must be halted to avoid an irreversible existential crisis. However, when we consider the number of members and significant financial contributions, which we have been able to make to support our mission locally and overseas, we could say that the Church is having significant impact.

While the decline in numbers is similar to what we see in other communions, the trend reinforces the need for us to be clear about the kind of church we want be in the future: the new strategic plan, the project 32 programme and effective use of tangible and intangible assets are some of the things, which we believe will make a difference for renewal, sustainability and effectiveness.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

A major risk we face as a church is to fail to live up to the teachings of Jesus Christ in our dealings with each other and with those with whom we come into contact. The work of the Church can be described as being twofold: to nurture its members and develop their relationship with God and, reaching out to those in the wider community, to demonstrate the Christian message through our life and teaching.

The qualitative nature of our objectives is one that the Trustees consider to be at the heart of our existence as the Moravian Church. We pay tribute to the ongoing commitment and hard work of our ministers, the staff at the headquarters building and the numerous volunteers who offer such loyal service through their own congregations and without whom there would be no Moravian Church in these islands.

We present this report as being a true reflection of our present position.

**REVIEW OF FINANCIAL POSITION**

The Statement of Financial Activities summarises the movements in all the Group's funds during the year.

This indicates that the Group recorded a net increase in funds for the year of £1,686,751, compared to an increase of £2,882,847 in the preceding year. During both the current and preceding financial years there have been a number of significant events and transactions that have distorted the performance for the year as the Church has instigated its restructuring exercise to secure its financial viability going forward and achieve maximum return on its investments.

The Group's total income has increased by £992,139 to £8,019,548 and total expenditure by £97,123 to £7,557,788. This reflects the ongoing restructuring exercise being carried out.

Total net assets of the Group amount to £31,470,691 and are represented by the Group's fixed assets. At the year end the Balance Sheet on page 15 discloses net current assets of £267,464 compared to net current liabilities of £1,952,547 at the preceding year end. This primarily reflects the impact of the ongoing restructuring exercise. The financial position of the Group remains strong, having an investment portfolio in stocks and shares of £2,939,874 as well as a property portfolio held for investment purposes of £27,143,814.

The Trustees review the group and individual entities reserves policies on an annual basis taking account of the total net assets of each entity and the group as a whole, proposed activities for the forthcoming year and their funding requirements.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**REVIEW OF FINANCIAL POSITION (Continued)**

**Investment Policy and Objectives**

Our investment policy is developed in consultation with the Finance and Property Committee, which makes recommendations to the PEC. The present investment objective is to achieve a balanced return in the investment portfolio. The investment portfolio is managed by professional fund managers and consists entirely of listed securities. Investment decisions are based on an ethical stance with the investment brokers being instructed to avoid specific commodities and prioritise those with reasonable environmental sensitivity.

The movement in market value of investments this year, both realised and unrealised, amounts to a minor loss of £5,271. Given the Charity's ethical investment stance, its income requirements and the current economic climate, the Trustees consider the portfolio's performance to be satisfactory.

The investment properties represent the managed estates and are held to generate rental income for the Moravian Union. The current market value of investment properties has been estimated at £27,143,814, an increase in value of £956,971 partly offset for the provision for impairment of one property amounting to £198,160, and net rental income is £143,126 compared to the preceding financial year with net rental income of £58,054. Net rental income will fluctuate year on year depending on the level of maintenance work required on the estate's properties.

**Fundraising Policy**

The Charity does not use fundraising services, consultants or external professional fundraisers to undertake its fundraising activities and no data is shared with or sold to any external agencies.

The Charity does not undertake Direct Mail and does not approach or pressure vulnerable people to support its work. A complaints procedure is in place and the Charity adheres to the Fundraising Code of practice issued by the Fundraising Regulator.

**FUTURE PLANS**

During the forthcoming year the Trustees aim to continue to discharge their current responsibilities effectively and efficiently within the constraints of resources both financial and human. The Trustees continue to review the structure of administration to ensure that we are operating as efficiently as is possible given the above constraints.

Furthermore, the Church, with a view to simplifying its record keeping and financial reporting requirements, will continue to review its trust ledgers in order to gain Charity Commission consent to the merger of a number of the smaller funds.

The trustees determined the following principal objectives for the year ending 31 August 2024:

- To implement the activities associated with the strategic plan and the Project 32 Programme for renewal and growth.
- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- By maintaining close contact with the Board of Governors and senior staff of the Fulneck school, to support their drive for sustainability and academic excellence, particularly as a result of the current economic climate.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**RESERVES POLICY**

The trustees recognise that the Charity requires reserves to allow it to continue its work in the event of unforeseen interruptions to its income streams. The trustees consider the Charity's reserve requirements at least annually and to be prudent are of the opinion that unrestricted reserves equivalent to at least one year's total expenditure should be held. At the current year-end, unrestricted reserves (excluding those earmarked for designated purposes) amounted to £1,277,008 and this represented approximately 17% of annual expenditure, excluding School's expenditure.

The current economic climate has continued to have a significant impact on the activities, income generation and expenditure of the Group. The Trustees have considered this when assessing the Charity's ability to continue as a going concern and the level of reserves it will require. As explained in note 1 to these financial statements, the Trustees are of the opinion that the reserves available to the Charity are sufficient to ensure that the Charity continues for the foreseeable future.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Charity 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 Group and of the incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to: -


- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parent Charity and the Group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Parent Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

***On behalf of the Trustees***



**Miss R. M. A. Hoey**  
**Chair**



**Rev Dr L. A. Thompson**  
**Treasurer**

Date:  2024

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**QUALIFIED OPINION**

We have audited the financial statements of The British Province of the Unitas Fratrum operating as Moravian Church for the year ended 31 August 2023, which comprise the Consolidated Statement of Financial Activities, the Group and the Parent Charity's Balance Sheet, the Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the parent charity and the group's affairs as at 31 August 2023, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

This report is made solely to the Trustees in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to the Trustees 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 and the charity's Trustees for our audit work, for this report, or for the opinions we have formed.

**BASIS FOR QUALIFIED OPINION**

We have been unable to obtain sufficient evidence on the appropriateness of the assumptions used to value the Ockbrook School buildings which are included under investment properties at a value of £4,750,000. The buildings, which have recently been leased on a 40-year term, have not been independently valued by a professional surveyor, and the valuation is based on present value of future rental income. The uncertainties relating to the underlying assumptions include the extensive repair costs which are the responsibility of the landlord under the lease and also the risk that the current tenant will terminate the agreement early, under the break clause in the lease.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**OTHER INFORMATION**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**RESPONSIBILITIES OF THE TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for preparing the Report of the Trustees and the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under Section 144(1) of the Charities Act 2011 and report in accordance with regulations made under that Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Knox Cropper LLP**  
**Statutory Auditor**  
**65 Leadenhall Street**  
**London**  
**EC3A 2AD**

Date: 16/07/2024

Knox Cropper LLP is eligible to act as an auditor of the Charity in terms of section 1212 of the Companies Act 2006.

**MORAVIAN CHURCH**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total 2023	Total 2022 Restated
		£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and Legacies	2	450,619	4,831	731,799	1,187,249	1,261,494
Other Trading Activities	3	-	-	93,243	93,243	74,571
Investments	4	921,931	16,717	296,542	1,235,190	1,087,182
		1,372,550	21,548	1,121,584	2,515,682	2,423,247
<b>Charitable activities</b>	5	22,590	9,445	3,994,258	4,026,293	3,951,752
<b>Other</b>	6	1,477,573	-	-	1,477,573	652,410
<b>Total Income</b>		2,872,713	30,993	5,115,842	8,019,548	7,027,409
<b>Expenditure on:</b>						
<b>Raising Funds</b>						
Fundraising trading: cost of goods sold and other costs	7	-	-	(123,007)	(123,007)	(124,165)
Investment management costs	7	(739,536)	(2,211)	(68,761)	(810,508)	(789,728)
		(739,536)	(2,211)	(191,768)	(933,515)	(913,893)
<b>Charitable Activities</b>	7	(983,952)	(836,884)	(4,803,437)	(6,624,273)	(6,546,772)
<b>Total Expenditure</b>		(1,723,488)	(839,095)	(4,995,205)	(7,557,788)	(7,460,665)
Net Gains/(Losses) on investment assets	10, 11	216,894	545,310	(7,899)	754,305	2,332,082
Net income/(expenditure)		1,366,119	(262,792)	112,738	1,216,065	1,898,826
<b>Other Recognised Gains/(Losses)</b>						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	19	-	470,686	-	470,686	983,841
Transfers between reserves	17	(550,788)	999,598	(448,810)	-	-
<b>NET MOVEMENT IN FUNDS</b>		815,331	1,207,492	(336,072)	1,686,751	2,882,667
<b>Reconciliation of Funds:</b>						
<b>Total Funds Brought Forward</b>	17	461,677	24,769,787	4,552,476	29,783,940	26,901,273
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£1,277,008</u>	<u>£25,977,279</u>	<u>£4,216,404</u>	<u>£31,470,691</u>	<u>£29,783,940</u>

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

As a result of its activities for the year the parent charity, The Moravian Church, disclosed a net increase in funds of £70,949. Its total net assets at the yearend stood at £1,110,520

The notes form part of these financial statements.

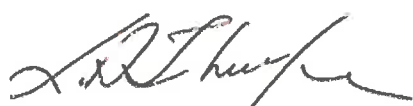
**MORAVIAN CHURCH**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 AUGUST 2023**

	Notes	Group		Parent	
		2023	2022	2023	2022
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	9	4,756,235	4,137,187	355,279	363,003
Investment Property	10	27,143,814	26,817,467	-	-
Investments	11	2,939,874	5,097,609	192,898	161,694
		<u>34,839,923</u>	<u>36,052,263</u>	<u>548,177</u>	<u>524,697</u>
<b>CURRENT ASSETS</b>					
Stock	12	47,552	27,524	-	-
Debtors	13	585,976	507,367	129,423	120,267
Cash at Bank and in Hand		1,328,993	1,160,678	919,341	883,124
		1,962,521	1,695,569	1,048,764	1,003,391
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	(1,695,057)	(3,648,116)	(486,421)	(488,517)
<b>NET CURRENT ASSETS</b>		<u>267,464</u>	<u>(1,952,547)</u>	<u>562,343</u>	<u>514,874</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		35,107,387	34,099,716	1,110,520	1,039,571
<b>CREDITORS: Amounts falling due after more than one year</b>					
	15	(690,229)	(751,217)	-	-
Defined Benefit Pension Liability	19	(2,946,467)	(3,564,559)	-	-
<b>TOTAL NET ASSETS</b>		<u>£31,470,691</u>	<u>£29,783,940</u>	<u>£1,110,520</u>	<u>£1,039,571</u>
<b>The Funds of the Charity:</b>					
Restricted Funds	17	4,216,404	4,552,476	1,079,796	1,009,630
Unrestricted Funds					
General	17	1,277,008	461,677	-	1,486
Designated Fund – Defined Benefit Pension Liability	17	(2,946,467)	(3,564,559)	-	-
Designated	17	28,923,746	28,334,346	30,724	28,455
		<u>27,254,293</u>	<u>25,231,464</u>	<u>30,724</u>	<u>29,941</u>
<b>TOTAL FUNDS</b>		<u>£31,470,691</u>	<u>£29,783,940</u>	<u>£1,110,520</u>	<u>£1,039,571</u>

Approved by the Trustees on

16 July

2024 and signed on their behalf by




Rev Dr L. Thompson

Miss R. M. A. Hoey

Charity Number: 251211

The notes form part of these financial statements.

**MORAVIAN CHURCH**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023		2022	
		£	£	£	£
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>			(490,454)		(1,983,495)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income		1,235,190		1,087,182	
Payments to acquire tangible fixed assets	9	(783,469)		(28,970)	
Proceeds on disposal of tangible fixed assets		-		1,119,595	
Proceeds on disposal of investment property assets	10	432,464		-	
Purchase of fixed asset investments	11	(978,491)		(968,839)	
Proceeds of sale of fixed asset investments	11	3,130,955		1,194,936	
			3,036,649		2,403,904
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(226,676)		(151,176)	
Movement on Loans		(2,151,204)		(589,073)	
			(2,377,880)		(740,249)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			168,315		(319,840)
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>			1,160,678		1,480,518
<b>Cash and Cash Equivalents at the end of the reporting period</b>			<u>£1,328,993</u>		<u>£1,160,678</u>

**RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH OUTFLOW**

	2023	2022
	£	£
Net Movement in funds for the year	1,686,751	2,882,667
Investment Income	(1,235,190)	(1,087,182)
Interest Paid	226,676	151,176
Depreciation	164,421	159,122
(Gains)/Losses on disposal of property fixed assets	(946,429)	(652,410)
(Gains)/Losses on disposal of other fixed assets	-	1,713
(Gains)/Losses on investment assets	(5,271)	(2,463,332)
Investment asset impairment	198,160	131,250
(Increase)/Decrease in Stock	(20,028)	3,853
(Increase)/Decrease in Debtors	(78,609)	(81,539)
Increase/(Decrease) in Creditors	137,157	149,316
Movement on Defined Benefit Pension Liability	(618,092)	(1,178,129)
	<u>£ (490,454)</u>	<u>£ (1,983,495)</u>

**NET DEBT RECONCILIATION**

	01/09/2022	Cashflow	31/08/2023
	£	£	£
Cash at Bank and in Hand	1,160,678	168,315	1,328,993
UBS facility drawn down	(1,975,200)	1,975,200	-
Loans repayable within one year	(167,305)	9,952	(157,353)
Loans repayable outside one year	(751,217)	166,052	(585,165)
	<u>£ (1,733,044)</u>	<u>£2,319,519</u>	<u>£586,475</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the provisions of the Charities Act 2011, the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), FRS 102 and the Charities Act 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102.

The financial statements consolidate the incoming resources and resources expended, assets and liabilities of the following entities:

- Moravian Church and its Congregations (The Parent)
- The Moravian Union (Incorporated)
- Fulneck School
- Ockbrook School (until 28 July 2021)
- Fulneck Choir House

The presentation currency of the financial statements is Pound Sterling (£).

**Going Concern**

The trustees consider that there are no material uncertainties about the Group's ability to continue as a going concern. The Group is continuing a financial restructuring exercise (see note 22) and has secured a lease on its Ockbrook School properties, which previously entered administration, and provisions made against its loan to Fulneck School to support its financial stability. In forming this opinion, they have considered the impact of the ongoing financial restructuring exercise on both its income and expenditure for at least a period of twelve months from the date of approval of these financial statements. The Charity's reserves, including the investment properties revaluation reserve, and plans in place are sufficient to ensure that it remains a going concern for the foreseeable future.

**Income Recognition**

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

*Donations and Legacies*

Income from donations and legacies is generally recognised on receipt. However, income from the Mrs E M Bates Trust is accrued at the balance sheet date if the trustees are satisfied that the criteria of entitlement, certainty and measurement have been met on the basis of declarations and/or payments by the donating organisation after the year end.

*School Fees*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the schools.

*Rental Income*

Rents receivable are included on an accruals basis.

*Investment Income*

Investment income is recognised when received by the investment managers.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. ACCOUNTING POLICIES (Continued)**

**Income Recognition (Continued)**

*Other Income*

Other income is generally recognised on an accruals basis.

**Expenditure**

Liabilities are recognised when a legal or constructive obligation to make a payment arises, it is probable that a transfer of economic benefits will be required and it can be measured reliably. Expenditure is charged on an accruals basis. All expenditure heads in the SOFA include both direct costs and apportioned overhead costs. Overhead costs are apportioned on the basis of employee time.

Charitable activities represent the direct costs of carrying out the charity's aims, together with allocated support costs which are apportioned to the different expenditure heads on the basis of staff time. Governance costs are the costs of meeting the charity's regulatory obligations and are included within support costs.

**Stock**

Stock is valued at the lower of cost and net realisable value.

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within certain sectors or sub sectors.

**Investment Property**

Residential investment property is valued at market value at the balance sheet date. It was independently valued on 3 July 2015 by SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors (RICS), based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. The market value of the properties is reviewed annually and adjusted based on the condition and usage of those properties, as advised by John Forrester Ltd, using the Halifax Regional House Price Indices and other supporting information when available. The properties of the former Ockbrook School have been valued based on future rental income net of future repair costs.

**Leases**

Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease. Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the life of the lease with payments to the lessor being apportioned between capital which writes down the outstanding obligation and interest which is charged to the Statement of Financial Activities over the period of the lease on a straight-line basis.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

All freehold property is analysed between functional properties (e.g. Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties') which are maintained to generate rental income. The functional properties are carried at cost and depreciated. The investment properties are carried at market value.

For functional properties, depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated on a straight-line basis at 1% pa for the structure and 2.5% pa for the roof. Certain properties used by congregations are not reflected on the balance sheet, although legal title may be vested in the Union, as they were acquired a number of years ago and no record of their cost is available.

Depreciation of fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

	<i>Moravian Union</i>	<i>Fulneck School</i>
Freehold land and buildings	1%- 2.5%	N/A
Leasehold land and buildings	N/A	2%
Furniture and equipment	25- 33.3%	10- 15%
Computer equipment	N/A	33.3%
Motor vehicles	N/A	25%
Leased Assets	Over the life of the lease	

**Taxation**

For all charitable activities, the Church enjoys exemption from corporation tax under the Corporation Taxes Act 2010. The charity is not registered for Value Added Tax (VAT) and expenditure includes irrecoverable VAT where incurred.

**Advance Fees Scheme**

Where the school offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract, the amounts received are invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financing costs include amounts accrued in accordance with the terms of the Advance Fees contracts.

**Fund Accounting**

Funds held by the charitable group are either: -

- Unrestricted general funds – these are funds which can be used for any purpose which is in accordance with the charity's objectives and at the discretion of the Trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for a specific future purpose or project. All sums applied to the purchase of property are classified as designated funds.
- Restricted funds – these are funds that can only be used for a particular purpose within the objects of the charity. Restrictions arise when specified by either the donor or by way of indication when certain funds are raised.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. ACCOUNTING POLICIES (Continued)**

**Pensions**

The different entities of the Moravian Church run a variety of pension schemes. Further details of each scheme are shown in Note 19.

As explained in note 19 to these financial statements, The Moravian Union has recognised discretionary pensions payable to retired ministers as an obligation. This liability is valued by The Moravian Union's actuaries (BWCI). The Trustees review the reasonability of assumptions underlying the most recent valuation annually and consider whether a new valuation is required. If a new valuation is not considered necessary, adjustment should be made to unwind the discount applied to the most recent valuation by one year. The Trustees consider that the assumptions underlying the previous valuation, as at 31 August 2017, have now changed significantly and an actuarial valuation was commissioned and completed on 6 April 2023 providing valuations as at 31 August 2021 and 31 August 2022. The actuarial valuation commissioned as at 31 August 2022 indicated that the assumptions as at 31 August 2021 had changed significantly and a prior year adjustment has been made (Note 23). Movements during the year are disclosed in note 19 to these financial statements.

With effect from 31 December 2015 the discretionary scheme for active members was discontinued and replaced by a defined contribution scheme. The charitable company's liability under this scheme is limited to paying contributions as they arise and these costs are recognised in the accounts when the contributions fall due.

The Moravian Union contributes at the rate of 7% of pensionable salaries to the private pension plans of a number of employees. As the charitable company's liability under these schemes is limited to paying contributions due to the schemes at the appropriate time, these costs are recognised in the accounts when the contributions fall due.

A number of the professional staff employed at Fulneck School participate in a multi-employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The TPS is a multi-employer pension scheme open to the school's teaching staff and it is not possible to identify the assets and liabilities of the scheme attributable to the school. The TPS is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The scheme is managed by the Department for Education. Contributions to defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable. The school withdrew from the TPS Scheme with effect from 31 August 2023

**Short-term debtors and creditors**

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event to make payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. ACCOUNTING POLICIES (Continued)**

**Key Judgements and Estimates**

(i) Financial instrument classification

The classification of financial instruments, both assets and liabilities, as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes the type of investment or loan and its return. The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

Concessionary loans received are initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

(ii) Useful lives of functional properties

The remaining useful lives of depreciable properties are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

(iii) Recognition and valuation of investment properties

The classification of The Moravian Union's properties between functional and investment purposes requires judgement of the use of those properties. Management annually reviews the usage of properties and their classification is amended when necessary.

The market value of properties classified as investments is annually reviewed by management and, based on the condition of those properties, the value is adjusted using a recognised market indices.

(iv) Valuation of retired ministers' defined benefit pension liability

The assumptions underlying the pension scheme actuarial valuation are reviewed annually by the trustees. If they consider that the principal actuarial assumptions have not changed significantly the liability at the year-end should be adjusted by unwinding the discount by one year. If they consider that changes in the principal actuarial assumptions will have a material impact on the value of the liability then an actuarial valuation will be commissioned. It is intended that an actuarial valuation will be carried out at least every five years to realign the liability. As detailed above under Pensions the actuarial valuation carried out indicated that the 2021 assumptions had changed significantly and a prior year adjustment has been made (note 23).

(v) Doubtful debt provision

The recoverability of outstanding debtor balances is reviewed by senior management on an annual basis. When recoverability is considered doubtful, a provision is made against the balance.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds		Restricted Funds	Total 2023	Total 2022
	General	Designated			
	£	£	£	£	£
Mrs E M Bates Trust	360,270	4,831	-	365,101	333,956
Grants	-	-	26,842	26,842	20,609
Donations and Legacies	27,349	-	704,957	732,306	843,929
The London Mission in Aid of Moravian Mission	63,000	-	-	63,000	63,000
	<u>£450,619</u>	<u>£4,831</u>	<u>£731,799</u>	<u>£1,187,249</u>	<u>£1,261,494</u>

**3. OTHER TRADING ACTIVITIES**

Fundraising events	-	-	93,243	93,243	74,571
	<u>£-</u>	<u>£-</u>	<u>£93,243</u>	<u>£93,243</u>	<u>£74,571</u>

**4. INVESTMENT INCOME**

Quoted Securities	101,738	16,717	78,801	197,256	172,735
Rents Receivable	822,797	-	209,684	1,032,481	908,681
Bank Interest	(2,604)	-	8,057	5,453	5,766
	<u>£921,931</u>	<u>£16,717</u>	<u>£296,542</u>	<u>£1,235,190</u>	<u>£1,087,182</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

School Fees					
Fulneck School	-	-	3,685,733	3,685,733	3,625,516
Congregational Activities	-	-	199,411	199,411	158,816
Unity Income	-	-	11,000	11,000	11,000
Book Sales	18,193	-	41	18,234	19,365
Other Activities	4,397	9,445	98,073	111,915	137,055
	<u>£22,590</u>	<u>£9,445</u>	<u>£3,994,258</u>	<u>£4,026,293</u>	<u>£3,951,752</u>

**6. OTHER INCOME**

Gain on disposal of fixed assets	1,477,573	-	-	1,477,573	652,410
	<u>£1,477,573</u>	<u>£ -</u>	<u>£ -</u>	<u>£1,477,573</u>	<u>£652,410</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**7. EXPENDITURE**

	Costs of Raising Funds		Charitable Activities			Support Costs	Total 2023	Total 2022
	Fundraising Trading Activities and other costs	Investment Management Costs	Education Costs	Ministry and Congregations				
				Domestic	Overseas			
£	£	£	£	£	£	£	£	
Fulneck School General Education Costs	-	-	555,398	-	-	-	555,398	621,074
Congregation Fundraising Activities	22,243	-	-	-	-	-	22,243	9,855
Ministry	-	-	-	591,090	-	-	591,090	602,941
Grants and Projects	-	-	-	11,408	225,809	-	237,217	159,750
Burial Ground Costs	-	-	-	1,642	-	-	1,642	2,911
Estate Management Costs	-	-	-	-	-	-	-	695,713
Staff Costs	39,569	728,500	2,259,871	319,727	32,425	629,879	3,281,471	3,209,274
Ministers Travel	-	-	-	36,591	-	-	36,591	20,299
Ministerial Training	-	-	-	14,177	-	-	14,177	-
Other Ministerial Costs	-	-	-	26,225	-	-	26,225	-
Archive Costs	-	-	-	59,026	-	-	59,026	53,606
Brokers Fees	-	27,572	-	-	-	-	27,572	36,023
Honorariums	600	-	-	15,146	-	-	15,746	11,332
Provision for Doubtful Debts	-	-	-	106,261	-	-	106,261	55,227
Youth and Children	-	-	-	36,537	-	-	36,537	46,120
Audit	-	-	-	8,000	-	36,140	44,140	47,340
Bank Charges	12,969	-	-	2,685	-	-	15,654	16,452
Interest	6,092	-	-	-	-	220,584	226,676	151,176
Depreciation	-	-	118,086	7,723	-	38,613	164,422	159,120
Book Purchases	-	-	-	10,124	-	-	10,124	14,350
Subscriptions and Licences	-	-	-	19,827	-	-	19,827	21,632
Messenger	-	-	-	24,798	-	-	24,798	24,041
Stationery and Postage	-	-	-	7,782	-	14,810	22,592	53,801
Premises (cleaning, repairs, security, light, power and utilities)	41,534	54,436	169,419	387,089	-	212,739	865,217	829,741
Legal & Professional	-	-	-	68,431	-	28,618	97,049	312,321
Computer Software Maintenance & Licences	-	-	-	-	-	83,217	83,217	86,784
Communications	-	-	-	-	-	5,759	5,759	4,258
Insurance	-	-	48,492	66,696	-	14,932	130,120	72,695
Ministers Removal Costs	-	-	-	45,109	-	-	45,109	10,828
Other Congregations Costs	-	-	-	54,439	-	-	54,439	97,104
Other Office Costs	-	-	-	3,180	-	2,091	5,271	4,526
Appportioned Support Costs (based on staff time)	123,007	810,508	3,151,266	1,927,391	258,234	1,287,382	7,557,788	7,460,665
	-	-	735,447	478,670	73,265	(1,287,382)	-	-
<b>Total 2023</b>	<b>£123,007</b>	<b>£810,508</b>	<b>£3,886,713</b>	<b>£2,406,061</b>	<b>£331,499</b>	<b>£-</b>	<b>£7,557,788</b>	<b>£7,460,665</b>
<b>Total 2022</b>	<b>£124,165</b>	<b>£789,728</b>	<b>£3,996,489</b>	<b>£2,304,614</b>	<b>£245,669</b>	<b>£-</b>	<b>£-</b>	<b>£7,460,665</b>

All grants are made to charitable institutions and are to help fund the ministry and congregations. They range in value from £200 to £50,000.

Legal & Professional fees charged to Domestic Charitable activities, relate to fees incurred as part of the review and restructuring exercise of Fulneck School.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**8. STAFF COSTS**

	<b>Moravian Church</b>	<b>Moravian Union</b>	<b>Fulneck School</b>	<b>2023 Total</b>	<b>2022 Total</b>
	£	£	£	£	£
Gross Pay	437,882	298,933	2,401,695	3,138,510	3,043,494
Social Security Costs	45,937	29,876	189,420	265,233	263,583
Pension Costs	81,134	20,394	321,835	423,363	432,026
	<u>564,953</u>	<u>349,203</u>	<u>2,912,950</u>	<u>3,827,106</u>	<u>3,739,103</u>
Other staff costs	-	6,380	-	6,380	15,956
	<u>£564,953</u>	<u>£355,583</u>	<u>£2,912,950</u>	<u>£3,833,486</u>	<u>£3,755,059</u>
Included in Note 7 as follows:					
Staff Costs	71,898	296,623	2,912,950	3,281,471	3,140,362
Archive Costs	-	58,960	-	58,960	53,606
Ministry	474,682	-	-	474,682	520,519
Ministerial Training	-	-	-	-	762
Youth and Children	18,373	-	-	18,373	39,810
	<u>£564,953</u>	<u>£355,583</u>	<u>£2,912,950</u>	<u>£3,833,486</u>	<u>£3,755,059</u>
Average Staff Numbers:	No.	No.	No.	No.	No.
Teaching	-	-	63	63	55
Ministers	13	-	-	13	14
Other	3	6	28	37	54
	<u>16</u>	<u>6</u>	<u>91</u>	<u>113</u>	<u>123</u>
Between £70,001 - £80,000	-	-	1	1	1
Between £80,001 - £90,000	-	-	-	-	-
Between £90,001 - £100,000	-	-	-	-	-
Between £100,001 - £110,000	-	-	-	-	-

The Key Management Personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any trustee of the Charity. Key Management Personnel of the Moravian Church are considered to be the members of the Provincial Elders' Conference, who are also the trustees. The Trustees are not remunerated for their services as such. However, the regulations and practice of Synod allows serving ministers and Church House staff to be elected to the Provincial Elders' Conference and to continue to receive their stipends/salaries. During the period the following emoluments (including benefits) were paid.

	<b>2023</b>	<b>2022</b>
	£	£
Rev. D. R. Howarth	35,686	34,031
Miss R. M. A. Hoey	36,211	34,386
	<u>£71,897</u>	<u>£68,417</u>

An amount of £11,875 (2022: £9,805) was reimbursed to the Trustees for travel expenses incurred during the period.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**9. TANGIBLE FIXED ASSETS**

GROUP	Land and Buildings £	Furniture, Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
Brought Forward	6,246,847	1,414,947	17,895	7,679,689
Additions	783,469	-	-	783,469
Disposals	-	-	-	-
At 31 August 2023	7,030,316	1,414,947	17,895	8,463,158
<b>Depreciation</b>				
Brought Forward	2,318,417	1,207,010	17,075	3,542,502
Charge for period	115,615	47,988	818	164,421
Depreciation on disposals	-	-	-	-
At 31 August 2023	2,434,032	1,254,998	17,893	3,706,923
<b>Net Book Value</b>				
At 31 August 2023	£4,596,284	£159,949	£2	£4,756,235
At 31 August 2022	£3,928,430	£207,937	£820	£4,137,187
<b>PARENT</b>				
<b>Cost</b>				
Brought Forward	386,172	21,413	-	407,585
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2023	386,172	21,413	-	407,585
<b>Depreciation</b>				
Brought Forward	23,170	21,413	-	44,583
Charge for period	7,723	-	-	7,723
Depreciation on disposals	-	-	-	-
At 31 August 2023	30,893	21,413	-	52,306
<b>Net Book Value</b>				
At 31 August 2023	£355,279	£-	£-	£355,279
At 31 August 2022	£363,002	£-	£-	£363,002

Part of the above Land and Buildings are subject to Mortgages – see Note 15. Certain properties used by congregations are not reflected on the balance sheet, although legal title is vested in the Moravian Union, as they were acquired a significant number of years ago and no record of their cost is available.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**10. INVESTMENT PROPERTIES**

	2023	2022
	£	£
<b>Market Value</b>		
At 1 September 2022	26,817,467	24,299,983
Impairment	(198,160)	(131,250)
Disposal Proceeds	(432,464)	-
Realised gain on disposal	213,342	-
Unrealised Revaluation Gains/(Losses)	743,629	2,648,734
At 31 August 2023	<u>£27,143,814</u>	<u>£26,817,467</u>

The Charity's estate properties were valued on 3 July 2015 by an independent valuer, SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors. The valuation was a desktop appraisal of market value based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. Investment property valuations as at 31 August 2023 are based on that valuation adjusted by the Halifax Seasonally Adjusted Regional House Price Quarterly Indices published by the Lloyds Banking Group. In addition, the Estate properties have been reviewed for potential impairment based on their condition, occupancy and comparative values of similar properties sold on the Settlements or in the local area. One property was identified where impairment was considered likely and its value has been adjusted accordingly.

On 8 May 2024 the lease on the former Ockbrook School properties was signed and an initial valuation based on the present value of future rental income net of expected costs for those properties was carried out in house. This resulted in a conservative estimate for those properties of £4,750,000 and is reflected in these accounts. The Trustees are in the process of commissioning an independent professional valuation to be performed on the Ockbrook School properties and of the investment property portfolio in general.

**11. INVESTMENTS**

	Group		Parent	
	Total 2023	Total 2022	Total 2023	Total 2022
	£	£	£	£
<b>LISTED INVESTMENTS</b>				171,248
Carrying Value at Beginning of year	5,097,609	5,509,107	161,694	-
Additions	978,491	968,839	35,982	(23,382)
Disposal Proceeds	(3,130,955)	(1,194,936)	(2,042)	
Realised Gains/(Losses)	99,327	12,804	880	(2,069)
Unrealised Gains/(Losses)	(104,598)	(198,205)	(3,616)	15,897
Carrying Value at 31 August 2022	<u>£2,939,874</u>	<u>£5,097,609</u>	<u>£192,898</u>	<u>£161,694</u>

The following investments individually represented more than 5% of the total market value of the portfolio:

The Charities Property Fund	<u>£420,769</u>	<u>£503,697</u>
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**12. STOCK Group**

	2023	2022
	£	£
Moravian Union	20,254	16,706
Schools Stocks	27,298	10,818
	<u>£47,552</u>	<u>£27,524</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

13. **DEBTORS**

	Group		Parent	
	2023	2022	2023	2022
	£	£	£	£
Trade Debtors	138,636	255,245	-	-
Amounts due from related Organisations	-	-	109,752	99,935
Other Debtors	82,970	50,981	19,671	20,332
Prepayments and Accrued Income	245,301	105,142	-	-
Agents Balances	67,128	34,816	-	-
Rent Due	51,941	61,183	-	-
	<u>£585,976</u>	<u>£507,367</u>	<u>£129,423</u>	<u>£120,267</u>

14. **CREDITORS: Amounts falling due in less than one year**

	Group		Parent	
	2023	2022	2023	2022
	£	£	£	£
Loans and Overdrafts				
Bank Loans	106,906	116,369	67,620	48,316
Trade Creditors	124,846	126,440	-	-
Amounts due to related Organisations	-	-	242,413	263,448
Other Creditors	40,628	2,073,515	1,584	1,553
Social Security and other Taxes	96,847	89,748	-	-
Accruals and Deferred Income	350,146	330,045	174,804	175,200
Fees in advance	925,237	861,063	-	-
Hire Purchase Contract	-	-	-	-
Bates Trust Loan	50,447	50,936	-	-
	<u>£1,695,057</u>	<u>£3,648,116</u>	<u>£486,421</u>	<u>£488,517</u>

Other creditors in the preceding year included an advance of £1,975,200 from UBS secured against the investment portfolio to aid the Moravian Union's cashflow position. This was repaid during the current year.

Deferred Income consists entirely of fees in advance.

	Group		Parent	
	2023	2022	2023	2022
	£	£	£	£
Balance brought forward	861,063	807,485	-	-
Rent and School Fees received in advance	925,237	861,063	-	-
Released to revenue during the year	(861,063)	(807,485)	-	-
Balance carried forward	<u>£925,237</u>	<u>£861,063</u>	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

15. **CREDITORS: Amounts falling due in more than one year**

<b>Group</b>	<b>1 – 2 years £</b>	<b>2 – 5 years £</b>	<b>More than 5 years £</b>	<b>2023 £</b>
Bank Loans - Fulneck School	19,497	39,700	21,694	80,891
- Moravian Union	22,206	76,547	248,191	346,944
	41,703	116,247	269,885	427,835
Bates Trust Loan	52,016	105,314	-	157,330
Other Creditors	105,064	-	-	105,064
	<b>£198,783</b>	<b>£221,561</b>	<b>£269,885</b>	<b>£690,229</b>

<b>Group</b>	<b>1 – 2 years £</b>	<b>2 – 5 years £</b>	<b>More than 5 years £</b>	<b>2022 £</b>
Bank Loans - Fulneck School	20,511	53,416	22,566	96,493
- Moravian Union	49,444	160,516	236,875	446,835
	69,955	213,932	259,441	543,328
Bates Trust Loan	52,016	155,873	-	207,889
Other Creditors	-	-	-	-
	<b>£121,971</b>	<b>£369,805</b>	<b>£259,441</b>	<b>£751,217</b>

When Ockbrook School went into administration in 2021, The Moravian Union as guarantor assumed responsibility for the liability in respect of Ockbrook School's outstanding bank loan balances which amount to £367,676 at the balance sheet date (2022: £494,377), of which £20,732 was repayable within one year (2022: £47,542). The outstanding loans are secured against Moravian Union property.

Fulneck School has one bank loan (2019), secured against the Fulneck School property which is owned by the Moravian Union. At the year-end £99,445 remained outstanding, of which £18,554 was repayable within one year.

During 2017 a loan of £500,000 was extended to The Moravian Union by the Mrs EM Bates Trust. The loan was to provide investment funding to The Moravian Union to undertake a major fixed asset properties repair programme. The loan is to be repaid over a period of 10 years and is secured against Flat 5 Winkley Court, a property valued at in excess of £500k. Interest is charged at 2% above base rate. The loan is considered a concessionary loan.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total 2023
	General	Designated		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	6,953	2,357,353	2,391,929	4,756,235
Investments	1,077,656	171,018	1,691,200	2,939,874
Investment Properties	-	27,143,814	-	27,143,814
Cash at bank and in hand	1,002,581	190,137	133,275	1,325,993
Other net assets/(liabilities)	(810,182)	(3,885,043)	-	(4,695,225)
	£1,277,008	£25,977,279	£4,216,404	£31,470,691
<b>Parent</b>				
Tangible fixed assets	-	-	355,279	355,279
Investments	-	-	192,898	192,898
Cash at bank and in hand	-	30,724	888,617	919,341
Other net assets/(liabilities)	-	-	(356,998)	(356,998)
	£ -	£30,724	£1,079,796	£1,110,520
<b>2022</b>				
	Unrestricted Funds		Restricted Funds	Total 2022
	General	Designated		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	10,507	1,608,943	2,517,737	4,137,187
Investments	1,936,390	307,295	2,853,924	5,097,609
Investment Properties	611,381	26,206,086	-	26,817,467
Cash at bank and in hand	141,044	240,904	778,730	1,160,678
Other net assets/(liabilities)	(2,237,645)	(3,593,441)	(1,597,915)	(7,429,001)
	£461,677	£24,769,787	£4,552,476	£29,783,940
<b>Parent</b>				
Tangible fixed assets	-	-	363,003	363,003
Investments	-	-	161,694	161,694
Cash at bank and in hand	1,486	28,455	853,183	883,124
Other net assets/(liabilities)	-	-	(368,250)	(368,250)
	£1,486	£28,455	£1,009,630	£1,039,571

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**17. MOVEMENTS ON FUNDS**

**GROUP AND PARENT 2022**

	Opening Balance At 01/09/22	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/23
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union	167,130	5,758	(32,516)	(81)	-	26,756	167,047
Evangelical Ministers emoluments	644,835	15,634	(15,634)	(4,887)	-	1	640,029
Education	114,472	6,955	(61,677)	(32)	-	57,591	117,310
Overseas	363,844	1,815	(1,815)	(167)	-	(1)	363,676
Property	1,844,177	56,508	(58,055)	(721)	-	7	1,841,915
Relief of poverty	3,319	76	(76)	(1)	-	(3)	3,314
Other	539,991	80,101	(294,228)	(121)	-	105,349	431,094
	3,677,768	166,847	(464,001)	(5,929)	-	189,700	3,564,385
Moravian Church (congregations) – Parent only	1,009,630	1,132,496	(555,368)	(1,970)	-	(504,992)	1,079,796
Fulneck School	(380,516)	3,766,720	(3,933,702)	-	-	(104,468)	(651,966)
Fulneck Choir House	91,594	44,503	(42,134)	-	-	-	93,963
Comenius Foundation	154,000	5,276	-	-	-	(29,050)	130,226
	4,552,476	5,115,842	(4,995,205)	(7,899)	-	(448,810)	4,216,404

**DESIGNATED**

Moravian Union	(3,564,559)	-	(140,250)	-	470,686	287,656	(2,946,467)
Defined Benefit Pension Scheme	44,750	14,805	(215)	(20)	-	-	59,320
Ministers emoluments	1,962,735	4,636	(1,986)	(139)	-	(2)	1,965,244
Property	1,602,959	-	-	(5,665)	-	(30,087)	1,567,207
Investment Property – Cost	24,603,127	-	-	551,134	-	54,669	25,208,930
Investment Property – Revaluation	2,127	10	(10)	-	-	-	2,127
Other	90,193	-	-	-	-	-	90,193
Mission Renewal	24,741,332	19,451	(142,461)	545,310	470,686	312,236	25,946,554
	28,455	11,542	(696,634)	-	-	687,362	30,725
Moravian Church and Congregations – Parent only	24,769,787	30,993	(839,095)	545,310	470,686	999,598	25,977,279
<b>GENERAL</b>							
Moravian Union	460,191	2,872,479	(1,722,192)	216,894	-	(550,364)	1,277,008
Moravian Church – Parent only	1,486	234	(1,296)	-	-	(424)	-
	461,677	2,872,713	(1,723,488)	216,894	-	(550,788)	1,277,008
	£29,783,940	£8,019,548	£(7,557,788)	£754,305	£470,686	£-	£31,470,691

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church. During the current year the Comenius Foundation funds were transferred from Fulneck School to a separately administered restricted fund within the Group.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

17. **MOVEMENTS ON FUNDS (Continued)**

GROUP AND PARENT 2021	Opening Balance	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance
	At 01/09/21	£	£	£	£	£	At 31/08/22
<b>RESTRICTED</b>							
Moravian Union	173,457	5,079	(28,929)	(6,327)	-	23,850	167,130
Evangelical	684,747	(2,132)	(12,868)	(24,912)	-	-	644,835
Ministers emoluments	115,069	11,108	(61,502)	(2,534)	-	52,331	114,472
Education	376,961	2,372	(2,372)	(13,117)	-	-	363,844
Overseas	1,903,655	47,879	(50,716)	(56,641)	-	-	1,844,177
Property	3,435	67	(67)	(116)	-	-	3,319
Relief of poverty	499,117	194,481	(191,495)	(9,566)	-	47,454	539,991
Other	3,756,441	258,854	(347,949)	(113,213)	-	123,635	3,677,768
Moravian Church (congregations) – Parent only	1,093,222	1,013,195	(559,940)	13,828	-	(550,675)	1,009,630
Fulneck School (Restated)	29,115	3,787,650	(3,998,005)	-	-	(199,276)	(380,516)
Fulneck Choir House	83,471	37,001	(28,878)	-	-	-	91,594
Comenius Foundation	-	-	-	-	-	154,000	154,000
	4,962,249	5,096,700	(4,934,772)	(99,385)	-	(472,316)	4,552,476
<b>DESIGNATED</b>							
Moravian Union	(4,742,688)	-	(73,739)	-	983,841	268,027	(3,564,559)
Defined Benefit Pension Scheme	(104,549)	9,006	(282)	(1,556)	-	142,130	44,750
Ministers emoluments	1,972,051	2,910	(2,015)	(10,774)	-	563	1,962,735
Property	1,629,034	-	-	-	-	(26,075)	1,602,959
Investment Property – Cost	21,577,529	-	-	2,517,484	-	508,114	24,603,127
Investment Property – Revaluation	2,201	13	(13)	(74)	-	-	2,127
Other	90,194	-	-	-	-	-	90,194
Mission Renewal	20,423,772	11,929	(76,049)	2,505,080	983,841	892,759	24,741,332
Moravian Church and Congregations – Parent only	25,318	10,414	(678,838)	-	-	671,561	28,455
	20,449,090	22,343	(754,887)	2,505,080	983,841	1,564,320	24,769,787
<b>GENERAL</b>							
Moravian Church	1,488,464	1,908,350	(1,771,006)	(73,613)	-	(1,092,004)	460,191
Moravian Church – Parent only	1,470	16	-	-	-	-	1,486
	1,489,934	1,908,366	(1,771,006)	(73,613)	-	(1,092,004)	461,677
	£26,901,273	£7,027,409	£(7,460,665)	£2,332,082	£-	£-	

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**17. MOVEMENTS ON FUNDS (Continued)**

The broad purposes of the main restricted and designated funds of the group are as follows:

***Restricted funds,***

- Evangelical – to further the religious objectives of the Moravian Church;
- Ministers emoluments – to support the payment of ministers’ stipends and related costs;
- Education – towards educational purposes;
- Overseas – to fund overseas provinces missionary work;
- Property – congregations funds from sale of functional property restricted for future property use by the congregation;
- Relief of Poverty – to fund grants and support for the relief of poverty; and
- Other – this is made up of numerous small restricted donations to fund specific activities at congregations.

***Designated funds,***

- Defined Benefit Pension Scheme Fund - represents the value of the unfunded deficit on the scheme (Note 18(i)). The transfer to this fund reflects pensions paid during the year;
- Ministers’ emoluments – to support the payment of ministers’ stipends and related costs;
- Property – represents the net book value of functional properties and other funds designated for property projects at congregations but held within the Moravian Union as the Church’s asset holding body. The transfer in the current year is to fund an overspend;
- Investment property cost and investment property revaluation reserves – represent in aggregate the carrying value of investment properties adjusted by transfer for outstanding loans secured on those properties;
- Other - this is made up of numerous small designated reserves to fund specific activities at congregations: and
- Mission renewal - to fund overseas mission work.

**18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS FOR EQUIPMENT**

<b>Group</b>	<b>2023</b>	<b>2022</b>
	£	£
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:		
Less than One Year	5,899	63,978
Between One and Five Years	46,820	77,652
After more than Five Years	991	991
	<u>£53,710</u>	<u>£142,621</u>

No obligations arise in the parent.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

19. **PENSIONS**

*Moravian Union/Moravian Church*

The Moravian Church through the Moravian Union operates three pension schemes,

(i) Defined benefit pension scheme

Under this scheme discretionary pensions were paid to retired ministers in service prior to 31 August 2010 in accordance with the rules established by Synod, provided sufficient funds were available. The assets used to pay these pensions are not held separately from other funds of the Charitable Company. As a result of a resolution passed at the 2016 British Provincial Synod, The Moravian Union has recognised these pensions as an obligation and an actuarial valuation of the liability was obtained as at the 31 August 2023.

**Employee benefit obligations for the Moravian Church in respect of the Liability**

The amounts recognised in the Balance Sheet are as follows:

	<b>31/08/2023</b>	<b>31/08/2022</b>
	£	£
Fair value of Liability Assets	-	-
Present value of funded obligations	(2,946,467)	(3,564,559)
Net (under)/overfunding of Liability	<u>£ (2,946,467)</u>	<u>£ (3,564,559)</u>
Unrecognised assets	-	-
Net Defined Benefit Liability	<u>£ (2,946,467)</u>	<u>£ (3,564,539)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>31/08/2023</b>	<b>31/08/2022</b>
	£	£
Service cost	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Settlement costs / (gains)	-	-
Net Interest on Net Defined Benefit Liability	140,250	73,739
Expense recognised in Profit or Loss	<u>£140,250</u>	<u>£73,739</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**19. PENSIONS (Continued)**

The Moravian Union contributed £287,656 to fund the payment of benefits over the year from 1 September 2022 to 31 August 2023. No contributions were made by members over the period as the Liability is an unfunded arrangement.

No contributions are expected from the Church or from members over the next year from 1 September 2023 to 31 August 2024. The liability is unfunded, and pensions are paid directly by the Moravian Union.

**Changes in the present value of the Liability's Defined Benefit Obligation are as follows:**

	<b>31/08/2023</b>	<b>31/08/2022</b>
	£	£
Opening Defined Benefit Obligation	3,564,559	4,742,688
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(287,656)	(268,027)
Interest on obligation	140,250	73,739
Experience losses / (gains)	56,678	135,005
Losses / (gains) from changes in assumptions	(527,364)	(1,118,846)
Closing Defined Benefit Obligation	<u>£2,946,467</u>	<u>£3,564,559</u>

The weighted average duration of the liabilities of the Liability was 9 years as at 31 August 2023.

**Employee Benefit Obligations for The Moravian Union in Respect of the Liability**

Changes in the fair value of the assets are as follows:

	<b>31/08/2023</b>	<b>31/08/2022</b>
	£	£
Opening fair value of Liability assets	-	-
Interest on assets	-	-
Return on assets (not included in interest)	-	-
Assets distributed on settlements	-	-
Contributions by Moravian Union	287,656	268,027
Contributions by members	-	-
Benefits paid	(287,656)	(268,027)
Administration expenses	-	-
Closing fair value of Liability assets	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

19. **PENSIONS (Continued)**

Principal actuarial assumptions used for the most recent FRS 102 disclosures:

	<b>31/08/2023</b>	<b>31/08/2022</b>
	% pa	% pa
Discount rate at end of year	5.40	4.10
Discount rate at start of year	4.10	1.60
Rate of increase in deferred pensions (LPI 3%)	2.60	2.70
Rate of increase in deferred pensions (LPI 4%)	3.10	3.30
Rate of increase in pensions in payment (LPI 3%)	2.60	2.70
Rate of increase in pensions in payment (LPI 4%)	3.10	3.30

**Mortality Assumptions**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female.

For a member currently aged 50 the assumptions are that if they attain age 65, they will live on average until age 88 if they are male and until age 90 if female.

(ii) Active ministers defined contribution scheme

With effect from 31 December 2015 the discretionary scheme for active ministers was discontinued and replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the previous scheme, which were recognised as obligations by Synod during the preceding year, have been calculated and index linked to retirement, capped at either 3% or 4%, as part of the actuarial valuation.

(iii) Other employees personal pension plans

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 7% of pensionable salaries to each plan. The employer's contribution in the year was £20,394 (2022: £19,015).

*Fulneck School*

Up until the 31 August 2023 the school participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**19. PENSIONS (Continued)**

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department on a four-year cycle. The latest valuation report in respect of the TPS relevant to Fulneck School was prepared at 31 March 2016 and was published in March 2019. This valuation confirmed that the employer contribution rate would be 23.68%, inclusive of a scheme administration levy of 0.08%, with effect from 1 September 2019. A new valuation report was prepared as at 31 March 2020 and published in October 2023. It will not affect the school which withdrew from the Scheme with effect from 31 August 2023 as increased employer rates do not take effect until April 2024. Additional details on the scheme are included in the audited financial statements of Fulneck School.

The pension charge for the year includes contributions payable to the TPS of £292,161 (2022: £315,239) and at the year-end £34,070 (2022: £32,591) was accrued in respect of contributions to this scheme.

Pension costs for the year are disclosed in note 8.

**Opt Pensions**

Fulneck School participates in a support staff pension scheme that is regulated by Opt Pensions which is an auto enrolment scheme whereby the school contributes 5% of gross earnings. The pension charge for the year includes contributions payable to Opt Pensions of £27,722 (2022: £32,650).

**20. RELATED ORGANISATIONS**

Two of the Moravian Church's Trustees are also Trustees of the London Association in Aid of Moravian Missions. The charity is the principal beneficiary of the income of the Mrs E M Bates Trust and sole beneficiary of the London Association in Aid of Moravian Missions, charities established for the benefit of the Moravian Church. Neither organisation is considered a member of The Moravian Church group. The group received the following amounts from related parties during the period: -

	<b>2023</b>	<b>2022</b>
	£	£
Mrs E.M. Bates Trust	<u>£365,101</u>	<u>£333,956</u>
The London Mission in Aid of Moravian Missions	<u>£63,000</u>	<u>£63,000</u>
At 31 August 2023, the following balances were outstanding: -		
Due from Mrs E.M. Bates Trust	<u>£80,270</u>	<u>£125,065</u>
Due to Mrs E.M. Bates Trust	<u>£207,777</u>	<u>£258,825</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

21. **COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds		Restricted Funds	Total
	General	Designated	Funds	2022
	£	£	£	£
<b>Income and endowments from:</b>				
Donations and Legacies	398,256	-	863,238	1,261,494
Other Trading Activities	-	-	74,571	74,571
Investments	811,261	15,333	260,588	1,087,182
	1,209,517	15,333	1,198,397	2,423,247
<b>Charitable activities</b>	46,439	7,010	3,898,303	3,951,752
<b>Other</b>	652,410	-	-	652,410
<b>Total income</b>	1,908,366	22,343	5,096,700	7,027,409
<b>Expenditure On:</b>				
<b>Raising Funds</b>				
Fundraising trading: cost of goods sold and other costs	-	-	(124,165)	(124,165)
Investment management costs	(729,579)	(2,310)	(57,839)	(789,728)
	(729,579)	(2,310)	(182,004)	(913,893)
<b>Charitable Activities</b>	(1,041,427)	(752,577)	(4,752,768)	(6,546,772)
<b>Total expenditure</b>	(1,771,006)	(754,887)	(4,934,772)	(7,460,665)
Gains/(Losses) on investment Assets	(73,613)	2,505,080	(99,385)	2,332,082
Net income/(expenditure)	63,747	1,772,536	62,543	1,898,826
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	-	983,841	-	983,841
Transfers between reserves	(1,092,004)	1,564,320	(472,316)	-
	(1,028,257)	4,320,697	(409,773)	2,882,667
Total Funds Brought Forward	1,489,934	20,449,090	4,962,249	26,901,273
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>£461,677</b>	<b>£24,769,787</b>	<b>£4,552,476</b>	<b>£29,783,940</b>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**22. ASSESSMENT OF GOING CONCERN**

As with many other entities, the current economic climate has had, and is likely to have in the future, a significant impact on the financial performance of the Group and the individual entities within the Group. The Trustees have reviewed the projected performance and financial position of the Group and the entities within the Group and are of the opinion that both the parent charity and its subsidiary, The Moravian Union, will remain going concerns for the foreseeable future.

In July 2021 Ockbrook School, a former fellow subsidiary of the Moravian Union, was put into administration. The Moravian Union acted as guarantor in respect of the school's loans from NatWest Bank, which are secured on properties owned by the Moravian Union. In accordance with a payment plan agreement dated 26 July 2021, the Moravian Union agreed to assume responsibility for repayment of the outstanding loans. In a revised payment plan, an annual lump sum payment of £81,000 is made to the Natwest Bank, alongside the ongoing monthly amount of £5,610.00 The loan will be fully repaid in 2026.

At the date of signing these financial statements, historic loans from The Moravian Union to Fulneck School amounted to £1.9m. In addition, the Moravian Union acts as guarantor in respect of Fulneck School's loans from RBS (see note 15). With a successful restructuring exercise and strengthened governance, the Fulneck School continues normal operation; the deficit in its operation has been greatly reduced. While the Trustees continue to review their long-term position, it is in the Moravian Church's interest to seek arrangements and security whereby the loan due to Moravian Union can be repaid.

After considering the Charity's reserves, held primarily within The Moravian Union, which acts as the asset holding body of the Moravian Church, and future cash flow forecasts for a period well in excess of 12 months from the date of approval of these financial statements, the Trustees are confident that the assets of the Church are sufficient to meet these liabilities as they arise.

## Appendix 1

### **MORAVIAN CHURCH** **PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES** **FOR THE YEAR ENDED 31 AUGUST 2023**

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>General</b>	<b>Designated</b>	<b>Funds</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and Legacies	-	250,000	662,744	912,774	842,971
Other Trading Activities	-	-	46,290	46,290	37,282
Investments	234	11,542	236,532	248,308	222,756
	234	261,542	945,596	1,207,372	1,103,009
<b>Charitable activities</b>	-	-	250,525	250,525	202,963
<b>Total income</b>	234	261,542	1,196,121	1,457,897	1,305,972
<b>Expenditure On:</b>					
<b>Raising Funds</b>					
Fundraising trading: cost of goods sold and other costs	-	-	(22,243)	(22,243)	(73,653)
Investment management costs	-	-	(54,436)	(54,436)	(38,905)
	-	-	(76,679)	(76,679)	(112,558)
<b>Charitable Activities</b>	(9,296)	(696,634)	(602,369)	(1,308,299)	(1,287,681)
<b>Total expenditure</b>	(9,296)	(696,634)	(679,048)	(1,384,978)	(1,400,239)
Gains/(losses) on investment assets	-	-	(1,970)	(1,970)	13,828
Net income/(expenditure)	(9,062)	(435,092)	515,103	70,949	(80,439)
Transfers	-	444,937	(444,937)	-	-
<b>NET MOVEMENT IN FUNDS</b>	(9,062)	9,845	70,166	70,949	(80,439)
Total Funds Brought Forward	1,486	28,455	1,009,630	1,039,571	1,120,010
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>£ (7,576)</b>	<b>£38,300</b>	<b>£1,079,796</b>	<b>£1,110,520</b>	<b>£1,039,571</b>

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

**THE BRITISH PROVINCE OF THE UNITAS FRATRUM (MORAVIAN CHURCH)**

England & Wales - Charity number 251211

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# Accounts

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**THE BRITISH PROVINCE OF THE UNITAS FRATRUM**

**operating as  
THE MORAVIAN CHURCH**

**Charity Number: 251211**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2022**

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees of the Moravian Church present their report and the consolidated financial statements for the year ended 31 August 2022 of the charity, the Moravian Church (The British Province of the Unitas Fratrum), which consolidate the results and net assets of the Church, its Congregations, its subsidiary charitable companies (The Moravian Union (Incorporated) and Fulneck School, and Fulneck Choir House. These have been prepared in the format required by the Statement of Recommended Practice, 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The report and statements also comply with the Charities Act 2011 and regulations made thereunder.

**LEGAL AND ADMINISTRATIVE DETAILS :**

The British Province of the Unitas Fratrum, generally known as the 'Moravian Church', which was established by Act of Parliament in 1749, is a registered charity, No. 251211. The Church is governed by a Book of Order as approved by Provincial Synod which consists of a biennial gathering of the provincial board, the clergy, one representative from each congregation per one hundred and fifty members and ex-officio as per the Book of Order.

The Committee of Management, who are the trustees of the charity (and directors in company law of the subsidiary charitable companies), are elected by Synod. The Book of Order (constitution) requires the Committee to act in accordance with resolutions of Synod.

The Provincial Board (Committee of Management) for the year ended 31 August 2022 and subsequently comprised:

Rev Prof P Gubi	(Resigned 25 September 2022)
Miss R. M. A. Hoey*	
Rev. P. M. Holdsworth	(Resigned 25 January 2023)
Rev. D. R. Howarth*	
Rev M Newman	
Rev. Dr. L. Thompson	
Rev. E Quildan	(Appointed 25 September 2022)

\* Responsible for the day to day management of the Charity's affairs.

**The Registered Office:** Moravian Church House  
5-7 Muswell Hill  
London N10 3TJ

<b>Investment Advisors:</b>	UBS	Vestra Wealth LLP
	1 Curzon Street, London W1J 5UB	14 Cornhill London EC3V 3NR

**Bankers:** CAF Bank Limited  
PO Box 289  
Kings Hill  
Kent ME19 4TA

Each subsidiary and branch have the power to appoint their own bank. Only the main banker is disclosed above.

**Solicitors:** Cripps Harries Hall  
Wallside House  
12 Mt. Ephraim Road  
Tunbridge Wells,  
Kent TN1 1EG

**Auditors:** Knox Cropper LLP  
Chartered Accountants  
65 Leadenhall Street  
London EC3A 2AD

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Charity's constitution is defined by the Book of Order which is approved by Synod and can only be amended by Synod.

### **Group Structure**

The Moravian Church controls a number of related organisations including:

- the Moravian Union (company number 00133708), a company limited by guarantee, which holds the assets and administers the affairs of the Church.
- Fulneck School (company number 05086581), an independent school and company limited by guarantee.
- thirty congregations (reduced to 28 after the Balance Sheet date), two societies and one fellowship, and;
- One choir house.

Further details of The Moravian Union and Fulneck School are available in their statutory accounts on request.

These accounts consolidate the results and net assets of all these organisations.

### **Procedures for the Recruitment and Appointment of Trustees**

The Book of Order, Section 3.1 states that the PEC consists of six members of the Moravian Church in the British Province, two serving in a full-time stipendiary capacity and four serving in a non-stipendiary capacity, part time. As part of its brief the PEC acts as the Board of Trustees (and Board of Directors) of the Moravian Union. Synod is the body with the power to appoint and remove members of the Board. Provincial Elders serve for a term of four years and may be appointed to serve a further two terms. Appointment is by election at the biennial Moravian Church Synod. Vacancies during an inter synod period shall be filled by a postal ballot election.

The Chair and Officers are appointed by the membership of the PEC from among their number. The Board convenes at least twelve times each year. Synod also elects members to the various standing and sub-committees which offer advice and support to the PEC. Each committee includes at least one Provincial Elder:

Finance and Property Committee  
 Mission and Society Committee  
 Faith and Order and Ecumenical Relations Committee  
 Church Service Committee  
 Youth and Children's Committee  
 World Mission Committee  
 Church Book Committee  
 Archives and Heritage

### **Procedures for the Induction and Training of Trustees**

On appointment, each Provincial Elder signs a code of conduct and completes a register of interests. The latter is renewed biennially following each Synod. They are given a Trustee Handbook that includes the Book of Order, the Memorandum and Articles of Association of each subsidiary company, the risk register, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investments, reserves, conflicts of interest and other guidance. It contains job descriptions for Trustees, officers and staff and a copy of Charity Commission leaflet CC3, 'The essential trustee, what you need to know, what you need to do'. All Trustees are provided with training opportunities through external training courses to keep abreast of changes and of their responsibilities.

### **Volunteers**

The Moravian Church has many committees covering its policy, education, congregational work etc. Without the many volunteers that serve on these committees we would not be able to carry out the wide variety of work that our congregations have come to rely on. No value can be placed on the many hours worked by volunteers.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

**Organisational Management**

The British Province of the Moravian Church is the registered charity for the activities of the Moravian Church operated by the British Province in the UK and beyond. Synod is the ultimate authority within the Church and it elects the Provincial Elders Conference (PEC) which acts on behalf of Synod in the inter-synod period and is the ultimate decision making body during that period. The PEC acts as the Moravian Church's board of trustees and meets on a monthly basis. Responsibility for the day-to-day management of the charity's affairs is delegated to the two full time members of the PEC.

Responsibility for control of the school is supported by an advisory Board of Governors whilst responsibility for the day-to-day affairs of each congregation is delegated to the local congregational committees.

**Risk Management**

The PEC has reviewed during the year an assessment of the risks to which the charity is exposed, particularly business, operational and financial risks, and the process of introducing procedures and a reporting regime to manage and reduce identified risks is ongoing. The PEC has agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities.

Risks are defined as those that, without appropriate mitigation, are likely to negatively impact on the Moravian Church serving its purpose of proclaiming the Gospel of Jesus Christ. The trustees recognise that it is not possible to eliminate risk entirely. We recognise that risk taking is inherent in proclaiming the Gospel. Our task is to minimise negative impacts and allow the Church to serve its purpose.

We have identified significant risks and are taking steps to mitigate in the following ways:

- **Failure to encourage people into ordained ministry, results in further decline, resulting in the Moravian Church ceasing to exist:** The PEC with the support of the Church Service Committee continue to review and implement strategies to recruit people into ministry. This includes dedicated Church services and enquiry days. The Church Service Committee are currently reviewing the provision of materials for training Lay people for service and have drafted resources for publication on opportunities for services as well as an understanding of ordained ministry.
- **Declining congregations and failure to grow resulting in congregation closures and ultimately the Moravian Church ceasing to exist:** The PEC have convened the 'Future Directions and Sustainability Taskforce' to consider the current framework of the Province and consider ways to move forward into the future. Further to this, the Synod has approved a programme of renewal and growth, Project 32, for which a programme coordinator is to be appointed.
- **Reputational damage which results in litigation and impacts on engagements with communities:** The PEC actively considers reputational damage as part of their strategy and planning. This provides the opportunity for identifying potential problems that could affect public perception, take remedial action where necessary and dictates how we communicate and manage expectations.
- **Lack of Diversity and Inclusion:** The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.
- **Dependency on limited income sources, shortfall for reserve and unforeseen shortfall on the pension funds:** The PEC continually monitors and reviews potential areas of weakness in our financial strategy and are supported by the Finance Committee who have the ability to convene emergency meetings if necessary. A Financial and Investment Risk Register is maintained.
- **Loss of key personnel:** The PEC recognises the importance of personnel for the effective running of the organisation and is currently reviewing the framework for people management promoting a transparent and supportive environment. Losses cannot always be avoided, and the PEC must respond quickly to ensure smooth transitions. Lack of Diversity and Inclusion: The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

- **Significant damage to historic buildings and archives:** The PEC work with the Estates manager and the Provincial Archivist to promote best practices for care and maintenance of historic buildings and archives.
- **Loss of significant and sensitive data:** The PEC continually monitors and reviews policies to ensure that we remain compliant with current legislative practices and seek to take remedial actions if weaknesses are identified. A recent audit has been completed to ensure compliance following the introduction of the General Data Protection Regulations.
- **Debt resulting from failed operation in the subsidiary company:** The subsidiary company, Fulneck School, is at risk without significant external investment and the PEC has stepped up its oversight of the School, with a view to ensuring that it remains a going concern.

**Pensions**

Following changes to legislation, the previous discretionary pension arrangements for ministers in service prior to 31 August 2010 have been replaced by a defined contribution pension scheme. This came into effect from 1 January 2016. All Ministers have been informed of their entitlement. Other Ministers and employees employed after 31 August 2010 hold defined contribution personal pension plans and contribute at rates chosen by themselves.

In addition, as disclosed in note 19, the 2016 British Provincial Synod resolved that with effect from 11 July 2016 the previously discretionary pension arrangements for ministers in service prior to 31 August 2010 was recognised as an obligation of The Moravian Union up to 31 December 2015. The most recent actuarial valuation of the pension liability was completed on 6 April 2023 and calculated the liability to be £3,564,559 as at 31 August 2022 and £4,742,688 as at 31 August 2021. This compared to a liability of £3,773,502 as originally disclosed in the prior year statutory accounts and a prior year adjustment has been made to reflect this in these financial statements as disclosed in note 23 to the financial statements.

**OBJECTS AND ACTIVITIES**

**Principal Objectives**

The Church's objective is to administer the affairs of the Moravian Church in its work for the Kingdom of God, in accordance with the will of Synod.

**Activities**

The parent charity's main activities consist of:

- (i) Ensuring a supply of ministers to congregations.
- (ii) Providing congregations with advice on complying with best practice under child protection regulations in the conduct of their work with young people.
- (iii) Advice to congregations on financial and administrative matters.
- (iv) Bishops, who are elected by Synod, but who are nonetheless employees of the Moravian Church, provide pastoral and spiritual guidance to congregations.
- (v) Administering the assets of the Church through its subsidiary company, The Moravian Union.
- (vi) Maintaining archives which relate to congregations of the Church and the British Province.
- (vii) By working with Fulneck School's advisory Board of Governors and with the professionals employed in the school, maintaining and further developing the standards of academic excellence and pastoral care offered.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**OBJECTS AND ACTIVITIES (Continued)**

**Strategies**

To promote these activities the parent charity:

- (i) Organises the training of both ordained and lay preachers.
- (ii) Has developed and made available to congregations a procedures manual to regulate their work with young people. The Church also actively works with "APCS" to protect the interests of young people.
- (iii) Provides advice to congregations on the principles of sound administration again through bulletins and publications.
- (iv) The Church's investment assets, which are held by its subsidiary company, are administered with the assistance of professional fund managers. The Church's land and buildings (which are held by its subsidiary The Moravian Union) are administered through the services of a Chartered Surveyor with a view in both instances to maximising the returns available to the Church within the constraints imposed by the Church's charitable mission.
- (v) The Church, through its subsidiary company employs a full-time archivist who spends a portion of her time advising congregations on how to maintain their archives.

**Principal Objectives for the year ended 31 August 2022**

The trustees determined the following principal objectives for the year ended 31 August 2022:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and also the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- By maintaining close contact with Fulneck School's advisory Board of Governors and senior staff to further develop the standards of academic excellence and pastoral care at both institutions.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

## **ACHIEVEMENTS AND PERFORMANCE**

### **How our activities deliver public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year. The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to our congregations and the public in general.

### **Review of the year**

We continue to focus on the essentials of our existence, which are to be found in the Ground of the Unity (Church Order of the Unitas Fratrum), and to try and achieve a proper balance between these essentials of being a church and the challenges of governance in a context characterised by numerical decline and financial uncertainty. We remain confident that we can serve God effectively in the Province despite the limitations of being a small church. We continue to look for more effective ways of engaging in mission.

The trustees have developed a new strategic plan, Project 32, which will look at all areas of our current activities, with new priorities to ensure sustainability and future growth over the coming decade. So as to ensure continuity, the Provincial Synod in 2020 agreed the setting up of an implementation committee, to oversee the delivery of the outcomes. While implementation of this was previously delayed with the onset of the pandemic, we are looking forward with optimism and are in the process of recruiting a programme manager to carry out key objectives identified by the implementation committee.

It has been a time of transition and adjustment for the Moravian Church, for our congregations and for the wider organisation. We are delighted at congregations swift return to worship, with adaptations once restrictions were lifted. However, after two years of navigating through a global pandemic, we do not take lightly the impact that the pandemic has had on our Province

### **Ministry**

It is clear that, unless our congregations start to grow in membership, the present number of members will not be able to support paid ministry in the way that it has done in the past. This will mean significant changes will have to be made by both congregations and for ministers. Congregations will have to take time to assess their strengths and weaknesses and seize the opportunities to grow. Efforts will have to be made to build the capacity of members to be more intentional in faith renewal and numerical growth.

We have been reviewing the way that ministers are trained and deployed, to ensure that we are making best uses of our ministerial resources and taking advantage of growth opportunities.

At Synod 2022, we shared that we had been creating a Continuing Education policy that will ensure provision for Ministers and paid Lay workers who wish to pursue further education, providing the time and support with funding. The Provincial Board continues to review the support and pastoral care provisions for our Ministers, to ensure both spiritual refreshment and continuing educational development.

We have developed a new programme for lay Worship leaders focusing first-and-foremost on developing an understanding of Christian worship and its context within the Moravian Church, and on developing the skills that are needed to lead worship effectively and meaningfully. Certification and recognition as a Worship Leader comes after a year of study, conducted over a number of weekends of training on Zoom, finalising in a residential weekend in which the physical experience of leading worship can be gained, and feedback can be offered on practice. The first cohort of students began the course in September 2021, and a new cohort is underway for September 2022. Going forward we will be seeking opportunities to build upon the programme at a second level, that will develop skills in sermon preparation.

Building on the work of the 'Future Directions and Sustainability Taskforce', the Project 32 Implementation Committee will give guidance to more effective ways of ensuring future Provincial sustainability and growth.

### **Young people and children's work**

The Youth & Children's Officer offers resources and training for anyone working with children and young people in our churches; this is essential to ensure that all leaders are aware of the legal and good practice requirements of this sensitive area of work.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

Given the geographical spread of our congregations it is extremely beneficial that this work is coordinated so that our young people feel a sense of belonging.

The Youth & Children's Officer role will be under review over the next 12 months as Sr Joy Raynor retires from the office. Recruitment for the redeveloped role will begin in mid-2023.

**Fulneck School**

As Trustees of Fulneck School, the PEC entered into management agreement with a third party however this arrangement came to an end in June 2021 and the PEC reconstituted a Board of Governors which continues to work in an advisory capacity.

The School with support of the Trustees, who have engaged external professional services to help effect a turnaround, has worked hard to re-establish financial stability, organisational resilience and increased pupil recruitment.

The Fulneck School continues normal operation; the deficit in its operation has been greatly reduced. While the Trustees continue to review their long term position, it is in the Moravian Church's interest to seek arrangements and security whereby the loan due to Moravian Union can be repaid.

**Choir House**

The Choir House at Fulneck, which is licensed as a house in multiple occupation, (HMO), sharing a common entrance hall, provides a number of comfortable, self-contained apartments.

As a set of Grade 1 listed buildings, maintenance and upgrading works are expensive and have to be overseen by listed building specialists.

The Trustees are grateful to the work of Br Ian Haggas as the administrator.

**Finances**

In common with many other denominations with a reducing membership, the Moravian Church is finding it a challenge to renew and grow beyond a maintenance level of operation. The per capita financial contribution being asked of members is increasing, even with delimiting efforts. We therefore commend congregations that find ways to increase their income in this difficult situation.

The Trustees are, therefore, extremely sensitive to the need to ensure careful, fiduciary oversight of our investments. Our portfolios are managed by UBS (Wealth Management UK) and Vestra Wealth LLP. A small group comprising the Provincial Treasurer along with the Chairman and two members of the Finance Committee, meet with the investment managers at least once each year to monitor performance. We make clear to fund managers that as a church we want to ensure that the companies in which our monies are invest meet the ethical and moral values we espouse. The Provincial Board has therefore developed an Ethical Investment Policy which will be continuously reviewed and monitored and will help guide our investment strategy. Arising from a resolution passed at the last Synod, that policy now includes a plan to exit investment in fossil fuels. A progress on this was tabled at the Synod

As highlighted previously, an area in which we need to take actions was in regard to the pension commitment to workers. The current arrangement, which is consistent with charity regulations, in that all current and future stipendiary staff be included in a formal, contributory pension scheme. Congregations now contribute 5.5% of stipend to the pension fund.

Previously the pension arrangement was one in which discretionary payments were made to retired church servants and their spouses. During the 2017 British Provincial Synod it was resolved that these payments to retirees should be recognised as an obligation and not discretionary. An amount was therefore set aside from Provincial operations to cover this obligation. This sum is expected to fall overtime, since the numbers of individuals to whom this is paid will not be increasing. This year a formal actuarial valuation of the obligation as at 31 August 2022 and 31 August 2021 was commissioned and both valuations are reflected in these financial statements.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Unity**

Our partnerships with South Asia and the Moravian Church in Western Tanzania continue to offer opportunities for members in this province to offer support to brothers and sisters in these developing areas of the Unity. At Unity Synod in 2016, South Asia was formally recognised as a Mission Area and is under the supervision of the British Province. The South Asia Mission Area continues to make structural progress towards becoming a Mission Province. The Interim Board have completed their first draft of their proposed Book of Order and the British Mission Board (BMB) have acted in an advisory role. It is hoped that the next Church Conference of all areas in South Asia (Ladakh, Delhi, Dehradun, Assam and Nepal) will be able to take place by the end of the year. This will also be essential for the BMB as they continue to set their new agenda going forward.

Following the acceptance of the general and specific principles laid down at the Synod of 2021 the BMB has been expanded in line with the wishes of members of that Synod. The new members of the BMB are helping to share the overall workload and to widen the scope and breadth of what the BMB can accomplish. The BMB meets separately from the PEC, whilst reporting back to the Provincial Board. Due to the restructure, the BMB is in a more formative stage and over the next year we hope that we will be able to solidify our strategy and agenda moving forward to ensure we are grasping all opportunities to ensure sustainable and effective partnerships.

Funding is being accumulated in the Mission Fund and available for the BMB to use in order to bolster Mission work throughout the Unity and beyond. This is helping the BMB to becoming more responsive and proactive in the way it responds to both emergencies and emerging projects around the world. In addition, we continue to offer an administration grant, albeit it at a reduced level, to the Jamaica Province to help them purchase Textbooks from the Bookroom. This is of mutual benefit as the Jamaican order increases our print run and reduces the unit cost of the books to everyone. Support is also given to Elim Home in South Africa and the Star Mountain Rehabilitation Centre in Ramallah, Palestine. These are viewed as important works of the Moravian Church world-wide. Individuals and groups such as the Moravian Women's Association, the Men's Fellowship and the YPMA give money to many other projects. We are constantly touched by the generosity of such gifts.

**Ecumenical**

As a province, we continue to play as full a role as possible in the national and four-nation bodies, with representation on Churches Together in England and Churches Together in Britain & Ireland. The National Ecumenical Officer was appointed by the Provincial Board to represent the Moravian Church at a National level and we are grateful for the work of Br Philip Cooper who currently serves in this capacity.

Sr Sarah Groves has been appointed Vice President of the Irish Council of Churches and members of that District sit of various committees of the council. It is good to know that most congregations play their part in the local ecumenical scene, both formally and informally. Br Livingstone Thompson was appointed a Trustee for Christian Aid Ireland, which enable him also to support the strategic work of Christian Aid UK.

**Conclusion**

With no formal impact assessment procedures in place to assess a church, which has been serving communities for over 250 years, it is difficult to determine performance, even though we might be able to point to specific outcomes to satisfy the requirements of the Charity Commission. However, when we consider the number of members and significant financial contributions, which we have been able to make to support our mission locally and overseas, we could say that the Church is having significant impact. There are two ways of looking at objectives and achievements, quantitatively or qualitatively. If we take the former view, it is clear that we have lost members and if that trend were to continue it would pose some risk to the sustainability of the Province. However, if we hold to the latter position which is a broader, deeper and perhaps more theological view, we can say that, in the present secular climate, our decline in numbers is no greater or less than in other denominations; our difficulties with meeting the demands for pensions, for example, are consistent with the situation in other similar institutions. Yet, despite these problems, we have continued to develop and offer ministry and pastoral care to our members; we have been able to show practical concern for those living in developing countries and those living with various disabilities.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

A major risk we face as a church is to fail to live up to the teachings of Jesus Christ in our dealings with each other and with those with whom we come into contact. The work of the Church can be described as being twofold: to nurture its members and develop their relationship with God and, reaching out to those in the wider community, to demonstrate the Christian message through our life and teaching.

The qualitative nature of our objectives is one that the Trustees consider to be at the heart of our existence as the Moravian Church. We pay tribute to the ongoing commitment and hard work of our ministers, the staff at the headquarters building and the numerous volunteers who offer such loyal service through their own congregations and without whom there would be no Moravian Church in these islands.

We present this report as being a true reflection of our present position.

**REVIEW OF FINANCIAL POSITION**

The Statement of Financial Activities summarises the movements in all the Group's funds during the year.

This indicates that the Group recorded a net increase in funds for the year of £2,882,667, compared to an increase of £3,813,678 in the preceding year. During both the current and preceding financial years there have been a number of significant events and transactions that have distorted the performance for the year as the Church has instigated its restructuring exercise to secure its financial viability going forward and achieve maximum return on its investments.

The Group's total income has decreased by £3,090,544 to £7,027,409 and total expenditure by £4,139,687 to £7,460,665. This reflects the closure at the preceding year end of Ockbrook School, the costs associated with this exercise and the restructuring exercise carried out.

Total net assets of the Group amount to £29,783,940 and are represented by the Group's fixed assets. At the year end the Balance Sheet on page 15 discloses net current liabilities of £1,952,547. This primarily reflects short term borrowing from UBS during the restructuring exercise for the Group. The financial position of the Group remains strong, having an investment portfolio in stocks and shares of £5,097,609 as well as a property portfolio held for investment purposes of £26,817,467.

The Trustees review the group and individual entities reserves policies on an annual basis taking account of the total net assets of each entity and the group as a whole, proposed activities for the forthcoming year and their funding requirements.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**REVIEW OF FINANCIAL POSITION (Continued)**

**Investment Policy and Objectives**

Our investment policy is developed in consultation with the Finance and Property Committee, which makes recommendations to the PEC. The present investment objective is to achieve a balanced return in the investment portfolio. The investment portfolio is managed by professional fund managers and consists entirely of listed securities. Investment decisions are based on an ethical stance with the investment brokers being instructed to avoid specific commodities and prioritise those with reasonable environmental sensitivity.

The movement in market value of investments this year, both realised and unrealised, amounts to a loss of £199,229. Given the Charity's ethical investment stance, its income requirements and the current economic climate, the Trustees consider the portfolio's performance to be satisfactory.

The investment properties represent the managed estates and are held to generate rental income for the Moravian Union. The current market value of investment properties has been estimated at £26,817,467, an increase in value of £2,648,734 partly offset for the provision for impairment of two properties, and net rental income is £58,054 compared to the preceding financial year with net rental income of £122,619. Net rental income will fluctuate year on year depending on the level of maintenance work required on the estate's properties.

**Fundraising Policy**

The Charity does not use fundraising services, consultants or external professional fundraisers to undertake its fundraising activities and no data is shared with or sold to any external agencies.

The Charity does not undertake Direct Mail and does not approach or pressure vulnerable people to support its work. A complaints procedure is in place and the Charity adheres to the Fundraising Code of practice issued by the Fundraising Regulator.

**FUTURE PLANS**

During the forthcoming year the Trustees aim to continue to discharge their current responsibilities effectively and efficiently within the constraints of resources both financial and human. The Trustees continue to review the structure of administration to ensure that we are operating as efficiently as is possible given the above constraints.

Furthermore, the Church, with a view to simplifying its record keeping and financial reporting requirements, will continue to review its trust ledgers in order to gain Charity Commission consent to the merger of a number of the smaller funds.

The trustees determined the following principal objectives for the year ending 31 August 2023:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- By maintaining close contact with the Board of Governors and senior staff of the Fulneck school, to support their drive for sustainability and academic excellence, particularly as a result of the current economic climate.
- To implement the activities associated with the Project 32 Programme for renewal and growth.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**RESERVES POLICY**

The trustees recognise that the Charity requires reserves to allow it to continue its work in the event of unforeseen interruptions to its income streams. The trustees consider the Charity's reserve requirements at least annually and to be prudent are of the opinion that unrestricted reserves equivalent to at least one year's total expenditure should be held. At the current year end unrestricted reserves (excluding those earmarked for designated purposes) amounted to £461,677 and this represented approximately 13% of annual expenditure, excluding School's expenditure.

The current economic climate has continued to have a significant impact on the activities, income generation and expenditure of the Group. The Trustees have considered this when assessing the Charity's ability to continue as a going concern and the level of reserves it will require. As explained in note 1 to these financial statements, the Trustees are of the opinion that the reserves available to the Charity are sufficient to ensure that the Charity continues for the foreseeable future.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Charity 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 Group and of the incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parent Charity and the Group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Parent Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

***On behalf of the Trustees***

**Miss R. M. A. Hoey**  
**Chair**



**Rev Dr L. A. Thompson**  
**Treasurer**

**Date: 21 September 2023**

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**OPINION**

We have audited the financial statements of The British Province of the Unitas Fratrum operating as Moravian Church for the year ended 31 August 2022, which comprise the Consolidated Statement of Financial Activities, the Group and the Parent Charity's Balance Sheet, the Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the parent charity and the group's affairs as at 31 August 2022, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

This report is made solely to the Trustees in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to the Trustees 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 and the charity's Trustees for our audit work, for this report, or for the opinions we have formed.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**OTHER INFORMATION**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**RESPONSIBILITIES OF THE TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for preparing the Report of the Trustees and the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under Section 144(1) of the Charities Act 2011 and report in accordance with regulations made under that Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Knox Cropper LLP**  
**Statutory Auditor**  
**65 Leadenhall Street**  
**London**  
**EC3A 2AD**

**Date: 21 September 2023**

Knox Cropper LLP is eligible to act as an auditor of the Charity in terms of section 1212 of the Companies Act 2006.

**MORAVIAN CHURCH**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted Funds		Restricted	Total	Total
		General	Designated	Funds	2022	2021
		£	£	£	£	Restated £
<b>Income and endowments from:</b>						
Donations and Legacies	2	398,256	-	863,238	1,261,494	1,695,076
Other Trading Activities	3	-	-	74,571	74,571	133,509
Investments	4	811,261	15,333	260,588	1,087,182	1,142,792
		1,209,517	15,333	1,198,397	2,423,247	2,971,377
<b>Charitable activities</b>	5	46,439	7,010	3,898,303	3,951,752	6,267,098
<b>Other</b>	6	652,410	-	-	652,410	879,478
<b>Total Income</b>		1,908,366	22,343	5,096,700	7,027,409	10,117,953
<b>Expenditure on:</b>						
<b>Raising Funds</b>						
Fundraising trading: cost of goods sold and other costs	7	-	-	(124,165)	(124,165)	(168,729)
Investment management costs	7	(729,579)	(2,310)	(57,839)	(789,728)	(729,499)
		(729,579)	(2,310)	(182,004)	(913,893)	(898,228)
<b>Charitable Activities</b>	7	(1,041,427)	(752,577)	(4,752,768)	(6,546,772)	(10,702,124)
<b>Total Expenditure</b>		(1,771,006)	(754,887)	(4,934,772)	(7,460,665)	(11,600,352)
Net Gains/(Losses) on investment assets	10, 11	(73,613)	2,505,080	(99,385)	2,332,082	6,265,263
Net income/(expenditure)		63,747	1,772,536	62,543	1,898,826	4,782,864
<b>Other Recognised Gains/(Losses)</b>						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	19	-	983,841	-	983,841	(969,186)
Transfers between reserves	17	(1,092,004)	1,564,320	(472,316)	-	-
<b>NET MOVEMENT IN FUNDS</b>		(1,028,257)	4,320,697	(409,773)	2,882,667	3,813,678
<b>Reconciliation of Funds:</b>						
<b>Total Funds Brought Forward</b>						
As originally stated	17	1,489,934	21,418,276	4,962,249	27,870,459	23,087,595
Prior year adjustment	23	-	(969,186)	-	(969,186)	-
As restated	17	1,489,934	20,449,090	4,962,249	26,901,273	23,087,595
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£461,677</u>	<u>£24,769,787</u>	<u>£4,552,476</u>	<u>£29,783,940</u>	<u>£26,901,273</u>

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

As a result of its activities for the year the parent charity, The Moravian Church, disclosed a net decrease in funds of £80,439. Its total net assets at the year end stood at £1,039,571.

The notes form part of these financial statements.

**MORAVIAN CHURCH**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 AUGUST 2022**

	Notes	Group		Parent	
		2022	2021 Restated	2022	2021
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	9	4,137,187	4,736,233	363,003	370,726
Investment Property	10	26,817,467	24,299,983	-	-
Investments	11	5,097,609	5,509,107	161,694	171,248
		<u>36,052,263</u>	<u>34,545,323</u>	<u>524,697</u>	<u>541,974</u>
<b>CURRENT ASSETS</b>					
Stock	12	27,524	31,377	-	-
Debtors	13	507,367	425,828	120,267	117,720
Cash at Bank and in Hand		1,160,678	1,480,518	883,124	935,505
		<u>1,695,569</u>	<u>1,937,723</u>	<u>1,003,391</u>	<u>1,053,225</u>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	<u>(3,648,116)</u>	<u>(3,957,151)</u>	<u>(488,517)</u>	<u>(475,189)</u>
<b>NET CURRENT ASSETS</b>		<u>(1,952,547)</u>	<u>(2,019,428)</u>	<u>514,874</u>	<u>578,036</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		34,099,716	32,525,895	1,039,571	1,120,010
<b>CREDITORS: Amounts falling due after more than one year</b>					
Defined Benefit Pension Liability	15	(751,217)	(881,934)	-	-
	19	(3,564,559)	(4,742,688)	-	-
<b>TOTAL NET ASSETS</b>		<u>£29,783,940</u>	<u>£26,901,273</u>	<u>£1,039,571</u>	<u>£1,120,010</u>
<b>The Funds of the Charity:</b>					
Restricted Funds	17	4,552,476	4,962,249	1,009,630	1,093,222
Unrestricted Funds					
General	17	461,677	1,489,934	1,486	1,470
Designated Fund – Defined Benefit Pension Liability	17	(3,564,559)	(4,742,688)	-	-
Designated	17	28,334,346	25,191,778	28,455	25,318
		<u>25,231,464</u>	<u>21,939,024</u>	<u>29,941</u>	<u>26,788</u>
<b>TOTAL FUNDS</b>		<u>£29,783,940</u>	<u>£26,901,273</u>	<u>£1,039,571</u>	<u>£1,120,010</u>

Approved by the Trustees on 21 September

2023 and signed on their behalf by



**Rev Dr L. Thompson**



**Miss R. M. A. Hoey**

Charity Number: 251211

The notes form part of these financial statements.

**MORAVIAN CHURCH**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022		2021	
		£	£	£	£
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>			(1,983,495)		(3,741,688)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income		1,087,182		1,142,792	
Payments to acquire tangible fixed assets	9	(28,970)		(26,498)	
Proceeds on disposal of tangible fixed assets		1,119,595		260,467	
Proceeds on disposal of investment property assets	10	-		-	
Purchase of fixed asset investments	11	(968,839)		(1,554,101)	
Proceeds of sale of fixed asset investments	11	<u>1,194,936</u>		<u>1,676,908</u>	
			2,403,904		1,499,568
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(151,176)		(65,184)	
Movement on Loans		<u>(589,073)</u>		<u>1,278,601</u>	
			(740,249)		1,213,417
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			(319,840)		(1,028,703)
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>			1,480,518		2,509,221
<b>Cash and Cash Equivalents at the end of the reporting period</b>			<u>£1,160,678</u>		<u>£1,480,518</u>
<b>RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH OUTFLOW</b>					
		<b>2022</b>		<b>2021</b>	
		£		£	
Net Movement in funds for the year		2,882,667		4,782,864	
Investment Income		(1,087,182)		(1,142,792)	
Interest Paid		151,176		65,184	
Depreciation		159,122		227,250	
(Gains)/Losses on disposal of property fixed assets		(652,410)		(71,184)	
(Gains)/Losses on disposal of other fixed assets		1,713		(38,608)	
(Gains)/Losses on investment assets		(2,463,332)		(6,265,263)	
Investment asset impairment		131,250			
(Increase)/Decrease in Stock		3,853		5,212	
(Increase)/Decrease in Debtors		(81,539)		129,120	
Increase/(Decrease) in Creditors		149,316		(1,166,039)	
Movement on Defined Benefit Pension Liability		<u>(1,178,129)</u>		<u>(267,432)</u>	
		<u>£(1,983,495)</u>		<u>£(3,741,688)</u>	
<b>NET DEBT RECONCILIATION</b>					
		<b>01/09/2021</b>	<b>Cashflow</b>	<b>31/08/2022</b>	
		£	£	£	
Cash at Bank and in Hand		1,480,518	(319,840)	1,160,678	
UBS facility drawn down		(1,975,200)	-	(1,975,200)	
Loans repayable within one year		(625,661)	458,356	(167,305)	
Loans repayable outside one year		(881,934)	130,717	(751,217)	
		<u>£(2,002,277)</u>	<u>£269,233</u>	<u>£(1,733,044)</u>	

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

1. **ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the provisions of the Charities Act 2011, the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), FRS 102 and the Charities Act 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102.

The financial statements consolidate the incoming resources and resources expended, assets and liabilities of the following entities:

- Moravian Church and its Congregations (The Parent)
- The Moravian Union (Incorporated)
- Fulneck School
- Ockbrook School (until 28 July 2021)
- Fulneck Choir House

The presentation currency of the financial statements is Pound Sterling (£).

**Going Concern**

The Group is currently undergoing a financial restructuring exercise (see note 22) as a result of the current economic climate, Ockbrook School entering administration during the preceding financial year and its loan to Fulneck School to support its financial stability. This exercise involves its 100% owned subsidiary, The Moravian Union, taking responsibility for repayment of the Ockbrook School bank loans, as its guarantor; borrowing funds secured against its investment portfolio to provide loans to Fulneck School, as part of a financial support package; and reorganising its investment properties portfolio to increase the net income generated.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern for the foreseeable future. In forming this opinion, they have considered the impact of the ongoing financial restructuring exercise on both its income and expenditure for at least a period of twelve months from the date of approval of these financial statements. They consider the current level of the Charity's reserves and plans in place are sufficient to ensure that it remains a going concern for the foreseeable future. The following accounting policies have been applied in preparing the financial statements.

**Income Recognition**

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

*Donations and Legacies*

Income from donations and legacies is generally recognised on receipt. However, income from the Mrs E M Bates Trust is accrued at the balance sheet date if the trustees are satisfied that the criteria of entitlement, certainty and measurement have been met on the basis of declarations and/or payments by the donating organisation after the year end.

*School Fees*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the schools.

*Rental Income*

Rents receivable are included on an accruals basis.

*Investment Income*

Investment income is recognised when received by the investment managers.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

1. **ACCOUNTING POLICIES (Continued)**

**Income Recognition (Continued)**

*Other Income*

Other income is generally recognised on an accruals basis.

**Expenditure**

Liabilities are recognised when a legal or constructive obligation to make a payment arises, it is probable that a transfer of economic benefits will be required and it can be measured reliably. Expenditure is charged on an accruals basis. All expenditure heads in the SOFA include both direct costs and apportioned overhead costs. Overhead costs are apportioned on the basis of employee time.

Charitable activities represents the direct costs of carrying out the charity's aims, together with allocated support costs which are apportioned to the different expenditure heads on the basis of staff time. Governance costs are the costs of meeting the charity's regulatory obligations and are included within support costs.

**Stock**

Stock is valued at the lower of cost and net realisable value.

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within certain sectors or sub sectors.

**Investment Property**

Investment property is valued at market value at the balance sheet date. It was independently valued on 3 July 2015 by SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors (RICS), based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. The market value of the properties is reviewed annually and adjusted based on the condition and usage of those properties, as advised by John Forrester Ltd, using the Halifax Regional House Price Indices and other supporting information when available.

**Leases**

Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease. Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the life of the lease with payments to the lessor being apportioned between capital which writes down the outstanding obligation and interest which is charged to the Statement of Financial Activities over the period of the lease on a straight-line basis.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

All freehold property is analysed between functional properties (eg Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties') which are maintained to generate rental income. The functional properties are carried at cost and depreciated. The investment properties are carried at market value.

For functional properties, depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated on a straight-line basis at 1% pa for the structure and 2.5% pa for the roof. Certain properties used by congregations are not reflected on the balance sheet, although legal title may be vested in the Union, as they were acquired a number of years ago and no record of their cost is available.

Depreciation of fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

	<i>Moravian Union</i>	<i>Fulneck School</i>
Freehold land and buildings	1%-2.5%	N/A
Leasehold land and buildings	N/A	2%
Furniture and equipment	25-33.3%	10-15%
Computer equipment	N/A	33.3%
Motor vehicles	N/A	25%
Leased Assets	Over the life of the lease	

**Taxation**

For all charitable activities, the Church enjoys exemption from corporation tax under the Corporation Taxes Act 2010. The charity is not registered for Value Added Tax (VAT) and expenditure includes irrecoverable VAT where incurred.

**Advance Fees Scheme**

Where the school offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract, the amounts received are invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financing costs include amounts accrued in accordance with the terms of the Advance Fees contracts.

**Fund Accounting**

Funds held by the charitable group are either:-

- Unrestricted general funds – these are funds which can be used for any purpose which is in accordance with the charity's objectives and at the discretion of the Trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for a specific future purpose or project. All sums applied to the purchase of property are classified as designated funds.
- Restricted funds – these are funds that can only be used for a particular purpose within the objects of the charity. Restrictions arise when specified by either the donor or by way of indication when certain funds are raised.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. ACCOUNTING POLICIES (Continued)**

**Pensions**

The different entities of the Moravian Church run a variety of pension schemes. Further details of each scheme are shown in Note 19.

As explained in note 19 to these financial statements, The Moravian Union has recognised discretionary pensions payable to retired ministers as an obligation. This liability is valued by The Moravian Union's actuaries (BWCI). The Trustees review the reasonability of assumptions underlying the most recent valuation annually and consider whether a new valuation is required. If a new valuation is not considered necessary, adjustment should be made to unwind the discount applied to the most recent valuation by one year. The Trustees consider that the assumptions underlying the previous valuation, as at 31 August 2017, have now changed significantly and an actuarial valuation was commissioned and completed on 6 April 2023 providing valuations as at 31 August 2021 and 31 August 2022. The actuarial valuation commissioned as at 31 August 2022 indicated that the assumptions as at 31 August 2021 had changed significantly and a prior year adjustment has been made (Note 23). Movements during the year are disclosed in note 19 to these financial statements.

With effect from 31 December 2015 the discretionary scheme for active members was discontinued and replaced by a defined contribution scheme. The charitable company's liability under this scheme is limited to paying contributions as they arise and these costs are recognised in the accounts when the contributions fall due.

The Moravian Union contributes at the rate of 7% of pensionable salaries to the private pension plans of a number of employees. As the charitable company's liability under these schemes is limited to paying contributions due to the schemes at the appropriate time, these costs are recognised in the accounts when the contributions fall due.

A number of the professional staff employed at Fulneck School participate in a multi-employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The TPS is a multi-employer pension scheme open to the School's teaching staff and it is not possible to identify the assets and liabilities of the scheme attributable to the School. The TPS is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The scheme is managed by the Department for Education. Contributions to defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable.

**Short-term debtors and creditors**

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event to make payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

1. **ACCOUNTING POLICIES (Continued)**

**Key Judgements and Estimates**

(i) Financial instrument classification

The classification of financial instruments, both assets and liabilities, as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes the type of investment or loan and its return. The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

Concessionary loans received are initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

(ii) Useful lives of functional properties

The remaining useful lives of depreciable properties are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

(iii) Recognition and valuation of investment properties

The classification of The Moravian Union's properties between functional and investment purposes requires judgement of the use of those properties. Management annually reviews the usage of properties and their classification is amended when necessary.

The market value of properties classified as investments is annually reviewed by management and, based on the condition of those properties, the value is adjusted using a recognised market indices.

(iv) Valuation of retired ministers' defined benefit pension liability

The assumptions underlying the pension scheme actuarial valuation are reviewed annually by the trustees. If they consider that the principal actuarial assumptions have not changed significantly the liability at the year end should be adjusted by unwinding the discount by one year. If they consider that changes in the principal actuarial assumptions will have a material impact on the value of the liability then an actuarial valuation will be commissioned. It is intended that an actuarial valuation will be carried out at least every five years to realign the liability. As detailed above under Pensions the actuarial valuation carried out indicated that the 2021 assumptions had changed significantly and a prior year adjustment has been made (note 23).

(v) Doubtful debt provision

The recoverability of outstanding debtor balances is reviewed by senior management on an annual basis. When recoverability is considered doubtful, a provision is made against the balance.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds		Restricted Funds	Total 2022	Total 2021
	General	Designated			
	£	£	£	£	£
Mrs E M Bates Trust	333,956	-	-	333,956	315,062
Grants	-	-	20,609	20,609	484,898
Donations and Legacies	1,300	-	842,629	843,929	832,116
The London Mission in Aid of Moravian Mission	63,000	-	-	63,000	63,000
	<u>£398,256</u>	<u>£-</u>	<u>£863,238</u>	<u>£1,261,494</u>	<u>£1,695,076</u>

**3. OTHER TRADING ACTIVITIES**

Trading activities	-	-	-	-	-
Fundraising events	-	-	74,571	74,571	133,509
	<u>£-</u>	<u>£-</u>	<u>£74,571</u>	<u>£74,571</u>	<u>£133,509</u>

**4. INVESTMENT INCOME**

Quoted Securities	86,064	15,333	71,338	172,735	199,693
Rents Receivable	719,606	-	189,075	908,681	937,781
Bank Interest	5,591	-	175	5,766	5,318
	<u>£811,261</u>	<u>£15,333</u>	<u>£260,588</u>	<u>£1,087,182</u>	<u>£1,142,792</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

School Fees					
Fulneck School	-	-	3,625,516	3,625,516	3,143,952
Ockbrook School	-	-	-	-	2,956,504
	-	-	<u>3,625,516</u>	<u>3,625,516</u>	<u>6,100,456</u>
Congregational Activities	-	-	158,816	158,816	16,070
Unity Income	-	-	11,000	11,000	14,771
Book Sales	19,174	-	191	19,365	21,059
Other Activities	27,265	7,010	102,780	137,055	114,742
	<u>£46,439</u>	<u>£7,010</u>	<u>£3,898,303</u>	<u>£3,951,752</u>	<u>£6,267,098</u>

**6. OTHER INCOME**

Gain on disposal of fixed assets	652,410	-	-	652,410	71,184
Net liabilities transfer	-	-	-	-	808,294
	<u>£652,410</u>	<u>£-</u>	<u>£-</u>	<u>£652,410</u>	<u>£879,478</u>

The net liabilities transfer in the preceding year represents the value of the net liabilities of Ockbrook School leaving group control on the 28 July 2021 when it was put into Administration.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**7. EXPENDITURE**

	Costs of Raising Funds			Charitable Activities			Support Costs	Total 2022	Total 2021
	Fundraising Trading Activities and other costs	Investment Management Costs	Education Costs	Ministry and Congregations		Overseas			
				Domestic	Overseas				
£	£	£	£	£	£	£	£	£	
Fulneck School General Education Costs	-	-	621,074	-	-	-	-	621,074	471,337
Ockbrook School General Education Costs	-	-	-	-	-	-	-	-	278,404
Congregation Fundraising Activities	9,855	-	-	-	-	-	-	9,855	4,314
Ministry	-	-	-	602,941	-	-	-	602,941	611,490
Grants and Projects	-	-	-	-	159,750	-	-	159,750	185,395
Burial Ground Costs	-	-	-	2,911	-	-	-	2,911	2,718
Estate Management Costs	-	695,713	-	-	-	-	-	695,713	677,601
Pensions and Tax	-	-	-	-	-	-	-	-	-
Staff Costs	37,987	-	2,217,822	292,116	30,360	-	630,989	3,209,274	5,911,549
Advertising and Marketing	-	-	-	-	-	-	-	-	56,625
Ministers Travel	-	-	-	20,299	-	-	-	20,299	18,764
Ministerial Training	-	-	-	-	-	-	-	-	29,103
Other Ministerial Costs	-	-	-	-	-	-	-	-	13,493
Archive Costs	-	-	-	53,606	-	-	-	53,606	51,616
Brokers Fees	-	36,023	-	-	-	-	-	36,023	36,146
Honorariums	500	-	-	10,832	-	-	-	11,332	15,356
Provision for Doubtful Debts	-	-	-	55,227	-	-	-	55,227	39,265
Youth and Children	-	-	-	46,120	-	-	-	46,120	39,773
Audit	-	-	-	7,980	-	-	39,360	47,340	36,720
Accounting	-	-	-	-	-	-	-	-	-
Bank Charges	13,378	-	-	3,074	-	-	-	16,452	26,160
Interest	24,590	-	-	-	-	-	126,586	151,176	65,184
Hire Purchase Finance Charges	-	-	-	-	-	-	-	-	-
Depreciation	-	-	117,500	7,723	-	-	33,897	159,120	227,250
Book Purchases	-	-	-	14,350	-	-	-	14,350	14,753
Subscriptions and Licences	-	-	-	21,632	-	-	-	21,632	34,460
Messenger	-	-	-	24,041	-	-	-	24,041	22,580
Stationery and Postage	-	-	-	6,544	-	-	47,257	53,801	63,337
Premises (cleaning, repairs, security, light, power and utilities)	37,855	57,992	269,699	292,408	-	-	171,787	829,741	863,733
Legal & Professional	-	-	-	276,927	-	-	35,394	312,321	1,473,628
Photocopier Lease	-	-	-	-	-	-	-	-	-
Computer Software Maintenance & Licences	-	-	-	-	-	-	86,784	86,784	76,855
Communications	-	-	-	-	-	-	4,258	4,258	5,138
Insurance	-	-	7,419	53,507	-	-	11,769	72,695	156,297
Ministers Removal Costs	-	-	-	10,828	-	-	-	10,828	13,225
Synod	-	-	-	30,371	-	-	-	30,371	27,241
Church House Assessments	-	-	-	97,104	-	-	-	97,104	49,520
Other Congregations Costs	-	-	-	2,258	-	-	2,268	4,526	1,322
Other Office Costs	-	-	-	-	-	-	-	-	-
Apportioned Support Costs (based on staff time)	124,165	789,728	3,233,514	1,932,799	190,110	-	1,190,349	7,460,665	11,600,352
<b>Total 2022</b>	<b>£124,165</b>	<b>£789,728</b>	<b>£3,996,489</b>	<b>£2,304,614</b>	<b>£245,669</b>	<b>£-</b>	<b>£-</b>	<b>£7,460,665</b>	<b>£11,600,352</b>
<b>Total 2021</b>	<b>£168,729</b>	<b>£729,499</b>	<b>£8,520,107</b>	<b>£1,983,641</b>	<b>£198,376</b>	<b>£-</b>	<b>£-</b>	<b>£11,600,352</b>	

All grants are made to charitable institutions and are to help fund the ministry and congregations. They range in value from £200 to £50,000.

Legal & Professional fees charged to Domestic Charitable activities, relate to fees incurred as part of the review and restructuring exercise of Fulneck and Ockbrook Schools.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**8. STAFF COSTS**

	<b>Moravian Church</b>	<b>Moravian Union</b>	<b>Fulneck School</b>	<b>Ockbrook School</b>	<b>2022 Total</b>	<b>2021 Total</b>
	£	£	£	£	£	£
Gross Pay	425,375	272,082	2,346,037	-	3,043,494	5,248,889
Social Security Costs	44,583	26,996	192,004	-	263,583	461,528
Pension Costs	79,610	19,016	333,400	-	432,026	809,646
	<u>549,568</u>	<u>318,094</u>	<u>2,871,441</u>	<u>-</u>	<u>3,739,103</u>	<u>6,520,063</u>
Pensions to ministers	-	-	-	-	-	-
Other staff costs	11,523	4,433	-	-	15,956	-
	<u>£561,091</u>	<u>£322,527</u>	<u>£2,871,441</u>	<u>£-</u>	<u>£3,755,059</u>	<u>£6,520,063</u>
Included in Note 7 as follows:						
Staff Costs	-	268,921	2,871,441	-	3,140,362	5,911,549
Pensions & Tax	-	-	-	-	-	-
Archive Costs	-	53,606	-	-	53,606	51,616
Ministry	520,519	-	-	-	520,519	518,112
Ministerial Training	762	-	-	-	762	701
Youth and Children	39,810	-	-	-	39,810	38,085
	<u>£561,091</u>	<u>£322,527</u>	<u>£2,871,441</u>	<u>£-</u>	<u>£3,755,059</u>	<u>£6,520,063</u>
Average Staff Numbers:	No.	No.	No.	No.	No.	No.
Teaching	-	-	55	-	55	146
Ministers	14	-	-	-	14	14
Other	3	6	45	-	54	52
	<u>17</u>	<u>6</u>	<u>100</u>	<u>-</u>	<u>123</u>	<u>212</u>

Number of employees earning in excess of £60,000 during the period were as follows:

Between £70,001- £80,000	-	-	1	-	1	1
Between £80,001 - £90,000	-	-	-	-	-	1
Between £90,001 - £100,000	-	-	-	-	-	1
Between £100,001 - £110,000	-	-	-	-	-	-

The Key Management Personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any trustee of the Charity. Key Management Personnel of the Moravian Church are considered to be the members of the Provincial Elders' Conference, who are also the trustees. The Trustees are not remunerated for their services as such. However, the regulations and practice of Synod allows serving ministers and Church House staff to be elected to the Provincial Elders' Conference and to continue to receive their stipends/salaries. During the period the following emoluments (including benefits) were paid.

	<b>2022</b>	<b>2021</b>
	£	£
Rev. D. R. Howarth	34,031	-
Miss R. M. A. Hoey	<u>34,386</u>	<u>33,37</u>
	<u>£68,417</u>	<u>£33,37</u>

An amount of £9,805 (2021: £6,289) was reimbursed to the Trustees for travel expenses incurred during the period.

**MORAVIAN CHURCH**  
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**FOR THE YEAR ENDED 31 AUGUST 2022**

**9. TANGIBLE FIXED ASSETS**

GROUP	Land and Buildings £	Furniture, Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
Brought Forward	9,684,831	1,399,149	17,895	11,101,875
Additions	-	28,970	-	28,970
Disposals	(3,437,984)	(13,172)	-	(3,451,156)
At 31 August 2022	6,246,847	1,414,947	17,895	7,679,689
<b>Depreciation</b>				
Brought Forward	5,189,977	1,162,467	13,198	6,365,642
Charge for period	99,243	56,002	3,877	159,122
Depreciation on disposals	(2,970,803)	(11,459)	-	(2,982,262)
At 31 August 2021	2,318,417	1,207,010	17,075	3,542,502
<b>Net Book Value</b>				
At 31 August 2022	£3,928,430	£207,937	£820	£4,137,187
At 31 August 2021	£4,494,854	£236,682	£4,697	£4,736,233
<b>PARENT</b>				
<b>Cost</b>				
Brought Forward	386,172	-	21,413	407,585
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2022	386,172	-	21,413	407,585
<b>Depreciation</b>				
Brought Forward	15,446	-	21,413	36,859
Charge for period	7,724	-	-	7,724
Depreciation on disposals	-	-	-	-
At 31 August 2021	23,170	-	21,413	44,583
<b>Net Book Value</b>				
At 31 August 2022	£363,002	£-	£-	£363,002
At 31 August 2021	£370,726	£-	£-	£370,726

Part of the above Land and Buildings are subject to Mortgages – see Note 15. Certain properties used by congregations are not reflected on the balance sheet, although legal title is vested in the Moravian Union, as they were acquired a significant number of years ago and no record of their cost is available.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**10. INVESTMENT PROPERTIES**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Market Value</b>		
At 1 September 2020	24,299,983	18,842,160
Impairment	(131,250)	-
Disposal Proceeds	-	-
Realised gain on disposal	-	-
Unrealised Revaluation Gains/(Losses)	2,648,734	5,457,82
At 31 August 2021	<u>£26,817,467</u>	<u>£24,299,98</u>

The Charity's estate properties were valued on 3 July 2015 by an independent valuer, SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors. The valuation was a desktop appraisal of market value based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd.

Investment property valuations as at 31 August 2022 are based on that valuation adjusted by the Halifax Seasonally Adjusted Regional House Price Quarterly Indices published by the Lloyds Banking Group. In addition, the Estate properties have been reviewed by the senior management team and John Forrester Ltd for potential impairment based on their condition, occupancy and comparative values of similar properties sold on the Settlements or in the local area. Two properties were identified where impairment was considered likely and their values have been adjusted accordingly. The Trustees recognise that the properties investment portfolio is under performing and have engaged Lambert Smith Hampton to carry out an options report for the whole of Fairfield settlement, as well as valuations of plots of land at Wellhouse and properties at the Kingswood and Salem sites prior to sale. Future plans are to obtain options reports on the remaining settlements.

**11. INVESTMENTS**

	<b>Group</b>		<b>Parent</b>	
<b>LISTED INVESTMENTS</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	£	£	£	£
Carrying Value at Beginning of year	5,509,107	4,824,474	171,248	142,169
Additions	968,839	1,554,101	-	-
Disposal Proceeds	(1,194,936)	(1,676,908)	(23,382)	(10,000)
Realised Gains/(Losses)	12,804	142,165	(2,069)	-
Unrealised Gains/(Losses)	<u>(198,205)</u>	<u>665,275</u>	<u>15,897</u>	<u>39,07</u>
Carrying Value at 31 August 2022	<u>£5,097,609</u>	<u>£5,509,107</u>	<u>£161,694</u>	<u>£171,24</u>

The following investments individually represented more than 5% of the total market value of the portfolio:

The Charities Property Fund	<u>£503,697</u>	<u>£425,150</u>
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**12. STOCK**

<b>Group</b>	<b>2022</b>	<b>2021</b>
	£	£
Moravian Union	16,706	16,706
Schools Stocks	10,818	14,671
	<u>£27,524</u>	<u>£31,377</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

13. **DEBTORS**

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	255,245	65,914	-	-
Amounts due from related Organisations	-	-	99,935	99,135
Other Debtors	50,981	91,346	20,332	18,585
Prepayments and Accrued Income	105,142	191,039	-	-
Agents Balances	34,816	40,092	-	-
Rent Due	61,183	37,437	-	-
	<u>£507,367</u>	<u>£425,828</u>	<u>£120,267</u>	<u>£117,720</u>

14. **CREDITORS: Amounts falling due in less than one year**

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Loans and Overdrafts				
Bank Loans	116,369	576,221	48,316	65,056
Trade Creditors	126,440	71,851	-	-
Amounts due to related Organisations	-	-	263,448	223,703
Other Creditors	2,073,515	2,033,183	1,553	1,586
Social Security and other Taxes	89,748	141,192	-	-
Accruals and Deferred Income	330,045	277,788	175,200	184,844
Fees in advance	861,063	807,485	-	-
Hire Purchase Contract	-	-	-	-
Bates Trust Loan	50,936	49,431	-	-
	<u>£3,648,116</u>	<u>£3,957,151</u>	<u>£488,517</u>	<u>£475,189</u>

Other creditors include an advance of £1,975,200 (2021: £1,975,200) from UBS secured against the investment portfolio to aid the Moravian Union's cashflow position. The drawdown is subject to interest at 1.75% above the UBS cost of funding the Call Loan for the relevant interest period and for the relevant currency and is repayable on demand. The advance has been fully repaid on 6 March 2023 from the proceeds of sale of listed investments as part of a planned restructuring exercise. The market value of the investment portfolio managed by UBS at the year-end amounted to £3,745,814.

Deferred Income consists entirely of fees in advance.

	Group		Parent	
	2022	2021	2022	2021
	£	£	£	£
Balance brought forward	807,485	1,404,412	-	-
Rent and School Fees received in advance	861,063	807,485	-	-
Released to revenue during the year	<u>(807,485)</u>	<u>(1,404,412)</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u>£861,063</u>	<u>£807,485</u>	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

15. **CREDITORS: Amounts falling due in more than one year**

<b>Group</b>	<b>1 – 2 years</b>	<b>2 – 5 years</b>	<b>More than 5 years</b>	<b>2022</b>
	£	£	£	£
Bank Loans - Fulneck School	20,511	53,416	22,566	96,493
- Moravian Union	49,444	160,516	236,875	446,835
	69,955	213,932	259,441	543,328
Bates Trust Loan	52,016	155,873	-	207,889
Other Creditors	-	-	-	-
	<b>£121,971</b>	<b>£369,805</b>	<b>£259,441</b>	<b>£751,217</b>

<b>Group</b>	<b>1 – 2 years</b>	<b>2 – 5 years</b>	<b>More than 5 years</b>	<b>2021</b>
	£	£	£	£
Bank Loans - Fulneck School	20,608	60,334	39,368	120,310
- Moravian Union	59,818	184,891	257,644	502,353
	80,426	245,225	297,012	622,663
Bates Trust Loan	50,935	159,379	48,957	259,271
Other Creditors	-	-	-	-
	<b>£131,361</b>	<b>£404,604</b>	<b>£345,969</b>	<b>£881,934</b>

When Ockbrook School went into administration in 2021, The Moravian Union as guarantor assumed responsibility for the liability in respect of Ockbrook School's outstanding bank loan balances which amount to £494,377 at the balance sheet date (2021: £993,422), of which £47,542 was repayable within one year (2021: £546,587). The outstanding loans are secured against Moravian Union property.

Fulneck School has one bank loan (2019), secured against the Fulneck School property which is owned by the Moravian Union. At the year end £117,004 remained outstanding, of which £20,511 was repayable within one year.

During 2017 a loan of £500,000 was extended to The Moravian Union by the Mrs EM Bates Trust. The loan was to provide investment funding to The Moravian Union to undertake a major fixed asset properties repair programme. The loan is to be repaid over a period of 10 years and is secured against 49 Creighton Avenue, a property valued at in excess of £1.3m. Interest is charged at 2% above base rate. The loan is considered a concessionary loan.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total 2022</b>
	<b>General</b>	<b>Designated</b>		
<b>Group</b>	£	£	£	£
Tangible fixed assets	10,507	1,608,943	2,517,737	4,137,187
Investments	1,936,390	307,295	2,853,924	5,097,609
Investment Properties	611,381	26,206,086	-	26,817,467
Cash at bank and in hand	141,044	240,904	778,730	1,160,678
Other net assets/(liabilities)	<u>(2,237,645)</u>	<u>(3,593,441)</u>	<u>(1,597,915)</u>	<u>(7,429,001)</u>
	<u>£461,677</u>	<u>£24,769,787</u>	<u>£4,552,476</u>	<u>£29,783,940</u>
<b>Parent</b>				
Tangible fixed assets	-	-	363,003	363,003
Investments	-	-	161,694	161,694
Cash at bank and in hand	1,486	28,455	853,183	883,124
Other net assets/(liabilities)	<u>-</u>	<u>-</u>	<u>(368,250)</u>	<u>(368,250)</u>
	<u>£1,486</u>	<u>£28,455</u>	<u>£1,009,630</u>	<u>£1,039,571</u>
<b>2021 (Restated)</b>				
	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>General</b>	<b>Designated</b>		
<b>Group</b>	£	£	£	£
Tangible fixed assets	5,554	2,104,988	2,625,691	4,736,233
Investments	2,088,800	331,482	3,088,825	5,509,107
Investment Properties	993,422	23,306,561	-	24,299,983
Cash at bank and in hand	967,384	204,372	308,762	1,480,518
Other net assets/(liabilities)	<u>(2,565,226)</u>	<u>(5,498,313)</u>	<u>(1,061,029)</u>	<u>(9,124,568)</u>
	<u>£1,489,934</u>	<u>£20,449,090</u>	<u>£4,962,249</u>	<u>£26,901,273</u>
<b>Parent</b>				
Tangible fixed assets	-	-	370,726	370,726
Investments	-	-	171,248	171,248
Cash at bank and in hand	1,470	29,095	904,940	935,505
Other net assets/(liabilities)	<u>-</u>	<u>(3,777)</u>	<u>(353,692)</u>	<u>(357,469)</u>
	<u>£1,470</u>	<u>£25,318</u>	<u>£1,093,222</u>	<u>£1,120,010</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

17. **MOVEMENTS ON FUNDS**

**GROUP AND PARENT 2022**

	Opening Balance At 01/09/21 Restated (note 23)	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/22
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union	173,457	5,079	(28,929)	(6,327)	-	23,850	167,130
Evangelical Ministers emoluments	684,747	(2,132)	(12,868)	(24,912)	-	-	644,835
Education	115,069	11,108	(61,502)	(2,534)	-	52,331	114,472
Overseas	376,961	2,372	(2,372)	(13,117)	-	-	363,844
Property	1,903,655	47,879	(50,716)	(56,641)	-	-	1,844,177
Relief of poverty	3,435	67	(67)	(116)	-	-	3,319
Other	499,117	194,481	(191,495)	(9,566)	-	47,454	539,991
	3,756,441	258,854	(347,949)	(113,213)	-	123,635	3,677,768
Moravian Church (congregations) – Parent only	1,093,222	1,013,195	(559,940)	13,828	-	(550,675)	1,009,630
Fulneck School	29,115	3,787,650	(3,998,005)	-	-	(199,276)	(380,516)
Ockbrook School	-	-	-	-	-	-	-
Fulneck Choir House	-	37,001	(28,878)	-	-	-	91,594
Comenius Foundation	-	-	-	-	-	154,000	154,000
	4,962,249	5,096,700	(4,934,772)	(99,385)	-	(472,316)	4,552,476
<b>DESIGNATED</b>							
Moravian Union	(4,742,688)	-	(73,739)	-	983,841	268,027	(3,564,559)
Defined Benefit Pension Scheme	(104,548)	9,006	(282)	(1,556)	-	142,130	44,750
Ministers emoluments	1,972,051	2,910	(2,015)	(10,774)	-	563	1,962,735
Property	1,629,034	-	-	-	-	(26,075)	1,602,959
Investment Property – Cost	21,577,529	-	-	2,517,484	-	508,114	24,603,127
Other	2,201	13	(13)	(74)	-	-	2,127
Mission Renewal	90,193	-	-	-	-	-	90,193
	20,423,772	11,929	(76,049)	2,505,080	983,841	892,759	24,741,332
Moravian Church and Congregations – Parent only	25,318	10,414	(678,838)	-	-	671,561	28,455
	20,449,090	22,343	(734,887)	2,505,080	983,841	1,564,320	24,769,787
<b>GENERAL</b>							
Moravian Union	1,488,464	1,908,350	(1,771,006)	(73,613)	-	(1,092,004)	460,191
Moravian Church – Parent only	1,470	16	-	-	-	-	1,486
	1,489,934	1,908,366	(1,771,006)	(73,613)	-	(1,092,004)	461,677
	£26,901,273	£7,027,409	£(7,460,665)	£2,332,082	£983,841	£-	£29,783,940

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church. During the current year the Comenius Foundation funds were transferred from Fulneck School to a separately administered restricted fund within the Group.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

17. **MOVEMENTS ON FUNDS (Continued)**

GROUP AND PARENT 2021	Opening Balance	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance
	At 01/09/20	£	£	£	£	£	At 31/08/21 restated
<b>RESTRICTED</b>							
Moravian Union	157,493	8,135	(29,376)	14,465	-	22,740	173,457
Evangelical	593,529	30,880	(15,880)	76,218	-	-	684,747
Ministers emoluments	97,865	11,876	(53,031)	9,748	-	48,611	115,069
Education	326,502	2,374	(2,373)	50,458	-	-	376,961
Overseas	1,688,509	48,722	(51,473)	217,897	-	-	1,903,655
Property	2,986	68	(68)	449	-	-	3,435
Relief of poverty	449,207	66,181	(183,005)	36,797	-	129,937	499,117
Other	3,316,091	168,236	(335,206)	406,032	-	201,288	3,756,441
Moravian Church (congregations) – Parent only	1,157,795	908,306	(471,876)	39,079	-	(540,082)	1,093,222
Fulneck School (Restated)	730,475	3,647,441	(4,309,339)	-	-	(39,462)	29,115
Ockbrook School	(702,695)	3,969,274	(4,353,158)	-	-	1,086,579	-
Fulneck Choir House	67,716	37,780	(22,025)	-	-	-	83,471
	4,569,382	8,731,037	(9,491,604)	445,111	-	708,323	4,962,249
<b>DESIGNATED</b>							
Moravian Union	(4,040,934)	-	-	-	(969,186)	267,432	(4,742,688)
Defined Benefit Pension Scheme	(119,167)	8,915	(282)	5,985	-	-	(104,549)
Ministers emoluments	1,920,927	2,414	(2,610)	51,320	-	-	1,972,051
Property	1,629,034	-	-	-	-	-	1,629,034
Investment Property – Cost	17,213,127	-	-	5,457,824	-	(1,093,422)	21,577,529
Investment Property – Revaluation	1,916	13	(13)	285	-	-	2,201
Other	90,194	-	-	-	-	-	90,194
Mission Renewal	16,695,097	11,342	(2,905)	5,515,414	(969,186)	(825,990)	20,423,772
	19,997	-	(637,721)	-	-	643,042	25,318
Moravian Church and Congregations – Parent only	16,715,094	11,342	(640,626)	5,515,414	(969,186)	(182,948)	20,449,090
<b>GENERAL</b>							
Moravian Union	1,796,437	1,375,324	(1,462,660)	304,738	-	(525,375)	1,488,464
Moravian Church – Parent only	6,682	250	(5,462)	-	-	-	1,470
	1,803,119	1,375,574	(1,468,122)	304,738	-	(525,375)	1,489,934
	£23,087,595	£10,117,953	£(11,600,352)	£6,265,263	£(969,186)	£-	£26,901,273

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

17. **MOVEMENTS ON FUNDS (Continued)**

The broad purposes of the main restricted and designated funds of the group are as follows:

***Restricted funds,***

Evangelical – to further the religious objectives of the Moravian Church;  
 Ministers emoluments – to support the payment of ministers’ stipends and related costs;  
 Education – towards educational purposes;  
 Overseas – to fund overseas provinces missionary work;  
 Property – congregations funds from sale of functional property restricted for future property use by the congregation;  
 Relief of Poverty – to fund grants and support for the relief of poverty; and  
 Other – this is made up of numerous small restricted donations to fund specific activities at congregations.

***Designated funds,***

Defined Benefit Pension Scheme Fund - represents the value of the unfunded deficit on the scheme (Note 18(i)). The transfer to this fund reflects pensions paid during the year;  
 Ministers’ emoluments – to support the payment of ministers’ stipends and related costs;  
 Property – represents the net book value of functional properties and other funds designated for property projects at congregations but held within the Moravian Union as the Church’s asset holding body. The transfer in the current year is to fund an overspend;  
 Investment property cost and investment property revaluation reserves – represent in aggregate the carrying value of investment properties adjusted by transfer for outstanding loans secured on those properties;  
 Other - this is made up of numerous small designated reserves to fund specific activities at congregations: and  
 Mission renewal - to fund overseas mission work.

18. **OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS FOR EQUIPMENT**

<b>Group</b>	<b>2022</b>	<b>2021</b>
	£	£
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:		
Less than One Year	63,978	63,978
Between One and Five Years	77,652	77,652
After more than Five Years	991	991
	<u>£142,621</u>	<u>£142,621</u>

No obligations arise in the parent.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

19. **PENSIONS***Moravian Union/Moravian Church*

The Moravian Church through the Moravian Union operates three pension schemes,

## (i) Defined benefit pension scheme

Under this scheme discretionary pensions were paid to retired ministers in service prior to 31 August 2010 in accordance with the rules established by Synod, provided sufficient funds were available. The assets used to pay these pensions are not held separately from other funds of the Charitable Company. As a result of a resolution passed at the 2016 British Provincial Synod, The Moravian Union has recognised these pensions as an obligation and initially obtained an actuarial valuation of the liability at the 31 August 2017. A revised valuation was obtained as at 31 August 2022.

**Employee benefit obligations for the Moravian Church in respect of the Liability**

The amounts recognised in the Balance Sheet are as follows:

	<b>31/08/2022</b>	<b>31/08/2021</b>
	£	Restated £
Fair value of Liability Assets	-	-
Present value of funded obligations	<u>(3,564,559)</u>	<u>(4,742,688)</u>
Net (under) / overfunding in Liability	<u>£(3,564,559)</u>	<u>£(4,742,688)</u>
Unrecognised assets	<u>-</u>	<u>-</u>
Net Defined Benefit Asset / (Liability)	<u>£(3,564,559)</u>	<u>£(4,742,688)</u>

The amounts recognised in Profit or Loss are as follows:

	<b>31/08/2022</b>
	£
Service cost	-
Cost of benefit changes	-
Curtailement costs / (gains)	-
Settlement costs / (gains)	-
Net Interest on Net Defined Benefit Liability	<u>73,739</u>
Expense recognised in Profit or Loss	<u>£73,739</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

19. **PENSIONS (Continued)**

The Moravian Union contributed £268,027 to fund the payment of benefits over the year from 1 September 2021 to 31 August 2022. No contributions were made by members over the period as the Liability is an unfunded arrangement.

No contributions are expected from the Church or from members over the next year from 1 September 2022 to 31 August 2023. The liability is unfunded, and pensions are paid directly by the Moravian Union.

**Changes in the present value of the Liability's Defined Benefit Obligation are as follows:**

	<b>31/08/2022</b>	<b>31/08/2021</b>
	£	Restated £
Opening Defined Benefit Obligation	4,742,688	4,040,934
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(268,027)	(267,432)
Interest on obligation	73,739	-
Experience losses / (gains)	135,005	-
Losses / (gains) from changes in assumptions	<u>(1,118,846)</u>	<u>969,186</u>
Closing Defined Benefit Obligation	<u>£3,564,559</u>	<u>£4,742,688</u>

The weighted average duration of the liabilities of the Liability was 10 years as at 31 August 2022.

**Employee Benefit Obligations for The Moravian Union in Respect of the Liability**

Changes in the fair value of the assets are as follows:

	<b>31/08/2022</b>	<b>31/08/2021</b>
	£	Restated £
Opening fair value of Liability assets	-	-
Interest on assets	-	-
Return on assets (not included in interest)	-	-
Assets distributed on settlements	-	-
Contributions by Moravian Union	268,027	267,432
Contributions by members	-	-
Benefits paid	(268,027)	(267,432)
Administration expenses	-	-
Closing fair value of Liability assets	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

19. **PENSIONS (Continued)**

Principal actuarial assumptions used for the FRS 102 disclosures:

	<b>31/08/2022</b>	<b>31/08/2021</b>
	% pa	% pa
Discount rate at end of year	4.10	1.60
Discount rate at start of year	1.60	0.00
Rate of increase in deferred pensions (LPI 3%)	2.70	2.60
Rate of increase in deferred pensions (LPI 4%)	3.30	3.10
Rate of increase in pensions in payment (LPI 3%)	2.70	2.60
Rate of increase in pensions in payment (LPI 4%)	3.30	3.10

**Mortality Assumptions**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female.

For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 88 if they are male and until age 91 if female.

(ii) Active ministers defined contribution scheme

With effect from 31 December 2015 the discretionary scheme for active ministers was discontinued and replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the previous scheme, which were recognised as obligations by Synod during the preceding year, have been calculated and index linked to retirement as part of the actuarial valuation. Employer contributions to the defined contribution scheme during the year were £79,610 (2021: £74,258).

(iii) Other employees personal pension plans

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 7% of pensionable salaries to each plan. The employer's contribution in the year was £19,015 (2021: £11,957).

*Fulneck School*

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

19. **PENSIONS (Continued)**

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2016 and was published in March 2019. This valuation confirmed that the employer contribution rate would be 23.68%, inclusive of a scheme administration levy of 0.08%, with effect from 1 September 2019. Additional details on the scheme are included in the audited financial statements of Fulneck School.

The pension charge for the year includes contributions payable to the TPS of £315,239 (2021: £361,003) and at the year-end £18,161 (2021 - £25,728) was accrued in respect of contributions to this scheme.

Pension costs for the year are disclosed in note 8.

**Opt Pensions**

Fulneck School participates in a support staff pension scheme that is regulated by Opt Pensions which is an auto enrolment scheme whereby the school contributes 5% of gross earnings. The pension charge for the year includes contributions payable to Opt Pensions of £32,650 (2021: £25,728).

20. **RELATED ORGANISATIONS**

Two of the Moravian Church's Trustees are also Trustees of the London Association in Aid of Moravian Missions. The charity is the principal beneficiary of the income of the Mrs E M Bates Trust and sole beneficiary of the London Association in Aid of Moravian Missions, charities established for the benefit of the Moravian Church. Neither organisation is considered a member of The Moravian Church group The group received the following amounts from related parties during the period:-

	<b>2022</b>	<b>2021</b>
	£	£
Mrs E.M. Bates Trust	<u>£333,956</u>	<u>£315,110</u>
The London Mission in Aid of Moravian Missions	<u>£63,000</u>	<u>£63,000</u>
At 31 August 2022, the following balances were outstanding:-		
Due from Mrs E.M. Bates Trust	<u>£125,065</u>	<u>£71,110</u>
Due to Mrs E.M. Bates Trust	<u>£258,825</u>	<u>£308,702</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

21. **COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted</b>	<b>Total</b>
	<b>General</b>	<b>Designated</b>	<b>Funds</b>
	£	£	£
<b>Income and endowments from:</b>			
Donations and Legacies	385,588	-	1,309,488
Other Trading Activities	-	-	133,509
Investments	888,651	5,442	248,699
	1,274,239	5,442	1,691,696
			2,971,377
<b>Charitable activities</b>	30,151	5,900	6,231,047
<b>Other</b>	71,184	-	808,294
<b>Total income</b>	1,375,574	11,342	8,731,037
			10,117,953
<b>Expenditure On:</b>			
<b>Raising Funds</b>			
Fundraising trading: cost of goods sold and other costs	-	-	(168,729)
Investment management costs	(694,349)	(2,905)	(32,245)
	(694,349)	(2,905)	(200,974)
			(898,228)
<b>Charitable Activities</b>	(773,773)	(637,721)	(9,290,630)
<b>Total expenditure</b>	(1,468,122)	(640,626)	(9,491,604)
			(11,600,352)
Gains/(Losses) on investment Assets	304,738	5,515,414	445,111
			6,265,263
Net income/(expenditure)	212,190	4,886,130	(315,456)
			4,782,864
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	-	(969,186)	-
			(969,186)
Transfers between reserves	(525,375)	(182,948)	708,323
	(313,185)	3,733,996	392,867
			3,813,678
Total Funds Brought Forward	1,803,119	16,715,094	4,569,382
			23,087,595
<b>TOTAL FUNDS CARRIED FORWARD</b>	£1,489,934	£20,449,090	£4,962,249
			£26,901,273

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**22. ASSESSMENT OF GOING CONCERN**

As with many other entities, the current economic climate has had, and is likely to have in the future, a significant impact on the financial performance of the Group and the individual entities within the Group. The Trustees have reviewed the projected performance and financial position of the Group and the entities within the Group and are of the opinion that both the parent charity and its subsidiary, The Moravian Union, will remain going concerns for the foreseeable future.

On 28 July 2021 Ockbrook School, a former fellow subsidiary of the Moravian Union, was put into administration. The Moravian Union acted as guarantor in respect of the School's loans from NatWest Bank, which are secured on properties owned by the Moravian Union. In accordance with a payment plan agreement dated 26 July 2021, the Moravian Union agreed to assume responsibility for repayment of the outstanding loans. The aggregate value of the loans was £1,093,422 in respect of three loans and the payment plan required an initial settlement of £100,000 prior to 31 August 2021 with clearance of the balance on two loans on the immediate sale of the Union's Lynton Mead property. Sale of that property was completed in September 2021 and a lump sum settlement of £432,135 was made.

The outstanding balance represents the balance on the Ockbrook School loan originally drawn down in 2015 and repayment terms are in accordance with that original agreement, unless additional funds become available for earlier settlement. This bank loan is repayable in monthly instalments of £5,610 which include interest charged at rates of 1.5%pa and at 1.86% over bank base rate pa.

The outstanding loan balance is secured by two Moravian Union investment properties at the Ockbrook Settlement site, The Grange and The Mount, whose aggregate value is estimated to significantly exceed the outstanding loan balance.

The Trustees of the Moravian Church are in the middle of a restructuring exercise which includes an assessment of the long-term financial viability of Fulneck School. This has involved providing substantial financial support to the School via the Moravian Union. At the date of signing these financial statements loans to Fulneck School amount to £1,690,653. In addition, the Moravian Union acts as guarantor in respect of Fulneck School's loans from RBS (see notes 15 and 17).

After considering the Charity's reserves, held primarily within the Moravian Union which acts as the asset holding body of the Moravian Church, and future cash flow forecasts for a period well in excess of 12 months from the date of approval of these financial statements, the Trustees are confident that the assets of the Church are sufficient to meet these liabilities as they arise.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

23. **PRIOR YEAR ADJUSTMENT**

The Moravian Union, as the asset holding body within The Moravian Church group is responsible for the valuation of the defined benefit pension scheme liability. The preceding year's valuation was based on the 2017 actuarial valuation (see note 19) and did not take into account the unwinding of the discount applied to the liability or potential changes in estimated discount rates, mortality assumptions and inflationary increases in deferred pensions and pensions in payment. As explained in note 1, accounting policies, and note 19, pension costs, the Trustees have reviewed the assumptions underlying the 2017 actuarial valuation and, as a result, commissioned their actuaries, BWCI Consulting Limited, to calculate an actuarial valuation of the liability determined using the Projected Unit Method. BWCI completed their valuation on 6 April 2023, providing valuations as at 31 August 2021 (£4,742,688) and 31 August 2022 (£3,564,559). This indicated that the liability as at 31 August 2021 was understated by £969,186. Following completion of the valuation, the 2021 comparative figures have been restated to reflect the liability which existed at 31 August 2021. Because an actuarial valuation as at 31 August 2020 was not available, the whole of the prior year adjustment has been accounted for in the Consolidated Statement of Financial Activities for the year ended 31 August 2021.

	<b>As originally reported</b>	<b>Prior year adjustment</b>	<b>As restated</b>
	£	£	£
<b>Balance Sheet:</b>			
As at 31 August 2021,			
Reserves – Designated Funds			
Defined Benefit Pension Scheme	£3,773,502	£969,186	£4,742,688
<hr/>			
Net Assets			
Defined Benefit Pension Scheme Liability	£3,773,502	£969,186	£4,742,688
<hr/>			
<b>SOFA:</b>			
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme Liability	£-	£(969,186)	£(969,186)
<hr/>			

The valuation and movements in the current year are disclosed in note 19 to these financial statements. The liability is unfunded and rests entirely with The Moravian Union.

## Appendix 1

### **MORAVIAN CHURCH** **PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES** **FOR THE YEAR ENDED 31 AUGUST 2022**

	<b>Unrestricted Funds</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>Designated</b>	<b>Funds</b>	<b>2022</b>
	£	£	£	£
<b>Income and endowments from:</b>				
Donations and Legacies	-	225,000	617,971	842,971
Other Trading Activities	-	-	37,282	37,282
Investments	16	10,414	212,326	222,756
	16	235,414	867,579	1,103,009
<b>Charitable activities</b>	-	-	202,963	202,963
<b>Other</b>	-	-	-	-
<b>Total income</b>	16	235,414	1,070,542	1,305,972
<b>Expenditure On:</b>				
<b>Raising Funds</b>				
Fundraising trading: cost of goods sold and other costs	-	-	(73,653)	(73,653)
Investment management costs	-	-	(38,905)	(38,905)
	-	-	(112,558)	(112,558)
<b>Charitable Activities</b>	-	(684,077)	(603,604)	(1,287,681)
<b>Total expenditure</b>	-	(684,077)	(716,162)	(1,400,239)
Gains/(losses) on investment assets	-	-	13,828	13,828
Net income/(expenditure)	16	(448,663)	368,208	(80,439)
Transfers	-	451,800	(451,800)	-
<b>NET MOVEMENT IN FUNDS</b>	16	3,137	(83,592)	(80,439)
Total Funds Brought Forward	1,470	25,318	1,093,222	1,120,010
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>£1,486</b>	<b>£28,455</b>	<b>£1,009,630</b>	<b>£1,039,571</b>
	<b>£1,120,010</b>			

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

**THE BRITISH PROVINCE OF THE UNITAS FRATRUM (MORAVIAN CHURCH)**

England & Wales - Charity number 251211

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# Accounts

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**THE BRITISH PROVINCE OF THE UNITAS FRATRUM**

**operating as  
THE MORAVIAN CHURCH**

Charity Number: 251211

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2021**

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees of the Moravian Church present their report and the consolidated financial statements for the year ended 31 August 2021 of the charity, the Moravian Church (The British Province of the Unitas Fratrum), which consolidate the results and net assets of the Church, its Congregations, its subsidiary charitable companies (The Moravian Union (Incorporated), Fulneck School, Ockbrook School) and Fulneck Choir House. These have been prepared in the format required by the Statement of Recommended Practice, 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The report and statements also comply with the Charities Act 2011 and regulations made thereunder.

**LEGAL AND ADMINISTRATIVE DETAILS :**

The British Province of the Unitas Fratrum, generally known as the 'Moravian Church', which was established by Act of Parliament in 1749, is a registered charity, No. 251211. The Church is governed by a Book of Order as approved by Provincial Synod which consists of a biennial gathering of the provincial board, the clergy, one representative from each congregation per one hundred and fifty members and ex-officio as per the Book of Order.

The Committee of Management, who are the trustees of the charity (and directors in company law of the subsidiary charitable companies), are elected by Synod. The Book of Order (constitution) requires the Committee to act in accordance with resolutions of Synod.

The Provincial Board (Committee of Management) for the year ended 31 August 2021 and subsequently comprised:

Rev Prof P Gubi	(Appointed 15 July 2021)
Miss R. M. A. Hoey*	
Rev. P. M. Holdsworth	
Rev. D. R. Howarth*	
Mr M Kernohan	(Resigned 20 October 2020)
Rev M Newman	(Appointed 15 July 2021)
Rev. Dr. L. Thompson	

\* Responsible for the day to day management of the Charity's affairs.

**The Registered Office:** Moravian Church House  
5-7 Muswell Hill  
London N10 3TJ

<b>Investment Advisors:</b>	UBS	Vestra Wealth LLP
	1 Curzon Street, London W1J 5UB	14 Cornhill London EC3V 3NR

**Bankers:** CAF Bank Limited  
PO Box 289  
Kings Hill  
Kent ME19 4TA

Each subsidiary and branch have the power to appoint their own bank. Only the main banker is disclosed above.

**Solicitors:** Cripps Harries Hall  
Wallside House  
12 Mt. Ephraim Road  
Tunbridge Wells,  
Kent TN1 1EG

**Auditors:** Knox Cropper LLP  
Chartered Accountants  
65 Leadenhall Street  
London EC3A 2AD

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

The Charity's constitution is defined by the Book of Order which is approved by Synod and can only be amended by Synod.

### Group Structure

The Moravian Church controls a number of related organisations including:

- the Moravian Union (company number 00133708), a company limited by guarantee, which holds the assets and administers the affairs of the Church.
- two independent schools, Ockbrook School (company number 05086591), until 28 July 2021 when the company was put into administration, and Fulneck School (company number 05086581), both of which are companies limited by guarantee.
- thirty congregations, two societies and one fellowship, and;
- One choir house.

Further details of The Moravian Union and Fulneck School are available in their statutory accounts on request.

These accounts consolidate the results and net assets of all these organisations.

### Procedures for the Recruitment and Appointment of Trustees

The Book of Order, Section 3.1 states that the PEC consists of six members of the Moravian Church in the British Province, two serving in a full-time stipendiary capacity and four serving in a non-stipendiary capacity, part time. As part of its brief the PEC acts as the Board of Trustees (and Board of Directors) of the Moravian Union. Synod is the body with the power to appoint and remove members of the Board. Provincial Elders serve for a term of four years and may be appointed to serve a further two terms. Appointment is by election at the biennial Moravian Church Synod. Vacancies during an inter synod period shall be filled by a postal ballot election.

The Chair and Officers are appointed by the membership of the PEC from among their number. The Board convenes at least twelve times each year. Synod also elects members to the various standing and sub-committees which offer advice and support to the PEC. Each committee includes at least one Provincial Elder:

Finance Committee  
 Mission and Society Committee  
 Faith and Order and Ecumenical Relations Committee  
 Church Service Committee  
 Youth and Children's Committee  
 World Mission Committee  
 Church Book Committee

### Procedures for the Induction and Training of Trustees

On appointment, each Provincial Elder signs a code of conduct and completes a register of interests. The latter is renewed biennially following each Synod. They are given a Trustee Handbook that includes the Book of Order, the Memorandum and Articles of Association of each subsidiary company, the risk register, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investments, reserves, conflicts of interest and other guidance. It contains job descriptions for Trustees, officers and staff and a copy of Charity Commission leaflet CC3, 'The essential trustee, what you need to know, what you need to do'. All Trustees are provided with training opportunities through external training courses to keep abreast of changes and of their responsibilities.

### Volunteers

The Moravian Church has many committees covering its policy, education, congregational work etc. Without the many volunteers that serve on these committees we would not be able to carry out the wide variety of work that our congregations have come to rely on. No value can be placed on the many hours worked by volunteers.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

**Organisational Management**

The British Province of the Moravian Church is the registered charity for the activities of the Moravian Church operated by the British Province in the UK and beyond. Synod is the ultimate authority within the Church and it elects the Provincial Elders Conference (PEC) which acts on behalf of Synod in the inter-synod period and is the ultimate decision making body during that period. The PEC acts as the Moravian Church's board of trustees and meets on a monthly basis. Responsibility for the day-to-day management of the charity's affairs is delegated to the two full time members of the PEC.

Responsibility for control of each school is delegated to their respective board of governors whilst responsibility for the day-to-day affairs of each congregation is delegated to the local congregational committees.

**Risk Management**

The PEC has reviewed during the year, an assessment of the risks to which the charity is exposed, particularly business, operational and financial risks, and the process of introducing procedures and a reporting regime to manage and reduce identified risks is ongoing. The PEC has agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities.

Risks are defined as those that, without appropriate mitigation, are likely to negatively impact on the Moravian Church serving its purpose of proclaiming the Gospel of Jesus Christ. The trustees recognise that it is not possible to eliminate risk entirely. We recognise that risk taking is inherent in proclaiming the Gospel. Our task is to minimise negative impacts and allow the Church to serve its purpose.

We have identified significant risks and are taking steps to mitigate in the following ways:

- **Failure to encourage people into ordained ministry, results in further decline, resulting in the Moravian Church ceasing to exist:** The PEC with the support of the Church Service Committee continue to review and implement strategies to recruit people into ministry. This includes dedicated Church services and enquiry days. The Church Service Committee are currently reviewing the provision of materials for training Lay people for service and have drafted resources for publication on opportunities for services as well as an understanding of ordained ministry.
- **Declining congregations and failure to grow resulting in congregation closures and ultimately the Moravian Church ceasing to exist:** The PEC have convened the 'Future Directions and Sustainability Taskforce' to consider the current framework of the Province and consider ways to move forward into the future.
- **Reputational damage which results in litigation and impacts on engagements with communities:** The PEC actively considers reputational damage as part of their strategy and planning. This provides the opportunity for identifying potential problems that could affect public perception, take remedial action where necessary and dictates how we communicate and manage expectations.
- **Lack of Diversity and Inclusion:** The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.
- **Dependency on limited income sources, shortfall for reserve and unforeseen shortfall on the pension funds:** The PEC continually monitors and reviews potential areas of weakness in our financial strategy and are supported by the Finance Committee who have the ability to convene emergency meetings if necessary. A Financial and Investment Risk Register is maintained.
- **Loss of key personnel:** The PEC recognises the importance of personnel for the effective running of the organisation and is currently reviewing the framework for people management promoting a transparent and supportive environment. Losses cannot always be avoided, and the PEC must respond quickly to ensure smooth transitions. Lack of Diversity and Inclusion: The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

- **Significant damage to historic buildings and archives:** The PEC work with the Estates manager and the Provincial Archivist to promote best practices for care and maintenance of historic buildings and archives.
- **Loss of significant and sensitive data:** The PEC continually monitors and reviews policies to ensure that we remain compliant with current legislative practices and seek to take remedial actions if weaknesses are identified. A recent audit has been completed to ensure compliance following the introduction of the General Data Protection Regulations.
- **Debt resulting from failed operation in the subsidiary companies:** The subsidiary company, Fulneck School, is at risk without significant external investment and the PEC has stepped up its oversight of the School, with a view to ensuring that it remains a going concern.

**Pensions**

Following changes to legislation, the previous discretionary pension arrangements for ministers in service prior to 31 August 2010 have been replaced by a defined contribution pension scheme. This came into effect from 1 January 2016. All Ministers have been informed of their entitlement. Other Ministers and employees employed after 31 August 2010 hold defined contribution personal pension plans and contribute at rates chosen by themselves.

In addition, as disclosed in note 19, the 2016 British Provincial Synod resolved that with effect from 11 July 2016 the previously discretionary pension arrangements for ministers in service prior to 31 August 2010 was recognised as an obligation of The Moravian Union up to 31 December 2015. The most recent actuarial valuation of the pension liability was completed on 3 October 2017 and calculated the liability to be £4,836,459.

**OBJECTS AND ACTIVITIES**

**Principal Objectives**

The Church's objective is to administer the affairs of the Moravian Church in its work for the Kingdom of God, in accordance with the will of Synod.

**Activities**

The parent charity's main activities consist of:

- (i) Ensuring a supply of ministers to congregations.
- (ii) Providing congregations with advice on complying with best practice under child protection regulations in the conduct of their work with young people.
- (iii) Advice to congregations on financial and administrative matters.
- (iv) Bishops, who are elected by Synod, but who are nonetheless employees of the Moravian Church, provide pastoral and spiritual guidance to congregations.
- (v) Administering the assets of the Church through its subsidiary company, The Moravian Union.
- (vi) Maintaining archives which relate to congregations of the Church and the British Province.
- (vii) By working with each School's Board of Governors and with the professionals employed in the schools, maintaining and further developing the standards of academic excellence and pastoral care offered by these establishments.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**OBJECTS AND ACTIVITIES (Continued)**

**Strategies**

To promote these activities the parent charity:

- (i) Organises the training of both ordained and lay preachers.
- (ii) Has developed and made available to congregations a procedures manual to regulate their work with young people. The Church also actively works with "APCS" to protect the interests of young people.
- (iii) Provides advice to congregations on the principles of sound administration again through bulletins and publications.
- (iv) The Church's investment assets, which are held by its subsidiary company, are administered with the assistance of professional fund managers. The Church's land and buildings (which are held by its subsidiary The Moravian Union) are administered through the services of a Chartered Surveyor with a view in both instances to maximising the returns available to the Church within the constraints imposed by the Church's charitable mission.
- (v) The Church, through its subsidiary company employs a full-time archivist who spends a portion of her time advising congregations on how to maintain their archives.

**Principal Objectives for the year ended 31 August 2021**

The trustees determined the following principal objectives for the year ended 31 August 2021:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and also the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- By maintaining close contact with each school's Board of Governors and senior staff to further develop the standards of academic excellence and pastoral care at both institutions.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## **ACHIEVEMENTS AND PERFORMANCE**

### **How our activities deliver public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year. The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to our congregations and the public in general.

### **Review of the year**

We continue to focus on the essentials of our existence, which are to be found in the Ground of the Unity (Church Order of the Unitas Fratrum 1-11), and to try and achieve a proper balance between these essentials of being a church and the challenges of governance in a context characterised by numerical decline and financial uncertainty. We remain confident that we can serve God effectively in the Province despite the limitations of being a small church. We continue to look for more effective ways of engaging in mission.

The trustees have developed a new strategic plan, Project 32, which will look at all areas of our current activities, with new priorities to ensure sustainability and future growth over the coming decade. So as to ensure continuity, the Provincial Synod in 2020 agreed the setting up of an implementation committee, to oversee the delivery of the outcomes.

### **Congregations**

The Province comprises 30 congregations, 2 societies and 1 fellowship. The total membership of the Province is 1,200. There are approximately 900 adults and 70 children in church each Sunday.

Congregations are encouraged to address the need to develop new ways of engaging with the lives of those around them. Initiatives include café style church services, messy church and youth activities.

### **Ministry**

It is clear that, unless our congregations start to grow in membership, the present number of members will not be able to support paid ministry in the way that it has done in the past.

This will mean significant changes will have to be made by both congregations and for ministers. Congregations will have to take time to assess their strengths and weaknesses and seize the opportunities to grow. Efforts will have to be made to build the capacity of members to be more intentional in faith renewal and numerical growth. We will also need to review the way that ministers are trained and deployed, to ensure that we are making best use of our ministerial resources and taking advantage of growth opportunities.

Building on the work of the 'Future Directions and Sustainability Taskforce', the Project 32 Implementation Committee will give guidance to more effective ways of ensuring future Provincial sustainability. And growth. The plan here includes the engagement of the Programme Coordinator, who will be appointed with in mid-2022.

### **Young people and children's work**

The Youth & Children's Officer offers resources and training for anyone working with children and young people in our churches; this is essential to ensure that all leaders are aware of the legal and good practice requirements of this sensitive area of work.

Given the geographical spread of our congregations it is extremely beneficial that this work is coordinated so that our young people feel a sense of belonging.

Summer Camp continues to draw young people from most areas of the Province but we recognise the need to secure increased numbers of attendees and a more attractive per capita cost. Providing staff to bolster youth work is part of our strategic objectives.

Synod 2018 also passed a resolution for a forum to be held for young adults and young people aged 14 – 26, to enable them to learn about the working of Synod and contribute ideas and thoughts to governance of the Church. This was held in October 2019. The work in the subsequent period was impacted by the Covid -19 Pandemic and activities related to youth moved online. The return to face-to-face activities of a sustained programme of work will characterised the coming period.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## **ACHIEVEMENTS AND PERFORMANCE (Continued)**

### **Schools**

The unsurmountable problems with the Ockbrook school led eventually to its closure in 2021. The administration process is still ongoing. However, the PEC is seeking to optimise the use of the site and is currently in discussion for an extended lease. In the meanwhile, the property has been brought back into the Provincial investment portfolio.

As Trustees of Fulneck School, the PEC entered into management agreement with Bellevue, which included the options to acquire the school. If Bellevue does not exercise that option, the Trustees of Fulneck School will be seeking alternative buyers, as it our intention to relinquish hold on the school. However, given the significant loans made to the school, it will be our interest to secure an arrangement whereby the loan can be repaid.

In the meanwhile, the Fulneck school continued normal operation; the deficit in its operation has been greatly reduced and has begun to see increased student registrations. At the end of the 2020-2021 financial year. Moravian Union provided the school with a letter of support, to ensure that the school would trade for 2021-2022 as a going concern.

### **Choir House**

The Choir House at Fulneck, which is licensed as a house in multiple occupation, (HMO), sharing a common entrance hall, provides a number of comfortable, self-contained apartments.

As a set of Grade 1 listed buildings, maintenance and upgrading works are expensive and have to be overseen by listed building specialists.

The Trustees have appointed Br Ian Haggas as the administrator to succeed Br and Sr Davey, whose contribution to the choir house must be place on record.

### **Finances**

In common with many other denominations with a reducing membership, the Moravian Church is finding it a challenge to renew and grow beyond a maintenance level of operation. The per capita financial contribution being asked of members is increasing, even with delimiting efforts. We therefore commend congregations that find ways to increase their income in this difficult situation.

The Trustees are, therefore, extremely sensitive to the need to ensure careful, fiduciary oversight of our investments. Our portfolios are managed by UBS (Wealth Management UK) and Vestra Wealth LLP. A small group comprising the Provincial Treasurer along with the Chairman and two members of the Finance Committee, meet with the investment managers at least once each year to monitor performance. We make clear to fund managers that as a church we want to ensure that the companies in which our monies are invest meet the ethical and moral values we espouse. The Provincial Board has therefore developed an Ethical Investment Policy which will be continuously reviewed and monitored and will help guide our investment strategy. Arising from a resolution passed at the last Synod, that policy now includes a plan to exit investment in fossil fuels. A progress on this has been tabled at this Synod

As highlighted previously, an area in which we need to take actions was in regard to the pension commitment to workers. The current arrangement, which is consistent with charity regulations, in that all current and future stipendiary staff be included in a formal, contributory pension scheme. Congregations now contribute 5.5% of stipend to the pension fund.

Previously the pension arrangement was one in which discretionary payments were made to retired church servants and their spouses. During the 2017 British Provincial Synod it was resolved that these payments to retirees should be recognised as an obligation and not discretionary. An amount was therefore set aside from Provincial operations to cover this obligation. This sum is expected to fall overtime, since the numbers of individuals to whom this is paid will not be increasing. The auditors have advised that the coming year will require a formal re-evaluation of the amount set aside.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Unity**

Our partnerships with South Asia and the Moravian Church in Western Tanzania continue to offer opportunities for members in this province to offer support to brothers and sisters in these developing areas of the Unity. At Unity Synod in 2016, South Asia was formally recognised as a Mission Area and is under the supervision of the British Province. The British Mission Board are working with ministers and lay workers in South Asia to develop a framework for development in the future and are currently working towards the creation of a Mission Province by 2022.

The overall financial support given to both South Asia and Tanzania may vary from year to year. However, the beneficiaries of direct support include ten workers and one school in South Asia and the Province of Western Tanzania.

In addition, we continue to offer an administration grant, albeit it at a reduced level, to the Jamaica Province to help them purchase Textbooks from the Bookroom. This is of mutual benefit as the Jamaican order increases our print run and reduces the unit cost of the books to everyone.

Support is also given to Elim Home in South Africa and the Star Mountain Rehabilitation Centre in Ramallah, Palestine. These are viewed as important works of the Moravian Church world-wide.

Individuals and groups such as the Moravian Women's Association, the Men's Fellowship and the YPMA give money to many other projects. We are constantly touched by the generosity of such gifts.

**Ecumenical**

As a province, we continue to play as full a role as possible in the national and four-nation bodies, with representation on Churches Together in England and Churches Together in Britain & Ireland. The National Ecumenical Officer was appointed by the Provincial Board to represent the Moravian Church at a National level and we are grateful for the work of Br Philip Cooper who currently serves in this capacity.

Sr Sarah Groves sits on the Executive Board of the Irish Council of Churches and members of that District sit on various committees of the council. It is good to know that most congregations play their part in the local ecumenical scene, both formally and informally.

Br Livingstone Thompson was appointed a Trustee for Christian Aid Ireland, which enable him also to support the strategic work of Christian Aid UK.

**Conclusion**

With no formal impact assessment procedures in place to assess a church, which has been serving communities for over 250 years, it is difficult to determine performance, even though we might be able to point to specific outcomes to satisfy the requirements of the Charity Commission. However, when we consider the number of members and significant financial contributions, which we have been able to make to support our mission locally and overseas, we could say that the Church is having significant impact.

There are two ways of looking at objectives and achievements, quantitatively or qualitatively. If we take the former view, it is clear that we have lost members and if that trend were to continue it would pose some risk to the sustainability of the Province. However, if we hold to the latter position which is a broader, deeper and perhaps more theological view, we can say that, in the present secular climate, our decline in numbers is no greater or less than in other denominations; our difficulties with meeting the demands for pensions, for example, are consistent with the situation in other similar institutions. Yet, despite these problems, we have continued to develop and offer ministry and pastoral care to our members; we have been able to show practical concern for those living in developing countries and those living with various disabilities.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

A major risk we face as a church is to fail to live up to the teachings of Jesus Christ in our dealings with each other and with those with whom we come into contact. The work of the Church can be described as being twofold: to nurture its members and develop their relationship with God and, reaching out to those in the wider community, to demonstrate the Christian message through our life and teaching.

The qualitative nature of our objectives is one that the Trustees consider to be at the heart of our existence as the Moravian Church. We pay tribute to the ongoing commitment and hard work of our ministers, the staff at the headquarters building and the numerous volunteers who offer such loyal service through their own congregations and without whom there would be no Moravian Church in these islands.

We present this report as being a true reflection of our present position.

#### **REVIEW OF FINANCIAL POSITION**

The Statement of Financial Activities summarises the movements in all the Group's funds during the year.

This indicates that the Group recorded net income for the year of £4,782,864 compared to net expenditure for the preceding year of £1,598,988. This result arises primarily due to the impact of the decision to close Ockbrook School which resulted in a significant increase in the value of investment properties formerly occupied by the School at peppercorn rent but now available for rental or sale by the Moravian Union. The increase in value amounted to £3,300,000, in addition to an aggregate increase in value of the remaining investment property portfolio of £2,157,823. The Group's investment portfolios also registered total gains of £807,438.

The Group's total income has remained relatively stable at £10,117,953 (2020: £10,102,849) whereas total expenditure has decreased by £590,830 to £11,600,352.

The impact of the Coronavirus pandemic was felt particularly by the two schools and by the congregations which are treated as part of restricted funds within these group financial statements.

Total net assets of the Group amount to £27,870,459 and are represented by the Group's fixed assets. At the year end the Balance Sheet on page 15 discloses net current liabilities of £1,965,428. However, this primarily reflects the UBS drawn down cash facility of £1,975,200 at the year end, which is repayable on demand and secured against the Group's investment portfolio held with UBS of £3,793,024, and by bank loans repayable within one year of £491,069. In September 2021 £432,135 was repaid on those loans. The drawn down UBS facility has been utilised by the Church to meet short-term liquidity issues during the restructuring of the Group and its property portfolio as a result of the financial demands of the two Schools. The financial position of the Group remains strong, having an investment portfolio in stocks and shares of £5,455,107 as well as a property portfolio held for investment purposes of £24,299,983.

The Trustees review the group and individual entities reserves policies on an annual basis taking account of the total net assets of each entity and the group as a whole, proposed activities for the forthcoming year and their funding requirements.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**REVIEW OF FINANCIAL POSITION (Continued)**

**Investment Policy and Objectives**

Our investment policy is developed in consultation with the Finance Committee, which makes recommendations to the PEC. The present investment objective is to achieve a balanced return in the investment portfolio. The investment portfolio is managed by professional fund managers and consists entirely of listed securities. Investment decisions are based on an ethical stance with the investment brokers being instructed to avoid specific commodities and prioritise those with reasonable environmental sensitivity.

The movement in market value of investments this year, both realised and unrealised, amounts to a gain of £807,438 or 16.9% of the brought forward value of the portfolio. Given the current economic climate as a result of COVID-19, the Charity's ethical investment stance and its income requirements, the Trustees consider the portfolio's performance to be reasonable.

The investment properties represent the managed estates and are held to generate rental income for the Moravian Union. The current market value of investment property has been estimated at £24,299,983, an increase in value of £5,457,823, and net rental income is £122,618 compared to the preceding financial year with net rental income of £162,301. Net rental income will fluctuate year on year depending on the level of maintenance work required on the estate's properties.

**Fundraising Policy**

The Charity does not use fundraising services, consultants or external professional fundraisers to undertake its fundraising activities and no data is shared with or sold to any external agencies.

The Charity does not undertake Direct Mail and does not approach or pressure vulnerable people to support its work. A complaints procedure is in place and the Charity adheres to the Fundraising Code of practice issued by the Fundraising Regulator.

**FUTURE PLANS**

During the forthcoming year the Trustees aim to continue to discharge their current responsibilities effectively and efficiently within the constraints of resources both financial and human. The Trustees continue to review the structure of administration to ensure that we are operating as efficiently as is possible given the above constraints.

Furthermore, the Church, with a view to simplifying its record keeping and financial reporting requirements, will continue to review its trust ledgers in order to gain Charity Commission consent to the merger of a number of the smaller funds.

The trustees determined the following principal objectives for the year ending 31 August 2022:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- By maintaining close contact with the Boards of Governors and senior staff of the Fulneck school, to support their drive for sustainability and academic excellence, particularly as a result of the current economic climate caused by the COVID-19 pandemic.
- To implement the activities associated with the Project 32 Programme for renewal and growth.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## RESERVES POLICY

The trustees recognise that the Charity requires reserves to allow it to continue its work in the event of unforeseen interruptions to its income streams. The trustees consider the Charity's reserve requirements at least annually and to be prudent are of the opinion that unrestricted reserves equivalent to at least one year's total expenditure should be held. At the current year end unrestricted reserves (excluding those earmarked for designated purposes) amounted to £1,489,934 and this represented approximately 48% of annual expenditure, excluding School's expenditure.

The Coronavirus pandemic continued to have a significant impact on the activities, income generation and expenditure of the Group. The Trustees have considered this when assessing the Charity's ability to continue as a going concern and the level of reserves it will require. As explained in note 1 to these financial statements, the Trustees are of the opinion that the reserves available to the Charity are sufficient to ensure that the Charity continues for the foreseeable future.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Charity 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 Group and of the incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parent Charity and the Group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Parent Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

*On behalf of the Trustees*



**Miss R. M. A. Hoey**  
**Chair**



**Rev Dr L. A. Thompson**  
**Treasurer**

**Date: June 30, 2022**

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**OPINION**

We have audited the financial statements of The British Province of the Unitas Fratrum operating as Moravian Church for the year ended 31 August 2021, which comprise the Consolidated Statement of Financial Activities, the Group and the Parent Charity's Balance Sheet, the Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the parent charity and the group's affairs as at 31 August 2021, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

This report is made solely to the Trustees in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to the Trustees 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 and the charity's Trustees for our audit work, for this report, or for the opinions we have formed.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**OTHER INFORMATION**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**RESPONSIBILITIES OF THE TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for preparing the Report of the Trustees and the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under Section 144(1) of the Charities Act 2011 and report in accordance with regulations made under that Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Knox Cropper LLP  
Statutory Auditor  
65 Leadenhall Street  
London  
EC3A 2AD

Date: 04/07/2022

Knox Cropper LLP is eligible to act as an auditor of the Charity in terms of section 1212 of the Companies Act 2006.

**MORAVIAN CHURCH**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and Legacies	2	385,588	-	1,309,488	1,695,076	1,593,261
Other Trading Activities	3	-	-	133,509	133,509	116,109
Investments	4	888,651	5,442	248,699	1,142,792	1,086,030
		1,274,239	5,442	1,691,696	2,971,377	2,795,400
Charitable activities	5	30,151	5,900	6,231,047	6,267,098	7,162,945
Other	6	71,184	-	808,294	879,478	144,504
<b>Total Income</b>		<b>1,375,574</b>	<b>11,342</b>	<b>8,731,037</b>	<b>10,117,953</b>	<b>10,102,849</b>
<b>Expenditure on:</b>						
<b>Raising Funds</b>						
Fundraising trading: cost of goods sold and other costs		-	-	(168,729)	(168,729)	(154,273)
Investment management costs	7	(694,349)	(2,905)	(32,245)	(729,499)	(663,962)
		(694,349)	(2,905)	(200,974)	(898,228)	(818,235)
Charitable Activities	7	(773,773)	(637,721)	(9,290,630)	(10,702,124)	(11,372,947)
<b>Total Expenditure</b>		<b>(1,468,122)</b>	<b>(640,626)</b>	<b>(9,491,604)</b>	<b>(11,600,352)</b>	<b>(12,191,182)</b>
Net Gains/(Losses) on investment assets	10, 11	304,738	5,515,414	445,111	6,265,263	489,345
Net income/(expenditure)		212,190	4,886,130	(315,456)	4,782,864	(1,598,988)
<b>Other Recognised Gains/(Losses)</b>						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	19	-	-	-	-	-
Transfers between reserves	17	(525,375)	(182,948)	708,323	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(313,185)</b>	<b>4,703,182</b>	<b>392,867</b>	<b>4,782,864</b>	<b>(1,598,988)</b>
<b>Reconciliation of Funds:</b>						
Total Funds Brought Forward	17	1,803,119	16,715,094	4,569,382	23,087,595	24,686,583
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>£1,489,934</b>	<b>£21,418,276</b>	<b>£4,962,249</b>	<b>£27,870,459</b>	<b>£23,087,595</b>

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

As a result of its activities for the year the parent charity, The Moravian Church, disclosed a net decrease in funds of £64,464. Its total net assets at the year end stood at £1,120,010.

The notes form part of these financial statements.

**MORAVIAN CHURCH**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 AUGUST 2021**

	Notes	Group		Parent	
		2021	2020	2021	2020
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	9	4,736,233	5,087,660	370,726	378,449
Investment Property	10	24,299,983	18,842,160	-	-
Investments	11	5,455,107	4,770,474	117,248	88,169
		<u>34,491,323</u>	<u>28,700,294</u>	<u>487,974</u>	<u>466,618</u>
<b>CURRENT ASSETS</b>					
Stock	12	31,377	36,589	-	-
Debtors	13	425,828	535,803	117,720	114,825
Cash at Bank and in Hand		1,534,518	2,563,221	989,505	1,032,887
		<u>1,991,723</u>	<u>3,135,613</u>	<u>1,107,225</u>	<u>1,147,712</u>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	3,957,151	3,381,357	475,189	429,856
<b>NET CURRENT ASSETS</b>		<u>(1,965,428)</u>	<u>(245,744)</u>	<u>632,036</u>	<u>717,856</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		32,525,895	28,454,550	1,120,010	1,184,474
<b>CREDITORS: Amounts falling due after more than one year</b>					
Defined Benefit Pension Liability	19	(3,773,502)	(4,040,934)	-	-
<b>TOTAL NET ASSETS</b>		<u>£27,870,459</u>	<u>£23,087,595</u>	<u>£1,120,010</u>	<u>£1,184,474</u>
<b>The Funds of the Charity:</b>					
Restricted Funds	17	4,962,249	4,569,382	1,093,222	1,157,795
Unrestricted Funds					
General	17	1,489,934	1,803,119	1,470	6,682
Designated Fund – Defined Benefit Pension Liability		(3,773,502)	(4,040,934)	-	-
Designated	17	25,191,778	20,756,028	25,318	19,997
		<u>22,908,210</u>	<u>18,518,213</u>	<u>26,788</u>	<u>26,679</u>
<b>TOTAL FUNDS</b>		<u>£27,870,459</u>	<u>£23,087,595</u>	<u>£1,120,010</u>	<u>£1,184,474</u>

Approved by the Trustees on .....June 30, 2022..... and signed on their behalf by



Rev Dr L. Thompson



Miss R. M. A. Hoey

**MORAVIAN CHURCH**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021		2020	
		£	£	£	£
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>			(3,741,688)		(2,031,259)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income		1,142,792		1,086,030	
Payments to acquire tangible fixed assets	9	(26,498)		(329,085)	
Proceeds on disposal of tangible fixed assets		260,467		-	
Proceeds on disposal of investment property assets	10	-		300,488	
Purchase of fixed asset investments	11	(1,554,101)		(2,450,586)	
Proceeds of sale of fixed asset investments	11	1,676,908		2,452,897	
			1,499,568		1,059,744
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(65,184)		(23,142)	
Movement on Loans		1,278,601		1,037,240	
			1,213,417		1,014,098
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			(1,028,703)		42,583
Cash and Cash Equivalents at the beginning of the reporting period			2,563,221		2,520,638
Cash and Cash Equivalents at the end of the reporting period			£1,534,518		£2,563,221
<b>RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH OUTFLOW</b>					
			2021		2020
			£		£
Net Movement in funds for the year			4,782,864		(1,598,988)
Investment Income			(1,142,792)		(1,086,030)
Interest Paid			65,184		23,142
Depreciation			227,250		1,546,948
(Gains)/Losses on disposal of property fixed assets			(71,184)		-
(Gains)/Losses on disposal of other fixed assets			(38,608)		-
(Gains)/Losses on investment assets			(6,265,263)		(489,345)
(Increase)/Decrease in Stock			5,212		7,252
(Increase)/Decrease in Debtors			129,120		139,289
Increase/(Decrease) in Creditors			(1,166,039)		(308,454)
Movement on Defined Benefit Pension Liability			(267,432)		(265,073)
			£(3,741,688)		£(2,031,259)
<b>NET DEBT RECONCILIATION</b>					
		01/09/2020	Cashflow		31/08/2021
		£	£		£
Cash at Bank and in Hand		2,563,221	(1,028,703)		1,534,518
UBS facility drawn down		(850,000)	(1,125,200)		(1,975,200)
Loans repayable within one year		(105,422)	(520,239)		(625,661)
Loans repayable outside one year		(1,248,772)	366,838		(881,934)
		£359,027	£(2,307,304)		£(1,948,277)

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the provisions of the Charities Act 2011, the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), FRS 102 and the Charities Act 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102.

The financial statements consolidate the incoming resources and resources expended, assets and liabilities of the following entities:

- Moravian Church and its Congregations (The Parent)
- The Moravian Union (Incorporated)
- Fulneck School
- Ockbrook School
- Fulneck Choir House

The presentation currency of the financial statements is Pound Sterling (£).

**Going Concern**

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. In reaching this conclusion they have considered the impact of the COVID-19 pandemic on future income generation by the Charity. Although income may decrease significantly, the charity has sufficient assets held by its 100% owned subsidiary, The Moravian Union, and has put in place short-term liquidity measures to ensure that it can continue to operate effectively for the foreseeable future.

As explained more fully in note 22 to these financial statements, the Group includes two schools as subsidiaries, Ockbrook School and Fulneck School. The pandemic has had a serious impact on their income and pupil numbers. After careful consideration, Ockbrook School moved into administration with effect from 28 July 2021 and the Group Trustees have initiated a financial support package for Fulneck School which involves the Moravian Union borrowing funds and then providing loans to the school with the intention of selling the School as a going concern.

The following accounting policies have been applied in preparing the financial statements.

**Income Recognition**

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

*Donations and Legacies*

Income from donations and legacies is generally recognised on receipt. However, income from the Mrs E M Bates Trust is accrued at the balance sheet date if the trustees are satisfied that the criteria of entitlement, certainty and measurement have been met on the basis of declarations and/or payments by the donating organisation after the year end.

*School Fees*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the schools.

*Rental Income*

Rents receivable are included on an accruals basis.

*Investment Income*

Investment income is recognised when received by the investment managers.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (Continued)

**Income Recognition (Continued)**

*Other Income*

Other income is generally recognised on an accruals basis.

**Expenditure**

Liabilities are recognised when a legal or constructive obligation to make a payment arises, it is probable that a transfer of economic benefits will be required and it can be measured reliably. Expenditure is charged on an accruals basis. All expenditure heads in the SOFA include both direct costs and apportioned overhead costs. Overhead costs are apportioned on the basis of employee time.

Charitable activities represents the direct costs of carrying out the charity's aims, together with allocated support costs which are apportioned to the different expenditure heads on the basis of staff time. Governance costs are the costs of meeting the charity's regulatory obligations and are included within support costs.

**Stock**

Stock is valued at the lower of cost and net realisable value.

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within certain sectors or sub sectors.

**Investment Property**

Investment property is valued at market value at the balance sheet date. It was independently valued on 3 July 2015 by SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors (RICS), based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. The market value of the properties is reviewed annually and adjusted based on the condition and usage of those properties, as advised by John Forrester Ltd, using the Halifax Regional House Price Indices and other supporting information when available.

**Leases**

Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease. Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the life of the lease with payments to the lessor being apportioned between capital which writes down the outstanding obligation and interest which is charged to the Statement of Financial Activities over the period of the lease on a straight line basis.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (Continued)

**Tangible Fixed Assets**

All freehold property is analysed between functional properties (eg Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties') which are maintained to generate rental income. The functional properties are carried at cost and depreciated. The investment properties are carried at market value.

For functional properties, depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated at 2% per annum on a straight line basis. Certain properties used by congregations are not reflected on the balance sheet, although legal title may be vested in the Union, as they were acquired a number of years ago and no record of their cost is available.

Depreciation of fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows :

	<i>Moravian Union</i>	<i>Fulneck School</i>
Freehold land and buildings	2%	N/A
Leasehold land and buildings	N/A	2%
Furniture and equipment	25-33.3%	10-15%
Computer equipment	N/A	33.3%
Motor vehicles	N/A	25%
Leased Assets	Over the life of the lease	

**Taxation**

For all charitable activities, the Church enjoys exemption from corporation tax under the Corporation Taxes Act 2010.

**Advance Fees Scheme**

Where the school offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract, the amounts received are invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financing costs include amounts accrued in accordance with the terms of the Advance Fees contracts.

**Fund Accounting**

Funds held by the charitable group are either:-

- Unrestricted general funds – these are funds which can be used for any purpose which is in accordance with the charity's objectives and at the discretion of the Trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for a specific future purpose or project. All sums applied to the purchase of property are classified as designated funds.
- Restricted funds – these are funds that can only be used for a particular purpose within the objects of the charity. Restrictions arise when specified by either the donor or by way of indication when certain funds are raised.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

1. **ACCOUNTING POLICIES (Continued)**

**Pensions**

The different entities of the Moravian Church run a variety of pension schemes. Further details of each scheme are shown in Note 19.

The Moravian Union has recognised discretionary pensions payable to retired ministers as an obligation. This liability was valued by The Moravian Union's actuaries (BWC1) as at 31 August 2016 and as at 31 August 2017. In accordance with FRS 102 the Trustees only consider engaging an independent actuary to perform a comprehensive actuarial valuation if they consider that the principal actuarial assumptions have changed significantly. If not, the defined benefit obligation is measured by adjusting the prior period measurement for changes in key employee demographics. Movements during the year are disclosed in note 19 to these financial statements. With effect from 31 December 2015 the discretionary scheme for active members was discontinued and replaced by a defined contribution scheme. The charitable company's liability under this scheme is limited to paying contributions as they arise and these costs are recognised in the accounts when the contributions fall due.

The Moravian Union contributes at the rate of 7% of pensionable salaries to the private pension plans of a number of employees. As the charitable company's liability under these schemes is limited to paying contributions due to the schemes at the appropriate time, these costs are recognised in the accounts when the contributions fall due.

A number of the professional staff employed at Fulneck and Ockbrook Schools participate in a multi-employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The TPS is a multi-employer pension scheme open to the School's teaching staff and it is not possible to identify the assets and liabilities of the scheme attributable to the School. The TPS is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The scheme is managed by the Department for Education. Contributions to defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable.

Ockbrook School also participated in The People's Pension. The People's Pension is a defined contribution scheme open to the School's non-teaching staff.

**Short-term debtors and creditors**

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event to make payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

1. **ACCOUNTING POLICIES (Continued)**

**Key Judgements and Estimates**

(i) **Financial instrument classification**

The classification of financial instruments, both assets and liabilities, as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes the type of investment or loan and its return. The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

Concessionary loans received are initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

(ii) **Useful lives of functional properties**

The remaining useful lives of depreciable properties are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

(iii) **Recognition and valuation of investment properties**

The classification of The Moravian Union's properties between functional and investment purposes requires judgement of the use of those properties. Management annually reviews the usage of properties and their classification is amended when necessary.

The market value of properties classified as investments is annually reviewed by management and, based on the condition of those properties, the value is adjusted using a recognised market indices.

(iv) **Valuation of retired ministers' defined benefit pension liability**

The assumptions underlying the pension scheme actuarial valuation are reviewed annually by the trustees. If they consider that the principal actuarial assumptions have not changed significantly no adjustment will be made to the provision. It is intended that the actuary will recalculate the liability triennially. However, as a result of the impact of COVID on the activities of the Group, the next actuarial valuation has been delayed until 31 August 2022.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	2021	2020
	£	£	£	£	£
Mrs E M Bates Trust	315,062	-	-	315,062	324,064
Grants	-	-	484,898	484,898	499,340
Donations and Legacies	7,526	-	824,590	832,116	704,857
The London Mission in Aid of Moravian Mission	63,000	-	-	63,000	65,000
	<u>£385,588</u>	<u>£-</u>	<u>£1,309,488</u>	<u>£1,695,076</u>	<u>£1,593,261</u>

Restricted grant income includes coronavirus job retention fund furlough grants of £40,435 in respect of Ockbrook School and £285,585 in respect of Fulneck School.

**3. OTHER TRADING ACTIVITIES**

Trading activities	-	-	-	-	-
Fundraising events	-	-	133,509	133,509	116,109
	<u>£-</u>	<u>£-</u>	<u>£133,509</u>	<u>£133,509</u>	<u>£116,109</u>

**4. INVESTMENT INCOME**

Quoted Securities	110,161	5,442	84,090	199,693	143,622
Rents Receivable	778,232	-	159,549	937,781	926,328
Bank Interest	258	-	5,060	5,318	16,080
	<u>£888,651</u>	<u>£5,442</u>	<u>£248,699</u>	<u>£1,142,792</u>	<u>£1,086,030</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

School Fees					
Fulneck School	-	-	3,143,952	3,143,952	3,656,363
Ockbrook School	-	-	2,956,504	2,956,504	3,286,977
	-	-	6,100,456	6,100,456	6,943,340
Congregational Activities	-	-	16,070	16,070	101,243
Unity Income	-	-	14,771	14,771	11,303
Book Sales	17,219	-	3,840	21,059	19,125
Other Activities	12,932	5,900	95,910	114,742	87,934
	<u>£30,151</u>	<u>£5,900</u>	<u>£6,231,047</u>	<u>£6,267,098</u>	<u>£7,162,945</u>

**6. OTHER INCOME**

Gain on disposal of fixed assets	71,184	-	-	71,184	-
Net liabilities transfer	-	-	808,294	808,294	-
Insurance proceeds	-	-	-	-	144,504
	<u>£71,184</u>	<u>£-</u>	<u>£808,294</u>	<u>£879,478</u>	<u>£144,504</u>

The net liabilities transfer represents the value of the net liabilities of Ockbrook School leaving group control on the 28 July 2021 when it was put into Administration. See note 22 for details.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**7. EXPENDITURE**

	Costs of Raising Funds		Charitable Activities			Support Costs	Total 2021	Total 2020
	Fundraising Trading Activities	Investment Management Costs	Education Costs	Ministry and Congregations				
				Domestic	Overseas			
£	£	£	£	£	£	£	£	
Fulneck School General Education Costs	-	-	471,337	-	-	-	471,337	158,905
Ockbrook School General Education Costs	-	-	278,404	-	-	-	278,404	281,154
Congregation Fundraising Activities	4,314	-	-	-	-	-	4,314	13,744
Ministry	-	-	-	611,490	-	-	611,490	642,165
Grants and Projects	-	-	-	40,364	145,031	-	185,395	302,138
Burial Ground Costs	-	-	-	2,718	-	-	2,718	3,122
Estate Management Costs	-	677,601	-	-	-	-	677,601	599,572
Pensions and Tax	-	-	-	-	-	-	-	-
Staff Costs	22,222	-	4,648,488	133,534	28,232	1,079,073	5,911,549	6,379,052
Advertising and Marketing	55,835	-	-	-	-	790	56,625	77,231
Ministers Travel	-	-	-	18,764	-	-	18,764	27,773
Ministerial Training	-	-	-	29,103	-	-	29,103	17,205
Other Ministerial Costs	-	-	-	13,493	-	-	13,493	18,157
Archive Costs	-	-	-	51,616	-	-	51,616	50,105
Brokers Fees	-	36,146	-	-	-	-	36,146	34,560
Honorariums	500	-	-	14,856	-	-	15,356	14,827
Provision for Doubtful Debts	14,741	-	-	-	-	24,524	39,265	195,373
Youth and Children	-	-	-	39,773	-	-	39,773	45,046
Audit	-	-	-	4,800	-	31,920	36,720	57,620
Accounting	-	-	-	-	-	-	-	3,233
Bank Charges	23,894	-	-	2,266	-	-	26,160	23,665
Interest	25,698	-	-	-	-	39,486	65,184	23,142
Hire Purchase Finance Charges	-	-	-	-	-	-	-	-
Depreciation	-	-	177,252	7,723	-	42,275	227,250	1,546,948
Book Purchases	-	-	-	14,753	-	-	14,753	13,829
Subscriptions and Licences	-	-	-	18,216	-	16,244	34,460	29,499
Messenger	-	-	-	22,580	-	-	22,580	20,635
Stationery and Postage	-	-	-	5,674	-	57,663	63,337	79,614
Premises (cleaning, repairs, security, light, power and utilities)	21,525	15,752	417,585	374,694	-	34,177	863,733	1,119,244
Legal & Professional	-	-	-	258,384	-	1,215,244	1,473,628	128,477
Photocopier Lease	-	-	-	-	-	-	-	-
Computer Software Maintenance & Licences	-	-	-	-	-	76,855	76,855	58,239
Communications	-	-	-	-	-	5,138	5,138	5,188
Insurance	-	-	85,662	60,184	-	10,451	156,297	136,937
Ministers Removal Costs	-	-	-	13,225	-	-	13,225	3,624
Synod	-	-	-	27,241	-	-	27,241	472
Church House Assessments	-	-	-	-	-	-	-	-
Other Congregations Costs	-	-	-	49,520	-	-	49,520	79,018
Other Office Costs	-	-	-	604	-	718	1,322	1,669
	168,729	729,499	6,078,728	1,815,575	173,263	2,634,558	11,600,352	12,191,182
Apportioned Support Costs (based on staff time)	-	-	2,441,379	168,066	25,113	(2,634,558)	-	-
<b>Total 2021</b>	<b>£168,729</b>	<b>£729,499</b>	<b>£8,520,107</b>	<b>£1,983,641</b>	<b>£198,376</b>	<b>£-</b>	<b>£11,600,352</b>	<b>£12,191,182</b>
<b>Total 2020</b>	<b>£154,273</b>	<b>£663,962</b>	<b>£9,102,022</b>	<b>£2,043,151</b>	<b>£227,774</b>	<b>£-</b>	<b>£12,191,182</b>	

All grants are made to charitable institutions and are to help fund the ministry and congregations. They range in value from £200 to £50,000.

Legal & professional fees in support costs include Ockbrook School winding up costs of £1,182,936 and is made up primarily of potential employee claims of £969,948 which remain a liability of the School on leaving the Group.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## 8. STAFF COSTS

	Moravian Church	Moravian Union	Fulneck School	Ockbrook School	2021 Total	2020 Total
	£	£	£	£	£	£
Gross Pay	435,469	196,486	2,698,650	1,918,284	5,248,889	5,640,688
Social Security Costs	47,171	19,124	223,961	171,272	461,528	508,738
Pension Costs	74,258	11,957	386,731	336,700	809,646	877,395
	556,898	227,567	3,309,342	2,426,256	6,520,063	7,026,821
Pensions to ministers	-	-	-	-	-	-
Other staff costs	-	-	-	-	-	5,502
	£556,898	£227,567	£3,309,342	£2,426,256	£6,520,063	£7,032,323
Included in Note 7 as follows:						
Staff Costs	-	175,951	3,309,342	2,426,256	5,911,549	6,379,052
Pensions & Tax	-	-	-	-	-	-
Archive Costs	-	51,616	-	-	51,616	50,105
Ministry	518,112	-	-	-	518,112	562,856
Ministerial Training	701	-	-	-	701	872
Youth and Children	38,085	-	-	-	38,085	39,438
	£556,898	£227,567	£3,309,342	£2,426,256	£6,520,063	£7,032,323
Average Staff Numbers:					No.	No.
Teaching	-	-	66	80	146	154
Ministers	14	-	-	-	14	14
Other	3	4	37	8	52	49
	17	4	103	88	212	217

Number of employees earning in excess of £60,000 during the period were as follows:

Between £70,001 - £80,000	-	-	1	-	1	-
Between £80,001 - £90,000	-	-	-	1	1	1
Between £90,001 - £100,000	-	-	-	-	-	1
Between £100,001 - £110,000	-	-	-	-	-	-

The Key Management Personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any trustee of the Charity. Key Management Personnel of the Moravian Church are considered to be the members of the Provincial Elders' Conference, who are also the trustees. The Trustees are not remunerated for their services as such. However, the regulations and practice of Synod allows serving ministers and Church House staff to be elected to the Provincial Elders' Conference and to continue to receive their stipends/salaries. During the period the following emoluments (including benefits) were paid.

	2021 £	2020 £
Mr. M. Kernohan	-	21,131
Miss R. M. A. Hoey	33,374	35,329
	£33,374	£56,460

An amount of £6,289 (2020: £12,766) was reimbursed to the Trustees for travel expenses incurred during the period.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. TANGIBLE FIXED ASSETS**

GROUP	Land and Buildings £	Furniture, Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
Brought Forward	9,895,687	1,561,129	17,895	11,474,711
Additions	-	26,498	-	26,498
Disposals	(210,856)	(188,478)	-	(399,334)
At 31 August 2021	9,684,831	1,399,149	17,895	11,101,875
<b>Depreciation</b>				
Brought Forward	5,045,639	1,334,177	7,235	6,387,051
Charge for period	165,911	55,376	5,963	227,250
Depreciation on disposals	(21,573)	(227,086)	-	(248,659)
At 31 August 2021	5,189,977	1,162,467	13,198	6,365,642
<b>Net Book Value</b>				
At 31 August 2021	£4,494,854	£236,682	£4,697	£4,736,233
At 31 August 2020	£4,850,048	£226,952	£10,660	£5,087,660
<b>PARENT</b>				
<b>Cost</b>				
Brought Forward	386,172	-	21,413	407,585
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2021	386,172	-	21,413	407,585
<b>Depreciation</b>				
Brought Forward	7,723	-	21,413	29,136
Charge for period	7,723	-	-	7,723
Depreciation on disposals	-	-	-	-
At 31 August 2021	15,446	-	21,413	36,859
<b>Net Book Value</b>				
At 31 August 2021	£370,726	£-	£-	£370,726
At 31 August 2020	£378,449	£-	£-	£378,449

Part of the above Land and Buildings are subject to Mortgages – see Note 15. Certain properties used by congregations are not reflected on the balance sheet, although legal title is vested in the Moravian Union, as they were acquired a significant number of years ago and no record of their cost is available.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**10. INVESTMENT PROPERTIES**

	2021	2020
	£	£
<b>Market Value</b>		
At 1 September 2020	18,842,160	18,338,448
Transfer from Tangible Fixed Assets	-	166,205
Disposal Proceeds	-	(300,487)
Realised gain on disposal	-	90,532
Unrealised Revaluation Gains/(Losses)	5,457,823	547,462
At 31 August 2021	<u>£24,299,983</u>	<u>£18,842,160</u>

The Moravian Union's estates properties were valued on 3 July 2015 by an independent valuer, SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors. The valuation was a desktop appraisal of market value based on information on the condition of the properties supplied by the Moravian Union's estate manager, John Forrester Ltd. Investment property valuations as at 31 August 2021 are based on the valuation adjusted by the Halifax Seasonally Adjusted Regional House Price Quarterly Indices published by the Lloyds Banking Group. As a result of Ockbrook School entering Administration on 28 July 2021, the market values of two investment properties previously occupied by the School at peppercorn rent became available for rent or sale and their values increased significantly. Consequently, The Grange and The Mount were revalued by £3,300,000 in aggregate.

**11. INVESTMENTS**

GROUP - LISTED INVESTMENTS	Total 2021	Total 2020
	£	£
Carrying Value at Beginning of Year	4,770,474	4,921,434
Additions	1,554,101	2,450,586
Disposal Proceeds	(1,676,908)	(2,452,897)
Realised Gains/(Losses)	142,165	(59,016)
Unrealised Gains/(Losses)	665,275	(89,633)
Carrying Value at 31 August 2021	<u>£5,455,107</u>	<u>£4,770,474</u>

The following investments individually represented more than 5% of the total market value of the portfolio:

	2021	2020
	£	£
The Charities Property Fund	<u>£425,150</u>	<u>£413,558</u>

**12. STOCK  
Group**

	2021	2020
	£	£
Moravian Union	16,706	15,011
Schools Stocks	14,671	21,578
	<u>£31,377</u>	<u>£36,589</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## 13. DEBTORS

	Group		Parent	
	2021	2020	2021	2020
	£	£	£	£
Trade Debtors	65,914	170,602	-	-
Amounts due from related Organisations	-	-	99,135	91,522
Other Debtors	91,346	61,907	18,585	23,303
Prepayments and Accrued Income	191,039	205,454	-	-
Agents Balances	40,092	62,235	-	-
Rent Due	37,437	35,605	-	-
	<u>£425,828</u>	<u>£535,803</u>	<u>£117,720</u>	<u>£114,825</u>

## 14. CREDITORS: Amounts falling due in less than one year

	Group		Parent	
	2021	2020	2021	2020
	£	£	£	£
Loans and Overdrafts				
Bank Loans	576,221	52,146	65,056	22,219
Trade Creditors	71,851	65,373	-	-
Amounts due to related Organisations	-	-	223,703	200,964
Other Creditors	2,033,183	1,033,582	1,586	19,113
Social Security and other Taxes	141,192	447,065	-	-
Accruals and Deferred Income	277,788	325,503	184,844	187,560
Fees in advance	807,485	1,404,412	-	-
Hire Purchase Contract	-	4,433	-	-
Bates Trust Loan	49,431	48,843	-	-
	<u>£3,957,151</u>	<u>£3,381,357</u>	<u>£475,189</u>	<u>£429,856</u>

Other creditors include an advance drawn down by the Moravian Union of £1,975,200 (2020:£850,000) from UBS secured against the investment portfolio. The drawdown is subject to interest at 1.75% above the UBS cost of funding the Call Loan for the relevant interest period and for the relevant currency and is repayable on demand. The market value of the investment portfolio managed by UBS at the year end amounted to £3,793,024.

Deferred Income consists entirely of fees in advance.

	Group		Parent	
	2021	2020	2021	2020
	£	£	£	£
Balance brought forward	1,404,412	1,998,221	-	-
Rent and School Fees received in advance	807,485	1,404,412	-	-
Released to revenue during the year	<u>(1,404,412)</u>	<u>(1,998,221)</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u>£807,485</u>	<u>£1,404,412</u>	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## 15. CREDITORS: Amounts falling due in more than one year

Group	1 – 2 years £	2 – 5 years £	More than 5 years £	2021 £
Bank Loans - Fulneck School	20,608	60,334	39,368	120,310
- Moravian Union	59,818	184,891	257,644	502,353
	80,426	245,225	297,012	622,663
Bates Trust Loan	50,935	159,379	48,957	259,271
Other Creditors	-	-	-	-
	<b>£131,361</b>	<b>£404,604</b>	<b>£345,969</b>	<b>£881,934</b>

Group	1 – 2 years £	2 – 5 years £	More than 5 years £	2020 £
Bank Loans - Fulneck School	10,552	63,323	60,319	134,194
- Ockbrook School	102,727	319,593	383,556	805,876
	113,279	382,916	443,875	940,070
Bates Trust Loan	49,431	155,138	104,133	308,702
Other Creditors	77,249	-	-	77,249
	<b>£239,959</b>	<b>£538,054</b>	<b>£548,008</b>	<b>£1,326,021</b>

The Moravian Union as guarantor of the bank loans drawn down by its fellow subsidiary, Ockbrook School, assumed liability for those loans when the School went into Administration. The total value of those loans amounted to £993,442 of which £491,069 is repayable within 12 months of the year end. These loans are secured against Moravian Union properties

Fulneck School has one bank loan (2019), secured against the Fulneck School property which is owned by the Moravian Union.

In the preceding year, other creditors were predominantly fee deposits held in respect of Ockbrook School.

During 2017 a loan of £500,000 was extended to The Moravian Union by the Mrs EM Bates Trust. The loan was to provide investment funding to The Moravian Union to undertake a major fixed asset properties repair programme. The loan is to be repaid over a period of 10 years and is secured against 49 Creighton Avenue, a property currently valued at in excess of £1.3m. Interest is charged at 2% above base rate. The loan is considered a concessionary loan.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total 2021
	General	Designated		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	5,554	2,104,988	2,625,691	4,736,233
Investments	2,088,800	331,482	3,034,825	5,455,107
Investment Properties	-	24,299,983	-	24,299,983
Cash at bank and in hand	967,384	204,372	362,762	1,534,518
Other net assets/(liabilities)	(1,571,804)	(5,522,549)	(1,061,029)	(8,155,382)
	<u>£1,489,934</u>	<u>£21,418,276</u>	<u>£4,962,249</u>	<u>£27,870,459</u>
<b>Parent</b>				
Tangible fixed assets	-	-	370,726	370,726
Investments	-	-	117,248	117,248
Cash at bank and in hand	1,470	29,095	958,940	989,505
Other net assets/(liabilities)	-	(3,777)	(353,692)	(357,469)
	<u>£1,470</u>	<u>£25,318</u>	<u>£1,093,222</u>	<u>£1,120,010</u>
	Unrestricted Funds		Restricted Funds	Total 2020
	General	Designated		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	11,630	2,329,815	2,746,215	5,087,660
Investments	1,838,119	291,699	2,640,656	4,770,474
Investment Properties	-	18,842,160	-	18,842,160
Cash at bank and in hand	1,230,084	(565,138)	1,898,275	2,563,221
Other net assets/(liabilities)	(1,276,714)	(4,183,442)	(2,715,764)	(8,175,920)
	<u>£1,803,119</u>	<u>£16,715,094</u>	<u>£4,569,382</u>	<u>£23,087,595</u>
<b>Parent</b>				
Tangible fixed assets	-	-	378,449	378,449
Investments	-	-	88,169	88,169
Cash at bank and in hand	21,487	19,997	991,403	1,032,887
Other net assets/(liabilities)	(14,805)	-	(300,226)	(315,031)
	<u>£6,682</u>	<u>£19,997</u>	<u>£1,157,795</u>	<u>£1,184,474</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

17. **MOVEMENTS ON FUNDS**

GROUP AND PARENT 2021	Opening Balance At 01/09/20	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/21
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union							
Evangelical	157,493	8,135	(29,376)	14,465	-	22,740	173,457
Ministers emoluments	593,529	30,880	(15,880)	76,218	-	-	684,747
Education	97,865	11,876	(53,031)	9,748	-	48,611	115,069
Overseas	326,502	2,374	(2,373)	50,458	-	-	376,961
Property	1,688,509	48,722	(51,473)	217,897	-	-	1,903,655
Relief of poverty	2,986	68	(68)	449	-	-	3,435
Other	449,207	66,181	(183,005)	36,797	-	129,937	499,117
	<b>3,316,091</b>	<b>168,236</b>	<b>(335,206)</b>	<b>406,032</b>	<b>-</b>	<b>201,288</b>	<b>3,756,441</b>
Moravian Church (congregations) – Parent only	1,157,795	908,306	(471,876)	39,079	-	(540,082)	1,093,222
Fulneck School	730,475	3,647,441	(4,309,339)	-	-	(39,462)	29,115
Ockbrook School	(702,695)	3,969,274	(4,353,158)	-	-	1,086,579	-
Fulneck Choir House	67,716	37,780	(22,025)	-	-	-	83,471
	<b>4,569,382</b>	<b>8,731,037</b>	<b>(9,491,604)</b>	<b>445,111</b>	<b>-</b>	<b>708,323</b>	<b>4,962,249</b>
<b>DESIGNATED</b>							
Moravian Union							
Defined Benefit Pension Scheme	(4,040,934)	-	-	-	-	267,432	(3,773,502)
Ministers emoluments	(119,167)	8,915	(282)	5,985	-	-	(104,549)
Property	1,920,927	2,414	(2,610)	51,320	-	-	1,972,051
Investment Property – Cost	1,629,034	-	-	-	-	-	1,629,034
Investment Property – Revaluation	17,213,127	-	-	5,457,824	-	(1,093,422)	21,577,529
Other	1,916	13	(13)	285	-	-	2,201
Mission Renewal	90,194	-	-	-	-	-	90,194
	<b>16,695,097</b>	<b>11,342</b>	<b>(2,905)</b>	<b>5,515,414</b>	<b>-</b>	<b>(825,990)</b>	<b>21,392,958</b>
Moravian Church and Congregations – Parent only	19,997	-	(637,721)	-	-	643,042	25,318
	<b>16,715,094</b>	<b>11,342</b>	<b>(640,626)</b>	<b>5,515,414</b>	<b>-</b>	<b>(182,948)</b>	<b>21,418,276</b>
<b>GENERAL</b>							
Moravian Union	1,796,437	1,375,324	(1,462,660)	304,738	-	(525,375)	1,488,464
Moravian Church – Parent only	6,682	250	(5,462)	-	-	-	1,470
	<b>1,803,119</b>	<b>1,375,574</b>	<b>(1,468,122)</b>	<b>304,738</b>	<b>-</b>	<b>(525,375)</b>	<b>1,489,934</b>
	<b>£23,087,595</b>	<b>£10,117,953</b>	<b>£(11,600,352)</b>	<b>£6,265,263</b>	<b>£-</b>	<b>£-</b>	<b>£27,870,459</b>

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

17. **MOVEMENTS ON FUNDS (Continued)**

GROUP AND PARENT 2020	Opening Balance At 01/09/19	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/20
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union							
Evangelical	99,849	4,682	(21,147)	(4,825)	-	84,934	157,493
Ministers emoluments	609,148	14,920	(14,920)	(15,619)	-	-	593,529
Education	(35,252)	10,010	(57,724)	(1,950)	-	182,781	97,865
Overseas	336,598	2,277	(2,277)	(10,096)	-	-	326,502
Property	1,779,966	74,318	(122,465)	(43,310)	-	-	1,688,509
Relief of poverty	3,076	63	(63)	(90)	-	-	2,986
Other	319,709	37,732	(185,830)	(7,361)	-	284,957	449,207
	<u>3,113,094</u>	<u>144,002</u>	<u>(410,426)</u>	<u>(83,251)</u>	<u>-</u>	<u>552,672</u>	<u>3,316,091</u>
Moravian Church (congregations) – Parent only	1,203,651	1,259,762	(756,279)	4,597	-	(553,936)	1,157,795
Fulneck School (Restated)	867,699	4,062,843	(4,171,450)	-	-	(28,617)	730,475
Ockbrook School	817,292	3,402,774	(5,047,380)	-	-	124,619	(702,695)
Fulneck Choir House	53,142	39,295	(23,721)	-	-	(1,000)	67,716
	<u>6,054,878</u>	<u>8,908,676</u>	<u>(10,409,256)</u>	<u>(78,654)</u>	<u>-</u>	<u>93,738</u>	<u>4,569,382</u>
<b>DESIGNATED</b>							
Moravian Union							
Defined Benefit Pension Scheme	(4,306,007)	-	-	-	-	265,073	(4,040,934)
Ministers emoluments	(126,273)	8,574	(270)	(1,197)	-	-	(119,166)
Property	1,929,070	2,491	(2,340)	(8,294)	-	-	1,920,927
Investment Property – Cost	1,607,327	-	-	-	-	21,707	1,629,034
Investment Property – Revaluation	16,731,122	-	-	547,463	-	(65,458)	17,213,127
Other	1,973	13	(13)	(57)	-	-	1,916
Mission Renewal	90,306	-	(113)	-	-	-	90,193
	<u>15,927,518</u>	<u>11,078</u>	<u>(2,736)</u>	<u>537,915</u>	<u>-</u>	<u>221,322</u>	<u>16,695,097</u>
Moravian Church and Congregations – Parent only	10,240	9,623	(681,161)	-	-	681,295	19,997
	<u>15,937,758</u>	<u>20,701</u>	<u>(683,897)</u>	<u>537,915</u>	<u>-</u>	<u>902,617</u>	<u>16,715,094</u>
<b>GENERAL</b>							
Moravian Union	2,678,012	1,173,424	(1,088,728)	30,084	-	(996,355)	1,796,437
Moravian Church – Parent only	15,935	48	(9,301)	-	-	-	6,682
	<u>2,693,947</u>	<u>1,173,472</u>	<u>(1,098,029)</u>	<u>30,084</u>	<u>-</u>	<u>(996,355)</u>	<u>1,803,119</u>
	<u>24,686,583</u>	<u>10,102,849</u>	<u>(12,191,182)</u>	<u>489,345</u>	<u>-</u>	<u>-</u>	<u>23,087,595</u>

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS FOR EQUIPMENT**

Group	2021 £	2020 £
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:		
Less than One Year	63,978	162,379
Between One and Five Years	77,652	141,975
After more than Five Years	991	2,578
	<u>£142,621</u>	<u>£306,932</u>

No obligations arise in the parent.

**19. PENSIONS**

*Moravian Union/Moravian Church*

The Moravian Church through the Moravian Union operates three pension schemes,

(i) Defined benefit pension scheme

Under this scheme discretionary pensions were paid to retired ministers in service prior to 31 August 2010 in accordance with the rules established by Synod, provided sufficient funds were available. The assets used to pay these pensions are not held separately from other funds of the Charitable Company. As a result of a resolution passed at the 2016 British Provincial Synod, The Moravian Union has recognised these pensions as an obligation and has obtained an actuarial valuation of the liability at the 31 August 2017.

**Employee benefit obligations for the Moravian Church in respect of the Liability**

The amounts recognised in the Balance Sheet are as follows:

	31/08/2021 £	31/08/2020 £
Fair value of Liability Assets	-	-
Present value of funded obligations	<u>(3,773,502)</u>	<u>(4,040,934)</u>
Net (under) / overfunding in Liability	<u>£(3,773,502)</u>	<u>£(4,040,934)</u>
Unrecognised assets	-	-
Net Defined Benefit Asset / (Liability)	<u>£(3,773,502)</u>	<u>£(4,040,934)</u>

The amounts recognised in Profit or Loss are as follows:

	31/08/2021 £
Service cost	-
Cost of benefit changes	-
Curtailment costs / (gains)	-
Settlement costs / (gains)	-
Net Interest on Net Defined Benefit Liability	-
Expense recognised in Profit or Loss	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

19. **PENSIONS (Continued)**

The Moravian Union contributed £267,432 to fund the payment of benefits over the year from 1 September 2020 to 31 August 2021. No contributions were made by members over the period as the Liability is an unfunded arrangement.

No contributions are expected from the Church or from members over the next year from 1 September 2021 to 31 August 2022. The Liability is unfunded and pensions are paid directly by the Moravian Union.

**Changes in the present value of the Liability's Defined Benefit Obligation are as follows:**

	31/08/2021	31/08/2020
	£	£
Opening Defined Benefit Obligation	4,040,934	4,306,007
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(267,432)	(265,073)
Interest on obligation	-	-
Experience losses / (gains)	-	-
Losses / (gains) from changes in assumptions	-	-
Closing Defined Benefit Obligation	<u>£3,773,502</u>	<u>£4,040,934</u>

The weighted average duration of the liabilities of the Liability was 14 years as at 31 August 2017.

**Employee Benefit Obligations for The Moravian Union in Respect of the Liability**

Changes in the fair value of the assets are as follows:

	31/08/2021	31/08/2020
	£	£
Opening fair value of Liability assets	-	-
Interest on assets	-	-
Return on assets (not included in interest)	-	-
Assets distributed on settlements	-	-
Contributions by Moravian Union	-	-
Contributions by members	-	-
Benefits paid	-	-
Administration expenses	-	-
Closing fair value of Liability assets	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

19. **PENSIONS (Continued)**

Principal actuarial assumptions used for the FRS 102 disclosures:

	31/08/2017	31/08/2016
	% pa	% pa
Discount rate at end of year	2.40	1.90
Rate of increase in deferred pensions (LPI 3%)	2.60	2.30
Rate of increase in deferred pensions (LPI 4%)	3.00	2.70
Rate of increase in pensions in payment (LPI 3%)	2.60	2.30
Rate of increase in pensions in payment (LPI 4%)	3.00	2.70

**Mortality Assumptions**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female.

For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 88 if they are male and until age 91 if female.

(ii) Active ministers defined contribution scheme

With effect from 31 December 2015 the discretionary scheme for active ministers was discontinued and replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the previous scheme, which were recognised as obligations by Synod during the preceding year, have been calculated and index linked to retirement as part of the actuarial valuation.

(iii) Other employees personal pension plans

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 7% of pensionable salaries to each plan. The employer's contribution in the year was £11,957 (2020: £12,160).

*Ockbrook School and Fulneck School*

The Schools participate in the Teachers' Pension Scheme (England and Wales) ("the TPS") for their teaching staff.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**19. PENSIONS (Continued)**

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2016 and was published in March 2019. This valuation confirmed that the employer contribution rate would be 23.68% with effect from September 2019.

The pension charge for the year includes contributions payable to the TPS of £681,987 (2020: £752,442) and at the year-end £45,980 (2020 - £119,408) was accrued in respect of contributions to this scheme.

Pension costs for the year are disclosed in note 8.

**The People's Pension**

The People's Pension is a defined contribution multi-employer occupational pension scheme. The pension charge for the year includes contributions payable to The People's Pension of £15,716 (2020: £22,975) and at the year-end £nil (2020 - £nil) was accrued in respect of contributions to this scheme.

**Opt Pensions**

Fulneck School participates in a support staff pension scheme that is regulated by Opt Pensions which is an auto enrolment scheme whereby the school contributes 5% of gross earnings. The pension charge for the year includes contributions payable to Opt Pensions of £25,728 (2020: £27,527).

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

20. RELATED ORGANISATIONS

Two of the Moravian Church's Trustees are also Trustees of the London Association in Aid of Moravian Missions. The group received the following amounts from related parties during the period:-

	2021 £	2020 £
Mrs E.M. Bates Trust	<u>£315,110</u>	<u>£324,064</u>
The London Mission in Aid of Moravian Missions	<u>£63,000</u>	<u>£61,000</u>
At 31 August 2021, the following balances were outstanding:-		
Due from Mrs E.M. Bates Trust	<u>£71,110</u>	<u>£80,020</u>
Due to Mrs E.M. Bates Trust	<u>£308,702</u>	<u>£357,545</u>

In appropriate cases, the charity makes car loans available to ministers and staff. Amounts outstanding from members of the committee of management were as follows.

	2021 £	2020 £
Miss R. M. A. Hoey	<u>-</u>	<u>729</u>
	<u>£-</u>	<u>£729</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

## 21. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds		Restricted	Total
	General	Designated	Funds	2020
	£	£	£	£
<b>Income and endowments from:</b>				
Donations and Legacies	403,095	-	1,190,166	1,593,261
Other Trading Activities	-	-	116,109	116,109
Investments	792,621	14,867	278,542	1,086,030
	1,195,716	14,867	1,584,817	2,795,400
<b>Charitable activities</b>	32,796	5,834	7,124,315	7,162,945
<b>Other</b>	-	-	144,504	144,504
<b>Total income</b>	1,228,512	20,701	8,853,636	10,102,849
<b>Expenditure On:</b>				
<b>Raising Funds</b>				
Fundraising trading: cost of goods sold and other costs	-	-	(154,273)	(154,273)
Investment management costs	(614,823)	(2,623)	(46,516)	(663,962)
	(614,823)	(2,623)	(200,789)	(818,235)
<b>Charitable Activities</b>	(538,246)	(681,274)	(10,153,427)	(11,372,947)
<b>Total expenditure</b>	(1,153,069)	(683,897)	(10,354,216)	(12,191,182)
<b>Gains/(Losses) on investment Assets</b>	30,084	537,915	(78,654)	489,345
<b>Net income/(expenditure)</b>	105,527	(125,281)	(1,579,234)	(1,598,988)
<b>Actuarial Gains/(Losses) on Defined Benefit Pension Scheme</b>	-	-	-	-
<b>Transfers between reserves</b>	(996,355)	902,617	93,738	-
	(890,828)	777,336	(1,485,496)	(1,598,988)
<b>Total Funds Brought Forward (Restated)</b>	2,693,947	15,937,758	6,054,878	24,686,583
<b>TOTAL FUNDS CARRIED FORWARD</b>	£1,803,119	£16,715,094	£4,569,382	£23,087,595

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**22. IMPACT OF THE COVID-19 PANDEMIC**

As with many other entities, the COVID-19 pandemic has had, and is likely to have in the future, a significant impact on the financial performance of the Group and the individual entities within the Group. The Trustees have reviewed the projected performance and financial position of the Group and the entities within the Group and are of the opinion that both the parent charity and its subsidiary, The Moravian Union, will remain going concerns for the foreseeable future.

On 28 July 2021 Ockbrook School, a fellow subsidiary of the Moravian Union, was put into administration. The Moravian Union acted as guarantor in respect of the School's loans from NatWest Bank, which are secured on properties owned by the Moravian Union. In accordance with a payment plan agreement dated 26 July 2021, the Moravian Union agreed to assume responsibility for repayment of the outstanding loans. The aggregate value of the loans was £1,093,422 in respect of three loans and the payment plan required an initial settlement of £100,000 prior to 31 August 2021 with clearance of the balance on two loans on the immediate sale of the Union's Lynton Mead property. Sale of that property was completed in September 2021 and a lump sum settlement of £432,135 was made.

The outstanding balance represents the balance on the Ockbrook School loan originally drawn down in 2015 and repayment terms are in accordance with that original agreement, unless additional funds become available for earlier settlement. This bank loan is repayable in monthly instalments of £5,610 which include interest charged at rates of 1.5%pa and at 1.86% over bank base rate pa.

The outstanding loan balance is secured by two Moravian Union properties at the Ockbrook Settlement site, The Grange and The Mount. These have previously been carried as investment properties at negligible value in the books of the Moravian Union but as a result of the closure of the School, the properties are now available and it is the Trustees intention to market the two properties either to lease or sell to a third party. Non-binding offers for the two properties have already been received and as a result the Trustees have included a prudent revaluation gain of £3,300,000 in aggregate.

The Trustees of the Moravian Church are also considering the long-term financial viability of Fulneck School. This has involved providing substantial financial support to the School via the Moravian Union. At the date of signing these financial statements loans to Fulneck School amount to £1,469,234. In addition, the Moravian Union acts as guarantor in respect of Fulneck School's loans from RBS.

After considering the Charity's reserves, held primarily within the Moravian Union which acts as the asset holding body of the Moravian Church, and future cash flow forecasts for a period well in excess of 12 months from the date of approval of these financial statements, the Trustees are confident that the assets of the Church are sufficient to meet these liabilities as they arise.

Appendix 1

**MORAVIAN CHURCH**  
**PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and Legacies	-	175,000	611,607	786,607	893,907
Other Trading Activities	-	-	86,763	86,763	54,349
Investments	250	10,644	182,858	193,752	243,631
	250	185,644	881,228	1,067,122	1,191,887
<b>Charitable activities</b>	-	-	75,266	75,266	145,042
<b>Other</b>	-	-	-	-	144,504
<b>Total income</b>	250	185,644	956,494	1,142,388	1,481,433
<b>Expenditure On:</b>					
<b>Raising Funds</b>					
Fundraising trading: cost of goods sold and other costs	-	-	(4,314)	(4,314)	(13,744)
Investment management costs	-	-	(13,144)	(13,144)	(27,741)
	-	-	(17,458)	(17,458)	(41,485)
<b>Charitable Activities</b>	(5,462)	(646,250)	(576,761)	(1,228,473)	(1,485,300)
<b>Total expenditure</b>	(5,462)	(646,250)	(594,219)	(1,245,931)	(1,526,785)
Gains/(losses) on investment assets	-	-	39,079	39,079	-
Net income/(expenditure)	(5,212)	(460,606)	401,354	(64,464)	(45,352)
Transfers	-	465,927	(465,927)	-	-
<b>NET MOVEMENT IN FUNDS</b>	(5,212)	5,321	(64,573)	(64,464)	(45,352)
Total Funds Brought Forward	6,682	19,997	1,157,795	1,184,474	1,229,826
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>£1,470</b>	<b>£25,318</b>	<b>£1,093,222</b>	<b>£1,120,010</b>	<b>£1,184,474</b>

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

**THE BRITISH PROVINCE OF THE UNITAS FRATRUM (MORAVIAN CHURCH)**

England & Wales - Charity number 251211

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# Accounts

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**THE BRITISH PROVINCE OF THE UNITAS FRATRUM**

**operating as  
THE MORAVIAN CHURCH**

**Charity Number: 251211**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2020**

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees of the Moravian Church present their report and the consolidated financial statements for the year ended 31 August 2020 of the charity, the Moravian Church (The British Province of the Unitas Fratrum), which consolidate the results and net assets of the Church, its Congregations, its subsidiary charitable companies (The Moravian Union (Incorporated), Fulneck School, Ockbrook School) and Fulneck Choir House. The report and audited financial statements comply with the Charities Act 2011, the Charities Report and Accounts Regulations 2008, the Book of Order, the Charities SORP 2019 and FRS 102.

**LEGAL AND ADMINISTRATIVE DETAILS :**

The British Province of the Unitas Fratrum, generally known as the Moravian Church, which was established by Act of Parliament in 1749, is a registered charity, No. 251211. The Church is governed by a Book of Order as approved by Provincial Synod which consists of a biennial gathering of the provincial board, the clergy, one representative from each congregation per one hundred and fifty members and ex-officio as per the Book of Order.

The Committee of Management, who are the trustees of the charity (and directors in company law of the subsidiary charitable company), are elected by Synod. The Book of Order (constitution) requires the Committee to act in accordance with resolutions of Synod.

The Provincial Board (Committee of Management) for the year ended 31 August 2020 and subsequently comprised:

Miss R. M. A. Hoey\*  
 Rev. P. M. Holdsworth  
 Rev. D. R. Howarth  
 Mr M Kernohan\* (Appointed 15 June 2019)  
 Mrs Z. M. Taylor  
 Rev. Dr. L. Thompson

\* Responsible for the day to day management of the Charity's affairs.

**The Registered Office:** Moravian Church House  
 5-7 Muswell Hill  
 London N10 3TJ

**Investment Advisors:** UBS  
 1 Curzon Street,  
 London W1J 5UB

Vestra Wealth LLP  
 14 Cornhill  
 London EC3V 3NR

**Bankers:** CAF Bank Limited  
 PO Box 289  
 Kings Hill  
 Kent ME19 4TA

Each subsidiary and branch have the power to appoint their own bank. Only the main banker is disclosed above.

**Solicitors:** Cripps Harries Hall  
 Wallside House  
 12 Mt. Ephraim Road  
 Tunbridge Wells,  
 Kent TN1 1EG

**Auditors:** Knox Cropper LLP  
 Chartered Accountants  
 65 Leadenhall Street  
 London EC3A 2AD

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The Charity's constitution is defined by the Book of Order which is approved by Synod and can only be amended by Synod.

**Group Structure**

The Moravian Church controls a number of related organisations including:

- the Moravian Union (company number 00133708), a company limited by guarantee, which holds the assets and administers the affairs of the Church.
- two independent schools, Ockbrook School (company number 05086591) and Fulneck School (company number 05086581), both of which are companies limited by guarantee.
- thirty congregations, two societies and one fellowship, and;
- One choir house.

Further details of The Moravian Union and the Schools are available in their statutory accounts on request.

These accounts consolidate the results and net assets of all these organisations.

**Procedures for the Recruitment and Appointment of Trustees**

The Book of Order, Section 3.1 states that the PEC consists of six members of the Moravian Church in the British Province, two serving in a full-time stipendiary capacity and four serving in a non-stipendiary capacity, part time. As part of its brief the PEC acts as the Board of Trustees (and Board of Directors) of the Moravian Union. Synod is the body with the power to appoint and remove members of the Board. Provincial Elders serve for a term of four years and may be appointed to serve a further two terms. Appointment is by election at the biennial Moravian Church Synod. Vacancies during an inter-synod period shall be filled by a postal ballot election.

The Chair and Officers are appointed by the membership of the PEC from among their number. The Board convenes at least twelve times each year. Synod also elects members to the various standing and sub-committees which offer advice and support to the PEC. Each committee includes at least one Provincial Elder:

Finance Committee  
 Mission and Society Committee  
 Faith and Order and Ecumenical Relations Committee  
 Church Service Committee  
 Youth and Children's Committee  
 World Mission Committee  
 Church Book Committee

**Procedures for the Induction and Training of Trustees**

On appointment, each Provincial Elder signs a code of conduct and completes a register of interests. The latter is renewed biennially following each Synod. They are given a Trustee Handbook that includes the Book of Order, the Memorandum and Articles of Association of each subsidiary company, the risk register, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investments, reserves, conflicts of interest and other guidance. It contains job descriptions for Trustees, officers and staff and a copy of Charity Commission leaflet CC3, 'The essential trustee, what you need to know, what you need to do'. All Trustees are provided with training opportunities through external training courses to keep abreast of changes and of their responsibilities.

**Volunteers**

The Moravian Church has many committees covering its policy, education, congregational work etc. Without the many volunteers that serve on these committees we would not be able to carry out the wide variety of work that our congregations have come to rely on. No value can be placed on the many hours worked by volunteers.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

**Organisational Management**

The British Province of the Moravian Church is the registered charity for the activities of the Moravian Church operated by the British Province in the UK and beyond. Synod is the ultimate authority within the Church and it elects the Provincial Elders Conference (PEC) which acts on behalf of Synod in the inter-synod period and is the ultimate decision making body during that period. The PEC acts as the Moravian Church's board of trustees and meets on a monthly basis. Responsibility for the day to day management of the charity's affairs is delegated to the two full time members of the PEC.

Responsibility for control of each school is delegated to their respective board of governors whilst responsibility for the day-to-day affairs of each congregation is delegated to the local congregational committees.

**Risk Management**

The PEC has reviewed during the year, an assessment of the risks to which the charity is exposed, particularly business, operational and financial risks, and the process of introducing procedures and a reporting regime to manage and reduce identified risks is ongoing. The PEC has agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities.

Risks are defined as those that, without appropriate mitigation, are likely to negatively impact on the Moravian Church serving its purpose of proclaiming the Gospel of Jesus Christ. The trustees recognise that it is not possible to eliminate risk entirely. We recognise that risk taking is inherent in proclaiming the Gospel. Our task is to minimise negative impacts and allow the Church to serve its purpose.

We have identified significant risks and are taking steps to mitigate in the following ways:

- **Failure to encourage people into ordained ministry, results in further decline, resulting in the Moravian Church ceasing to exist:** The PEC with the support of the Church Service Committee continue to review and implement strategies to recruit people into ministry. This includes dedicated Church services and enquiry days. The Church Service Committee are currently reviewing the provision of materials for training lay people for service and have drafted resources for publication on opportunities for services as well as an understanding of ordained ministry.
- **Declining congregations and failure to grow resulting in congregation closures and ultimately the Moravian Church ceasing to exist:** The PEC have convened the 'Future Directions and Sustainability Taskforce' to consider the current framework of the Province and consider ways to move forward into the future.
- **Reputational damage which results in litigation and impacts on engagements with communities:** The PEC actively considers reputational damage as part of their strategy and planning. This provides the opportunity for identifying potential problems that could affect public perception, take remedial action where necessary and dictates how we communicate and manage expectations.
- **Dependency on limited income sources, shortfall for reserve and unforeseen shortfall on the pension funds:** The PEC continually monitors and reviews potential areas of weakness in our financial strategy and are supported by the Finance Committee who have the ability to convene emergency meetings if necessary. A Financial and Investment Risk Register is maintained.
- **Loss of key personnel:** The PEC recognises the importance of personnel for the effective running of the organisation and is currently reviewing the framework for people management promoting a transparent and supportive environment. Losses cannot always be avoided, and the PEC must respond quickly to ensure smooth transitions. Lack of Diversity and Inclusion: The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

- **Significant damage to historic buildings and archives:** The PEC work with the Estates manager and the Provincial Archivist to promote best practices for care and maintenance of historic buildings and archives.
- **Loss of significant and sensitive data:** The PEC continually monitors and reviews policies to ensure that we remain compliant with current legislative practices and seek to take remedial actions if weaknesses are identified. A recent audit has been completed to ensure compliance following the introduction of the General Data Protection Regulations.
- **Debt resulting from failed operation in the subsidiary companies:** The PEC has stepped up the oversight of the subsidiary companies with a view to ensuring that they remain going concerns.
- **Impact of the Covid-19 Pandemic:** The PEC has taken measures to ensure that congregations work within specific guidelines, procedures and best practice relating to the containment and mitigate of the pandemic.

**Pensions**

Following changes to legislation, the previous discretionary pension arrangements for ministers in service prior to 31 August 2010 have been replaced by a defined contribution pension scheme. This came into effect from 1 January 2016. All Ministers have been informed of their entitlement. Other Ministers and employees employed after 31 August 2010 hold defined contribution personal pension plans and contribute at rates chosen by themselves.

In addition, as disclosed in note 19, the 2016 British Provincial Synod resolved that with effect from 11 July 2016 the previously discretionary pension arrangements for ministers in service prior to 31 August 2010 were no longer discretionary and were to be recognised as an obligation of The Moravian Union up to 31 December 2015. The most recent actuarial valuation of the pension liability was completed on 3 October 2017 and calculated the liability to be £4,836,459.

**OBJECTS AND ACTIVITIES**

**Principal Objectives**

The Church's objective is to administer the affairs of the Moravian Church in its work for the Kingdom of God, in accordance with the will of Synod.

**Activities**

The parent charity's main activities consist of:

- (i) Ensuring a supply of ministers to congregations.
- (ii) Providing congregations with advice on complying with best practice under child protection regulations in the conduct of their work with young people.
- (iii) Advice to congregations on financial and administrative matters.
- (iv) Bishops, who are elected by Synod, but who are nonetheless employees of the Moravian Church, provide pastoral and spiritual guidance to congregations.
- (v) Administering the assets of the Church through its subsidiary company, The Moravian Union.
- (vi) Maintaining archives which relate to congregations of the Church and the British Province.
- (vii) By working with each School's Board of Governors and with the professionals employed in the schools, maintaining and further developing the standards of academic excellence and pastoral care offered by these establishments.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**OBJECTS AND ACTIVITIES (Continued)**

**Strategies**

To promote these activities the parent charity:

- (i) Organises the training of both ordained and lay preachers.
- (ii) Has developed and made available to congregations a procedures manual to regulate their work with young people. The Church also actively works with "APCS" to protect the interests of young people.
- (iii) Provides advice to congregations on the principles of sound administration again through bulletins and publications.
- (iv) The Church's investment assets, which are held by its subsidiary company, are administered with the assistance of professional fund managers. The Church's land and buildings (which are held by its subsidiary The Moravian Union) are administered through the services of a Chartered Surveyor with a view in both instances to maximising the returns available to the Church within the constraints imposed by the Church's charitable mission.
- (v) The Church, through its subsidiary company employs a full-time archivist who spends a portion of her time advising congregations on how to maintain their archives.

**Principal Objectives for the year ended 31 August 2020**

The trustees determined the following principal objectives for the year ended 31 August 2020:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and also the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- By maintaining close contact with each school's Board of Governors and senior staff to further develop the standards of academic excellence and pastoral care at both institutions.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

## **ACHIEVEMENTS AND PERFORMANCE**

### **How our activities deliver public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year. The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to our congregations and the public in general.

### **Review of the year**

We continue to focus on the essentials of our existence, which are to be found in the Ground of the Unity (Church Order of the Unitas Fratrum 1-11), and to try and achieve a proper balance between these essentials of being a church and the burdens of bureaucracy and finance. We remain confident that we can serve God effectively in the Province despite the limitations of being a small church. We continue to look for more effective ways of engaging in mission.

The trustees are in the process of developing a new strategic plan, reviewing all areas of our current activities, and setting new priorities to ensure sustainability and future growth. This will be presented and implemented in the run up to Provincial Synod 2020.

### **Congregations**

The Province comprises 30 congregations, 2 societies and 1 fellowship. The total membership of the Province is 1,200. There are approximately 900 adults and 70 children in church each Sunday.

Congregations are encouraged to address the need to develop new ways of engaging with the lives of those around them. Initiatives include café style church services, messy church and youth activities.

### **Ministry**

It is clear that, unless our congregations start to grow in membership, the present number of members will not be able to support paid ministry in the way that it has done in the past.

This will mean significant changes will have to be made by both congregations and for ministers. Congregations will have to take time to assess their strengths and weaknesses and seize the opportunities to grow. Efforts will have to be made to build the capacity of members to be more intentional in faith renewal and numerical growth. We will also need to review the way that ministers are trained and deployed, to ensure that we are making best use of our ministerial resources and taking advantage of growth opportunities.

Following a Synod resolution in 2018, the Provincial Board have set-up the 'Future Directions and Sustainability Taskforce' to consider the current framework of the Province and suggest more effective ways of organisation and work to ensure future Provincial sustainability. The Taskforce will provide an interim report at Synod 2020 with a final report and recommendations to be presented at Synod 2022.

### **Young people and children's work**

The Youth & Children's Officer offers resources and training for anyone working with children and young people in our churches; this is essential to ensure that all leaders are aware of the legal and good practice requirements of this sensitive area of work.

Given the geographical spread of our congregations it is extremely beneficial that this work is coordinated so that our young people feel a sense of belonging.

Summer Camp continues to draw young people from most areas of the Province but we recognise the need to secure increased numbers of attendees and a more attractive per capita cost.

Following a Synod resolution in 2016, an ad hoc committee was formed to review the current framework of youth and children's work in the British Province. They reported their findings at Synod 2018, which further tasked the Provincial Youth and Children's Committee with carrying out further assessments of individual congregations, assessing their needs and give help to identify and implement strategies to promote youth work.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

Synod 2018 also passed a resolution for a forum to be held for young adults and young people aged 14 – 26, to enable them to learn about the working of Synod and contribute ideas and thoughts to governance of the Church. This was held in October 2019.

**Schools**

The schools, which are registered companies with their own memoranda and articles of association, continue to perform well academically in a highly competitive market. The members of PEC act as trustees with the support of a local Board of Governors who have been delegated day to day responsibility.

There are approximately 700 pupils in our schools. Fulneck is fully co-educational and Ockbrook continues to phase-in the registration of boys into the senior school.

Public examination results continue to be a credit to both schools.

The trustees are continuing to reckon with the current challenges in the Independent School Market, where enrolment has seen a decline in recent years. As explained in note 22 of the financial statements, which explains the impact of the Covid-19 pandemic on the two schools, a decision was made on 28 July 2021 to put Ockbrook School into Administration. The Trustees are continuing to consider the long-term viability of Fulneck School by putting in place strategic plans to return to operational surplus.

**Choir House**

The Choir House at Fulneck, which is licensed as a house in multiple occupation, (HMO), sharing a common entrance hall, provides a number of comfortable, self-contained apartments.

As a set of Grade 1 listed buildings, maintenance and upgrading works are expensive and have to be overseen by listed building specialists.

We thank Br & Sr Davey who continue to take care of the building so capably and are available to the residents when needed. The trustees are currently working with Br & Sr Davey on succession plans for management of the property.

**Finances**

In common with many other denominations with a reducing membership, the Moravian Church is finding it a challenge to renew and grow beyond a maintenance level of operation. The per capita financial contribution being asked of members is increasing, even with delimiting efforts. We therefore commend congregations that find ways to increase their income in this difficult situation.

The Trustees are, therefore, extremely sensitive to the need to ensure careful, fiduciary oversight of our investments. Our portfolios are managed by UBS (Wealth Management UK) and Vestra Wealth LLP. A small group comprising the Provincial Treasurer along with the Chairman and two members of the Finance Committee, meet with the investment managers at least once each year to monitor performance. We make clear to fund managers that as a church we want to ensure that the companies in which our monies are invest meet the ethical and moral values we espouse. The Provincial Board has therefore developed an Ethical Investment Policy which will be continuously reviewed and monitored and will help guide our investment strategy.

As highlighted previously, an area in which we need to take actions was in regard to the pension commitment to workers. The current arrangement, which is consistent with charity regulations, in that all current and future stipendiary staff be included in a formal, contributory pension scheme. Congregations now contribute 5.5% of stipend to the pension fund.

Previously the pension arrangement was one in which discretionary payments were made to retired church servants and their spouses. During the 2017 British Provincial Synod it was resolved that these payments to retirees should be recognised as an obligation and not discretionary. An amount was therefore set aside from Provincial operations to cover this obligation. This sum is expected to fall overtime, since the numbers of individuals to whom this is paid will not be increasing.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Unity**

Our partnerships with South Asia and the Moravian Church in Western Tanzania continue to offer opportunities for members in this province to offer support to brothers and sisters in these developing areas of the Unity. At Unity Synod in 2016, South Asia was formally recognised as a Mission Area and is under the supervision of the British Province. The British Mission Board are working with ministers and lay workers in South Asia to develop a framework for development in the future and are currently working towards the creation of a Mission Province by 2022.

The overall financial support given to both South Asia and Tanzania may vary from year to year. However, the beneficiaries of direct support include ten workers and one school in South Asia and the Province of Western Tanzania.

In addition, we continue to offer an administration grant, albeit it at a reduced level, to the Jamaica Province to help them purchase Textbooks from the Bookroom. This is of mutual benefit as the Jamaican order increases our print run and reduces the unit cost of the books to everyone.

Support is also given to Elim Home in South Africa and the Star Mountain Rehabilitation Centre in Ramallah, Palestine. These are viewed as important works of the Moravian Church world-wide.

Individuals and groups such as the Moravian Women's Association, the Men's Fellowship and the YPMA give money to many other projects. We are constantly touched by the generosity of such gifts, which most recently included the donations to the 2017 Hurricane Appeal.

**Ecumenical**

As a province, we continue to play as full a role as possible in the national and four-nation bodies, with representation on Churches Together in England and Churches Together in Britain & Ireland. The National Ecumenical Officer was appointed by the Provincial Board to represent the Moravian Church at a National level and we are grateful for the work of Br Philip Cooper who currently serves in this capacity.

Br Mark Kernohan, in his role of Chair of the Irish District, sat on the Executive Board of the Irish Council of Churches and members of that District sit on various committees of the council. It is good to know that most congregations play their part in the local ecumenical scene, both formally and informally.

**Conclusion**

With no formal impact assessment procedures in place to assess a church, which has been serving communities for over 250 years, it is difficult to determine performance, even though we might be able to point to specific outcomes to satisfy the requirements of the Charity Commission. However, when we consider the number of members and significant financial contributions, which we have been able to make to support our mission locally and overseas, we could say that the Church is having significant impact.

There are two ways of looking at objectives and achievements, quantitatively or qualitatively. If we take the former view, it is clear that we have lost members and if that trend were to continue it would pose some risk to the sustainability of the Province. However, if we hold to the latter position which is a broader, deeper and perhaps more theological view, we can say that, in the present secular climate, our decline in numbers is no greater or less than in other denominations; our difficulties with meeting the demands for pensions, for example, are consistent with the situation in other similar institutions. Yet, despite these problems, we have continued to develop and offer ministry and pastoral care to our members; we have been able to show practical concern for those living in developing countries and those living with various disabilities.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

A major risk we face as a church is to fail to live up to the teachings of Jesus Christ in our dealings with each other and with those with whom we come into contact. The work of the Church can be described as being twofold: to nurture its members and develop their relationship with God and, reaching out to those in the wider community, to demonstrate the Christian message through our life and teaching.

The qualitative nature of our objectives is one that the Trustees consider to be at the heart of our existence as the Moravian Church. We pay tribute to the ongoing commitment and hard work of our ministers, the staff at the headquarters building and the numerous volunteers who offer such loyal service through their own congregations and without whom there would be no Moravian Church in these Islands.

We present this report as being a true reflection of our present position.

**REVIEW OF FINANCIAL POSITION**

The Statement of Financial Activities summarises the movements in all the Group's funds during the year.

This indicates that the group experienced net expenditure for the year of £1,598,988 compared to net income for the preceding year of £36,768. This result arises primarily due to the impact of the decision to close Ockbrook School which resulted in the write down of its leasehold improvements by £1,290,687. This year the Group recorded net losses on its investments of £148,649, although this was more than offset by the gain in value of investment properties which increased in value by £637,994. The Group has seen total income decrease by £927,811 to £10,102,849 where as total expenditure has increased by £973,622 to £12,191,182. Without the need to write down the carrying value of Ockbrook School's leasehold improvements, the Group would have seen a decrease in its overall expenditure.

The impact of the Coronavirus pandemic has been felt particularly by the two schools and by the congregations which are treated as part of restricted funds within these group financial statements and this is reflected in the result for the year leading to a decrease in restricted fund balances overall of £1,485,496.

The Balance Sheet indicates that, despite disclosing net current liabilities of £245,744, the financial position of the Group remains strong, having an investment portfolio in stocks and shares of £4,770,474 as well as a property portfolio held for investment purposes of £18,842,160.

Cash at bank and in hand has remained consistent at £2,563,221, partly as a result of current and long term liabilities of the group increasing by £747,931 as the Schools have borrowed in order to retain liquidity.

The Trustees review the group and individual entities reserves policies on an annual basis taking account of the total net assets of each entity and the group as a whole, proposed activities for the forthcoming year and their funding requirements.

**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**REVIEW OF FINANCIAL POSITION (Continued)**

**Investment Policy and Objectives**

Our investment policy is developed in consultation with the Finance Committee, which makes recommendations to the PEC. The present investment objective is to achieve a balanced return in the investment portfolio. The investment portfolio is managed by professional fund managers and consists entirely of listed securities. Investment decisions are based on an ethical stance with the Investment brokers being instructed to avoid specific commodities and prioritise those with reasonable environmental sensitivity.

The movement in market value of investments this year, both realised and unrealised, amounts to a loss of £148,649 or 3.0% of the brought forward value of the portfolio. Given the current economic climate as a result of COVID-19, the Charity's ethical investment stance and its income requirements, the Trustees consider the portfolio's performance to be reasonable, particularly as the financial markets have continued to recover since the year end.

The investment properties represent the managed estates and are held to generate rental income for the Moravian Union. The current market value of investment property is in the region of £18,842,160 and net rental income is £162,301 compared to the preceding financial year with net rental income of £83,473. Net rental income will fluctuate year on year depending on the level of maintenance work required on the estate's properties.

**Fundraising Policy**

The Charity does not use fundraising services, consultants or external professional fundraisers to undertake its fundraising activities and no data is shared with or sold to any external agencies.

The Charity does not undertake Direct Mail and does not approach or pressure vulnerable people to support its work. A complaints procedure is in place and the Charity adheres to the Fundraising Code of practice issued by the Fundraising Regulator.

**FUTURE PLANS**

During the forthcoming year the Trustees aim to continue to discharge their current responsibilities effectively and efficiently within the constraints of resources both financial and human. The Trustees continue to review the structure of administration to ensure that we are operating as efficiently as is possible given the above constraints.

Furthermore, the Church, with a view to simplifying its record keeping and financial reporting requirements, will continue to review its trust ledgers in order to gain Charity Commission consent to the merger of a number of the smaller funds.

The trustees determined the following principal objectives for the year ending 31 August 2021:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- By maintaining close contact with the Boards of Governors and senior staff of the schools, to support their drive for sustainability and academic excellence, particularly as a result of the current economic climate caused by the COVID-19 pandemic.

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**MORAVIAN CHURCH**  
**REPORT OF THE TRUSTEES (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**RESERVES POLICY**

The trustees recognise that the Charity requires reserves to allow it to continue its work in the event of unforeseen interruptions to its income streams. The trustees consider the Charity's reserve requirements at least annually and to be prudent are of the opinion that unrestricted reserves equivalent to at least one year's total expenditure should be held. At the current year end, unrestricted reserves (excluding those earmarked for designated purposes) amounted to £1,803,119 and this represented approximately 61% of annual expenditure, excluding School's expenditure.

Since the year end the Coronavirus pandemic has had a significant impact on the activities, income generation and expenditure of the Group. The Trustees have considered this when assessing the Charity's ability to continue as a going concern and the level of reserves it will require. As explained in note 1 to these financial statements, the Trustees are of the opinion that the reserves available to the Charity are sufficient to ensure that the Charity continues for the foreseeable future but have recognised that Ockbrook School is no longer viable and have opted to place that School in Administration with effect from 28 July 2021. Fulneck School is still seen as being financially viable and has received substantial financial support to enable it to continue as a going concern.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

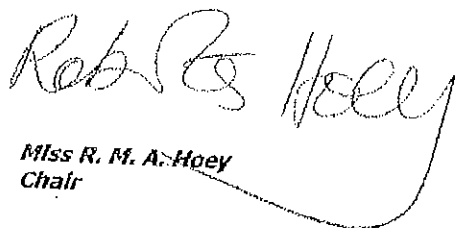
The trustees are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Charity 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 Group and of the incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to: -

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parent Charity and the Group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Parent Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

*On behalf of the Trustees*

  
Miss R. M. A. Hoey  
Chair

  
Rev Dr L. A. Thompson  
Treasurer

Date: 08/10/2021

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**OPINION**

We have audited the financial statements of The British Province of the Unitas Fratrum operating as Moravian Church for the year ended 31 August 2020, which comprise the Consolidated Statement of Financial Activities, the Group and the Parent Charity's Balance Sheet, the Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the parent charity and the group's affairs as at 31 August 2020, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

This report is made solely to the Trustees in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to the Trustees 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 and the charity's Trustees for our audit work, for this report, or for the opinions we have formed.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT**  
**TO THE TRUSTEES OF**  
**THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees'. We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept proper and adequate accounting records and returns adequate for our audit have not been received by branches not visited by us; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF THE TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for preparing the Report of the Trustees and the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditors under Section 151 of the Charities Act 2011 and report in accordance with regulations made under that Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Knox Cropper LLP**  
**Statutory Auditor**  
**65 Leadenhall Street**  
**London**  
**EC3A 2AD**

**Date:** 08/10/2021

Knox Cropper LLP is eligible to act as an auditor of the Charity in terms of section 1212 of the Companies Act 2006.

**MORAVIAN CHURCH**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted Funds		Restricted Funds	Total 2020	Total 2019
		General	Designated	Funds		
		£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and Legacies	2	403,095	-	1,190,166	1,593,261	1,396,755
Other Trading Activities	3	-	-	116,109	116,109	145,079
Investments	4	792,621	14,867	278,542	1,086,030	1,121,803
		1,195,716	14,867	1,584,817	2,795,400	2,663,637
<b>Charitable activities</b>	5	32,796	5,834	7,124,315	7,162,945	8,357,023
<b>Other</b>	6	-	-	144,504	144,504	10,000
<b>Total Income</b>		1,228,512	20,701	8,853,636	10,102,849	11,030,660
<b>Expenditure on:</b>						
<b>Raising Funds</b>						
Fundraising trading: cost of goods sold and other costs		-	-	(154,273)	(154,273)	(264,997)
Investment management costs	7	(614,823)	(2,623)	(46,516)	(663,962)	(744,281)
		(614,823)	(2,623)	(200,789)	(818,235)	(1,009,278)
<b>Charitable Activities</b>	7	(538,246)	(681,274)	(10,153,427)	(11,372,947)	(10,208,282)
<b>Total Expenditure</b>		(1,153,069)	(683,897)	(10,354,216)	(12,191,182)	(11,217,560)
Net Gains/(Losses) on Investment assets	10, 11	30,084	537,915	(78,654)	489,345	223,668
Net Income/(expenditure)		105,527	(125,281)	(1,579,234)	(1,598,988)	36,768
<b>Other Recognised Gains/(Losses)</b>						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	19	-	-	-	-	-
Transfers between reserves	17	(996,355)	902,617	(93,738)	-	-
<b>NET MOVEMENT IN FUNDS</b>		(890,828)	777,336	(1,485,496)	(1,598,988)	36,768
<b>Reconciliation of Funds:</b>						
Total Funds Brought Forward (Restated)	17	2,693,947	15,937,758	6,054,878	24,686,583	24,649,815
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£1,803,119</u>	<u>£16,715,094</u>	<u>£4,569,382</u>	<u>£23,087,595</u>	<u>£24,686,583</u>

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.

As a result of its activities for the year the parent charity, The Moravian Church, disclosed a net decrease in funds of £45,352. Its total net assets at the year end stood at £1,184,474.

The notes form part of these financial statements.

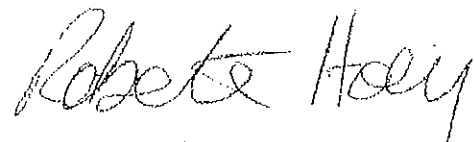
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**MORAVIAN CHURCH**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 AUGUST 2020**

	Notes	Group		Parent	
		2020	2019 (Restated)	2020	2019
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	9	5,087,660	6,471,729	378,449	386,172
Investment Property	10	18,842,160	18,338,448	-	-
Investments	11	4,770,474	4,921,434	88,169	-
		<u>28,700,294</u>	<u>29,731,611</u>	<u>466,618</u>	<u>386,172</u>
<b>CURRENT ASSETS</b>					
Stock	12	36,589	43,841	-	-
Debtors	13	535,803	655,947	350,619	349,256
Cash at Bank and in Hand		2,563,221	2,520,638	1,032,887	1,096,001
		<u>3,135,613</u>	<u>3,220,426</u>	<u>1,383,506</u>	<u>1,445,257</u>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	14	3,381,357	2,852,695	665,650	601,603
<b>NET CURRENT ASSETS</b>		<u>(245,744)</u>	<u>367,731</u>	<u>717,856</u>	<u>843,654</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28,454,550</u>	<u>30,099,342</u>	<u>1,184,474</u>	<u>1,229,826</u>
<b>CREDITORS: Amounts falling due after more than one year</b>					
Defined Benefit Pension Liability	15	(1,326,021)	(1,106,752)	-	-
	19	(4,040,934)	(4,306,007)	-	-
<b>TOTAL NET ASSETS</b>		<u>£23,087,595</u>	<u>£24,686,583</u>	<u>£1,184,474</u>	<u>£1,229,826</u>
<b>The Funds of the Charity:</b>					
Restricted Funds	17	4,569,382	6,054,878	1,157,795	1,203,651
Unrestricted Funds					
General	17	1,803,119	2,693,947	6,682	15,935
Designated Fund – Defined Benefit Pension Liability		(4,569,101)	(4,306,007)	-	-
Designated	17	21,284,195	20,243,765	19,997	10,240
		<u>18,518,213</u>	<u>18,631,705</u>	<u>26,679</u>	<u>26,175</u>
<b>TOTAL FUNDS</b>		<u>23,087,595</u>	<u>24,686,583</u>	<u>1,184,474</u>	<u>1,229,826</u>

Approved by the Trustees on 08/10/2021 and signed on their behalf by

  
Rev Dr L. Thompson

  
Miss R. M. A. Hoey

Charity Number: 251211  
The notes form part of these financial statements.

**MORAVIAN CHURCH**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020		2019	
		£	£	£	£
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>			(2,031,259)		(692,823)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income		1,086,030		1,121,803	
Payments to acquire tangible fixed assets	9	(329,085)		(492,091)	
Proceeds on disposal of Investment property assets	10	300,488		-	
Purchase of fixed asset investments	11	(2,450,586)		(1,589,172)	
Proceeds of sale of fixed asset investments	11	<u>2,452,897</u>		<u>1,432,841</u>	
			1,059,744		473,381
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(23,142)		(22,153)	
Movement on Loans		<u>1,037,240</u>		<u>(127,258)</u>	
			1,014,098		(149,411)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			42,583		(368,853)
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>			2,520,638		2,889,491
<b>Cash and Cash Equivalents at the end of the reporting period</b>			<u>£2,563,221</u>		<u>£2,520,638</u>

**RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH OUTFLOW**

	2020	2019
	£	£
Net Movement in funds for the year	(1,598,988)	36,768
Investment Income	(1,086,030)	(1,121,803)
Interest Paid	23,142	22,153
Depreciation	1,546,948	246,399
(Gains)/Losses on investment assets	(489,345)	(223,667)
(Increase)/Decrease in Stock	7,252	(5,168)
(Increase)/Decrease In Debtors	139,289	15,527
Increase/(Decrease) in Creditors	(308,454)	600,062
Movement on Defined Benefit Pension Liability	<u>(265,073)</u>	<u>(263,094)</u>
	<u>£(2,031,259)</u>	<u>£(692,823)</u>

**NET DEBT RECONCILIATION**

	01/09/2019	Cashflow	31/08/2020
	£	£	£
Cash at Bank and in Hand	2,520,638	42,583	2,563,221
UBS facility drawn down	-	(850,000)	(850,000)
Loans repayable within one year	(159,868)	54,446	(105,422)
Loans repayable outside one year	<u>(1,007,086)</u>	<u>(241,686)</u>	<u>(1,248,772)</u>
	<u>£1,353,684</u>	<u>£(994,657)</u>	<u>£359,027</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

1. **ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the provisions of the Charities Act 2011, the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), FRS 102 and the Charities Act 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102.

The financial statements consolidate the incoming resources and resources expended, assets and liabilities of the following entities:

- Moravian Church and its Congregations (The Parent)
- The Moravian Union (Incorporated)
- Fulneck School
- Ockbrook School
- Fulneck Choir House

The presentation currency of the financial statements is Pound Sterling (£).

**Going Concern**

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. In reaching this conclusion they have considered the impact of the COVID-19 pandemic on future income generation by the Charity. Although income is expected to decrease significantly, the charity has sufficient assets held by its 100% owned subsidiary, The Moravian Union, to ensure that it can continue to operate effectively for the foreseeable future.

As explained more fully in note 22 to these financial statements, the Group includes two schools as subsidiaries, Ockbrook School and Fulneck School. The pandemic has had a serious impact on their income and pupil numbers. After careful consideration, Ockbrook School moved into administration with effect from 28 July 2021 and the Group Trustees have initiated a financial support package for Fulneck School which will involve the Moravian Union borrowing funds and then providing loans to the school.

The following accounting policies have been applied in preparing the financial statements.

**Income Recognition**

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

*Donations and Legacies*

Income from donations and legacies is generally recognised on receipt. However, income from the Mrs E M Bates Trust is accrued at the balance sheet date if the trustees are satisfied that the criteria of entitlement, certainty and measurement have been met on the basis of declarations and/or payments by the donating organisation after the year end.

*School Fees*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the schools.

*Rental Income*

Rents receivable are included on an accruals basis.

*Investment Income*

Investment income is recognised when received by the investment managers.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

1. **ACCOUNTING POLICIES (Continued)**

**Income Recognition (Continued)**

*Other Income*

Other income is generally recognised on an accruals basis.

**Expenditure**

Liabilities are recognised when a legal or constructive obligation to make a payment arises, it is probable that a transfer of economic benefits will be required and it can be measured reliably. Expenditure is charged on an accruals basis. All expenditure heads in the SOFA include both direct costs and apportioned overhead costs. Overhead costs are apportioned on the basis of employee time.

Charitable activities represents the direct costs of carrying out the charity's aims, together with allocated support costs which are apportioned to the different expenditure heads on the basis of staff time. Governance costs are the costs of meeting the charity's regulatory obligations and are included within support costs.

**Stock**

Stock is valued at the lower of cost and net realisable value.

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within certain sectors or sub sectors.

**Investment Property**

Investment property is valued at market value at the balance sheet date. It was independently valued on 3 July 2015 by SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors (RICS), based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. The market value of the properties is reviewed annually and adjusted based on the condition of those properties as advised by John Forrester Ltd using the Halifax Regional House Price Indices.

**Leases**

Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease. Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the life of the lease with payments to the lessor being apportioned between capital which writes down the outstanding obligation and interest which is charged to the Statement of Financial Activities over the period of the lease on a straight line basis.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

All freehold property is analysed between functional properties (eg Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties') which are maintained to generate rental income. The functional properties are carried at cost and depreciated. The investment properties are carried at market value.

For functional properties, depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated at 2% per annum on a straight line basis. Certain properties used by congregations are not reflected on the balance sheet, although legal title may be vested in the Union, as they were acquired a number of years ago and no record of their cost is available.

Depreciation of fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows :

	<i>Moravian Union</i>	<i>Fulneck School</i>	<i>Ockbrook School</i>
Freehold land and buildings	2%	N/A	N/A
Leasehold land and buildings	N/A	2%	2%
Furniture and equipment	25-33.3%	10-15%	15%
Computer equipment	N/A	33.3%	20%
Motor vehicles	N/A	25%	25% reducing
Leased Assets	Over the life of the lease		

**Taxation**

For all charitable activities, the Church enjoys exemption from corporation tax under the Corporation Taxes Act 2010.

**Advance Fees Scheme**

Where the school offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract, the amounts received are invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financing costs include amounts accrued in accordance with the terms of the Advance Fees contracts.

**Fund Accounting**

Funds held by the charitable group are either:-

- Unrestricted general funds – these are funds which can be used for any purpose which is in accordance with the charity's objectives and at the discretion of the Trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for a specific future purpose or project. All sums applied to the purchase of property are classified as designated funds.
- Restricted funds – these are funds that can only be used for a particular purpose within the objects of the charity. Restrictions arise when specified by either the donor or by way of indication when certain funds are raised.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES (Continued)**

**Pensions**

The different entities of the Moravian Church run a variety of pension schemes. Further details of each scheme are shown in Note 19.

The Moravian Union has recognised discretionary pensions payable to retired ministers as an obligation. This liability was valued by The Moravian Union's actuaries (BWCI) as at 31 August 2016 and as at 31 August 2017 and is adjusted triennially to reflect the estimated fair value of the liability. Movements during the year are disclosed in note 19 to these financial statements. With effect from 31 December 2015 the discretionary scheme for active members was discontinued and replaced by a defined contribution scheme. The charitable company's liability under this scheme is limited to paying contributions as they arise and these costs are recognised in the accounts when the contributions fall due.

The Moravian Union contributes at the rate of 7% of pensionable salaries to the private pension plans of a number of employees. As the charitable company's liability under these schemes is limited to paying contributions due to the schemes at the appropriate time, these costs are recognised in the accounts when the contributions fall due.

A number of the professional staff employed at Fulneck and Ockbrook Schools participate in a multi-employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The TPS is a multi-employer pension scheme open to the School's teaching staff and it is not possible to identify the assets and liabilities of the scheme attributable to the School. The TPS is treated as a defined contribution scheme and the contributions recognised as they are paid each year. The scheme is managed by the Department for Education. Contributions to defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable.

Ockbrook School also participate in The People's Pension. The People's Pension is a defined contribution scheme open to the School's non-teaching staff.

**Short-term debtors and creditors**

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event to make payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

1. **ACCOUNTING POLICIES (Continued)**

**Key Judgements and Estimates**

(i) **Financial Instrument classification**

The classification of financial instruments, both assets and liabilities, as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes the type of investment or loan and its return. The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

Concessionary loans received are initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

(ii) **Useful lives of functional properties**

The remaining useful lives of depreciable properties are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

(iii) **Recognition and valuation of investment properties**

The classification of The Moravian Union's properties between functional and investment purposes requires judgement of the use of those properties. Management annually reviews the usage of properties and their classification is amended when necessary.

The market value of properties classified as Investments is annually reviewed by management and, based on the condition of those properties, the value is adjusted using a recognised market Indices.

(iv) **Valuation of retired ministers' defined benefit pension liability**

The assumptions underlying the pension scheme actuarial valuation are reviewed annually by the trustees. If they consider that the principal actuarial assumptions have not changed significantly no adjustment will be made to the provision. The actuary will recalculate the liability triennially. The next actuarial valuation will be as at 31 August 2020.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds		Restricted Funds	Total 2020	Total 2019
	General	Designated			
	£	£	£	£	£
Mrs E M Bates Trust	324,064	-	-	324,064	391,471
Grants	-	-	499,340	499,340	27,946
Donations and Legacies	79,031	-	625,826	704,857	912,338
The London Mission In					
Ald of Moravian Mission	-	-	65,000	65,000	65,000
	<b>£403,095</b>	<b>-</b>	<b>£1,190,166</b>	<b>£1,593,261</b>	<b>£1,396,755</b>

Restricted grant income includes coronavirus job retention fund furlough grants of £94,502 in respect of Ockbrook School and £282,738 in respect of Fulneck School.

**3. OTHER TRADING ACTIVITIES**

Trading activities	-	-	-	-	-
Fundraising events	-	-	116,109	116,109	145,079
	<b>£-</b>	<b>£-</b>	<b>£116,109</b>	<b>£116,109</b>	<b>£145,079</b>

**4. INVESTMENT INCOME**

Quoted Securities	66,508	4,624	72,490	143,622	156,245
Rents Receivable	725,927	620	199,781	926,328	950,139
Bank Interest	186	9,623	6,271	16,080	15,419
	<b>£792,621</b>	<b>£14,867</b>	<b>£278,542</b>	<b>£1,086,030</b>	<b>£1,121,803</b>

**5. INCOME FROM CHARITABLE ACTIVITIES**

School Fees					
Fulneck School	-	-	3,656,363	3,656,363	3,685,474
Ockbrook School	-	-	3,286,977	3,286,977	3,874,088
	-	-	6,943,340	6,943,340	7,559,562
Congregational Activities	-	-	101,243	101,243	596,600
Unity Income	-	-	11,303	11,303	12,831
Book Sales	18,958	-	167	19,125	19,245
Other Activities	13,838	5,834	68,262	87,934	168,785
	<b>£32,796</b>	<b>£5,834</b>	<b>£7,124,315</b>	<b>£7,162,945</b>	<b>£8,357,023</b>

**6. OTHER INCOME**

Insurance proceeds	-	-	144,504	144,504	10,000
	<b>£-</b>	<b>£-</b>	<b>£144,504</b>	<b>£144,504</b>	<b>£10,000</b>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**7. EXPENDITURE**

	Costs of Raising Funds		Charitable Activities			Support Costs	Total 2020	Total 2019
	Fundraising Trading Activities	Investment Management Costs	Education Costs	Ministry and Congregations				
				Domestic	Overseas			
£	£	£	£	£	£	£	£	
Fulneck School General Education Costs			158,905				158,905	421,326
Osdbrook School General Education Costs			244,393			36,761	281,154	411,698
Congregation Fundraising Activities	13,744						13,744	17,110
Ministry				642,165			642,165	639,149
Grants and Projects				126,434	175,704		302,138	194,470
Burial Ground Costs				3,122			3,122	4,739
Estate Management Costs		599,572					599,572	683,622
Pensions and Tax								
Staff Costs			5,224,378	121,145	29,452	1,004,077	6,379,052	6,139,574
Advertising and Marketing	77,231						77,231	134,673
Ministers Travel				27,773			27,773	45,249
Ministerial Training				17,205			17,205	19,001
Other Ministerial Costs				18,157			18,157	18,151
Archive Costs				50,105			50,105	46,825
Brokers Fees		34,560					34,560	35,540
Honorariums	500			14,327			14,827	14,463
Provision for Doubtful Debts	6,939					188,434	195,373	84,976
Youth and Children				45,046			45,046	55,407
Audit				8,700		48,920	57,620	49,700
Accounting						3,233	3,233	3,107
Bank Charges	21,909			1,756			23,665	24,373
Interest	10,729					12,413	23,142	22,153
Hire Purchase Finance Charges								
Depreciation			1,495,568	7,723		43,657	1,546,948	246,399
Book Purchases				13,829			13,829	14,675
Subscriptions and Licences				18,199	11,300		29,499	28,821
Messenger				20,635			20,635	22,289
Stationery and Postage				8,078		71,536	79,614	103,874
Premises (cleaning, repairs, security, light, power and utilities)	23,221	29,830	487,355	549,334		29,504	1,119,244	1,263,925
Legal & Professional				58,505		69,972	128,477	76,361
Photocopier Lease								1,525
Computer Software Maintenance & Licences						58,239	58,239	62,153
Communications						5,188	5,188	5,208
Insurance			74,779	55,181		6,977	136,937	129,748
Ministers Removal Costs				3,624			3,624	5,623
Synod				472			472	5,462
Church House Assessments								1,000
Other Congregations Costs				79,618			79,618	181,445
Other Office Costs				1,249		420	1,669	3,746
Apportioned Support Costs (based on staff time)	154,273	663,962	7,685,378	1,891,782	205,156	1,590,631	12,191,182	11,217,560
Total 2020	£154,273	£663,962	£9,102,022	£2,043,151	£227,774	£-	£12,191,182	£11,217,560
Total 2019	£264,997	£744,281	£7,971,625	£2,004,951	£231,706	£-		£11,217,560

All grants are made to charitable institutions and are to help fund the ministry and congregations. They range in value from £200 to £50,000.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**8. STAFF COSTS**

	Moravian Church	Moravian Union	Fulneck School	Ockbrook School	2020 Total	2019 Total
	£	£	£	£	£	£
Gross Pay	488,024	185,191	2,616,007	2,351,466	5,640,688	5,670,093
Social Security Costs	47,349	18,466	229,160	213,763	508,738	475,739
Pension Costs	62,291	12,160	384,928	418,016	877,395	603,522
	597,664	215,817	3,230,095	2,983,245	7,026,821	6,749,354
Pensions to ministers	-	-	-	-	-	-
Other staff costs	5,502	-	-	-	5,502	-
	<b>£603,166</b>	<b>£215,817</b>	<b>£3,230,095</b>	<b>£2,983,245</b>	<b>£7,032,323</b>	<b>6,749,354</b>
Included in Note 7 as follows:						
Staff Costs	-	165,712	3,230,095	2,983,245	6,379,052	6,139,574
Pensions & Tax	-	-	-	-	-	-
Archive Costs	-	50,105	-	-	50,105	46,825
Ministry	562,856	-	-	-	562,856	522,008
Ministerial Training	872	-	-	-	872	3,305
Youth and Children	39,438	-	-	-	39,438	37,642
	<b>£603,166</b>	<b>£215,817</b>	<b>£3,230,095</b>	<b>£2,983,245</b>	<b>£7,032,323</b>	<b>6,749,354</b>
Average Staff Numbers:					No.	No.
Teaching	-	-	72	82	154	143
Ministers	14	-	-	-	14	14
Other	3	4	34	8	49	48
	<b>17</b>	<b>4</b>	<b>106</b>	<b>90</b>	<b>217</b>	<b>205</b>

Number of employees earning in excess of £60,000 during the period were as follows:

Between £70,001 - £80,000						1
Between £80,001 - £90,000	-	-	1	-	1	-
Between £90,001 - £100,000	-	-	-	1	1	1
Between £100,001 - £110,000	-	-	-	-	-	-

The Key Management Personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any trustee of the Charity. Key Management Personnel of the Moravian Church are considered to be the members of the Provincial Elders' Conference, who are also the trustees. The Trustees are not remunerated for their services as such. However, the regulations and practice of Synod allows serving ministers and Church House staff to be elected to the Provincial Elders' Conference and to continue to receive their stipends/salaries. During the period the following emoluments (including benefits) were paid.

	2020	2019
	£	£
Mrs. G. Taylor	-	2,073
Mr. M. Kernohan	21,131	-
Miss R. M. A. Hoey	35,329	51,807
	<b>£56,460</b>	<b>£53,880</b>

An amount of £12,766 (2019: £25,671) was reimbursed to the Trustees for travel expenses incurred during the period.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**9. TANGIBLE FIXED ASSETS**

GROUP	Land and Buildings £	Furniture, Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
Brought Forward (Restated)	9,868,151	1,491,295	7,414	11,366,860
Additions	247,190	70,263	11,632	329,085
Transfer to Investment Properties	(219,654)	-	-	(219,654)
Disposals	-	(429)	(1,151)	(1,580)
At 31 August 2020	9,895,687	1,561,129	17,895	11,474,711
<b>Depreciation</b>				
Brought Forward (Restated)	3,637,850	1,254,042	3,239	4,895,131
Charge for period	1,461,237	80,504	5,147	1,546,948
Transfer to Investment Properties	(53,448)	-	-	(53,448)
Depreciation on disposals	-	(429)	(1,151)	(1,580)
At 31 August 2020	5,045,639	1,334,177	7,235	6,387,051
<b>Net Book Value</b>				
At 31 August 2020	£4,850,048	£226,952	£10,660	£5,087,660
At 31 August 2019 (Restated)	£6,230,301	£237,253	£4,175	£6,471,729
<b>PARENT</b>				
<b>Cost</b>				
Brought Forward	386,172	-	21,413	407,585
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2020	386,172	-	21,413	407,585
<b>Depreciation</b>				
Brought Forward	-	-	21,413	21,413
Charge for period	7,723	-	-	7,723
Depreciation on disposals	-	-	-	-
At 31 August 2020	7,723	-	21,413	29,136
<b>Net Book Value</b>				
At 31 August 2020	£378,449	£-	£-	£378,449
At 31 August 2019	£386,172	£-	£-	£386,172

Part of the above Land and Buildings are subject to Mortgages – see Note 15. Certain properties used by congregations are not reflected on the balance sheet, although legal title is vested in the Moravian Union, as they were acquired a significant number of years ago and no record of their cost is available.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**10. INVESTMENT PROPERTIES**

	<b>2020</b>	<b>2019</b>
	£	£
<b>Market Value</b>		
At 1 September 2019	18,338,448	18,167,750
Transfer from Tangible Fixed Assets	166,205	-
Disposal Proceeds	(300,487)	-
Realised gain on disposal	90,532	-
Unrealised Revaluation Gains/(Losses)	547,462	170,698
At 31 August 2020	<u>£18,842,160</u>	<u>£18,338,448</u>

The Moravian Union's estates properties were valued on 3 July 2015 by an independent valuer, SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors. The valuation was a desktop appraisal of market value based on information on the condition of the properties supplied by the Moravian Union's estate manager, John Forrester Ltd. Investment property valuations as at 31 August 2019 are based on the valuation adjusted by the Halifax Seasonally Adjusted Regional House Price Quarterly Indices published by the Lloyds Banking Group.

**11. INVESTMENTS**

<b>GROUP - LISTED INVESTMENTS</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£
Carrying Value at Beginning of Year	4,921,434	4,712,134
Additions	2,450,586	1,589,172
Disposal Proceeds	(2,452,897)	(1,432,841)
Realised Gains/(Losses)	(59,016)	34,138
Unrealised Gains/(Losses)	(89,633)	18,831
Carrying Value at 31 August 2019	<u>£4,770,474</u>	<u>£4,921,434</u>

The following investments individually represented more than 5% of the total market value of the portfolio:

	<b>2020</b>	<b>2019</b>
	£	£
The Charities Property Fund	<u>£413,558</u>	<u>£435,326</u>

**12. STOCK  
Group**

	<b>2020</b>	<b>2019</b>
	£	£
Moravian Union	15,011	15,316
Schools Stocks	21,578	28,525
	<u>£36,589</u>	<u>£43,841</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

## 13. DEBTORS

	Group		Parent	
	2020	2019	2020	2019
	£	£	£	£
Trade Debtors	170,602	120,782	-	-
Amounts due from related Organisations	-	-	327,316	325,580
Other Debtors	61,907	46,204	23,303	23,676
Prepayments and Accrued Income	205,454	410,240	-	-
Agents Balances	62,235	57,559	-	-
Rent Due	35,605	21,162	-	-
	<u>£535,803</u>	<u>£655,947</u>	<u>£350,619</u>	<u>£349,256</u>

## 14. CREDITORS: Amounts falling due in less than one year

	Group		Parent	
	2020	2019	2020	2019
	£	£	£	£
Loans and Overdrafts				
Bank Loans	52,146	106,416	22,219	36,088
Trade Creditors	65,373	109,468	-	-
Amounts due to related Organisations	-	-	436,758	375,148
Other Creditors	1,033,582	178,768	19,113	9,788
Social Security and other Taxes	447,065	84,635	-	-
Accruals and Deferred Income	325,503	321,735	187,560	180,579
Fees in advance	1,404,412	1,998,221	-	-
Hire Purchase Contract	4,433	6,195	-	-
Bates Trust Loan	48,843	47,257	-	-
	<u>£3,381,357</u>	<u>£2,852,695</u>	<u>£665,650</u>	<u>£601,603</u>

Other creditors include an advance to the Moravian Union of £850,000 from UBS secured against the investment portfolio. The drawdown is subject to interest at 1.75% above the UBS cost of funding the Call Loan for the relevant interest period and for the relevant currency and is repayable on demand. The market value of the investment portfolio managed by UBS at the year end amounted to £3,313,000.

Deferred Income consists entirely of fees in advance.

	Group		Parent	
	2020	2019	2020	2019
	£	£	£	£
Balance brought forward	1,998,221	1,409,450	-	-
Rent and School Fees received in advance	1,404,412	1,998,221	-	-
Released to revenue during the year	(1,998,221)	(1,409,450)	-	-
Balance carried forward	<u>£1,404,412</u>	<u>£1,998,221</u>	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

15. **CREDITORS: Amounts falling due in more than one year**

<b>Group</b>	<b>1 – 2 years £</b>	<b>2 – 5 years £</b>	<b>More than 5 years £</b>	<b>2020 £</b>
Bank Loans - Fulneck School	10,552	63,323	60,319	134,194
- Ockbrook School	102,727	319,593	383,556	805,876
	<u>113,279</u>	<u>382,916</u>	<u>443,875</u>	<u>940,070</u>
Bates Trust Loan	49,431	155,138	104,133	308,702
Other Creditors	77,249	-	-	77,249
	<u>£239,959</u>	<u>£538,054</u>	<u>£548,008</u>	<u>£1,326,021</u>

<b>Group</b>	<b>1 – 2 years £</b>	<b>2 – 5 years £</b>	<b>More than 5 years £</b>	<b>2019 £</b>
Bank Loans - Fulneck School	12,422	37,266	49,123	98,811
- Ockbrook School	59,057	182,540	309,042	550,639
	<u>71,479</u>	<u>219,806</u>	<u>358,165</u>	<u>649,450</u>
Bates Trust Loan	46,207	138,621	172,808	357,636
Other Creditors	14,219	41,790	43,657	99,666
	<u>£131,905</u>	<u>£400,217</u>	<u>£574,630</u>	<u>£1,106,752</u>

Ockbrook School has two bank loans which is secured against the Ockbrook School property which is owned by the Moravian Union.

Fulneck School has one bank loan (2019), secured against the Fulneck School property which is owned by the Moravian Union.

Other creditors are predominantly fee deposits held in respect of Ockbrook School. Repayment is due on the child leaving the school, net of any charges outstanding. No interest is due on these balances.

During 2017 a loan of £500,000 was extended to The Moravian Union by the Mrs EM Bates Trust. The loan was to provide investment funding to The Moravian Union to undertake a major fixed asset properties repair programme. The loan is to be repaid over a period of 10 years and is secured against 49 Creighton Avenue, a property currently valued at in excess of £1.3m. Interest is charged at 2% above base rate. The loan is considered a concessionary loan.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total 2020
	General	Designated		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	11,630	2,329,815	2,746,215	5,087,660
Investments	1,838,119	291,699	2,640,656	4,770,474
Investment Properties	-	18,842,160	-	18,842,160
Cash at bank and in hand	1,230,084	(565,138)	1,898,275	2,563,221
Other net assets/(liabilities)	(1,276,714)	(4,183,442)	(2,715,764)	(8,175,920)
	<u>£1,803,119</u>	<u>£16,715,094</u>	<u>£4,569,382</u>	<u>£23,087,595</u>
<b>Parent</b>				
Tangible fixed assets	-	-	378,449	378,449
Investments	-	-	88,169	88,169
Cash at bank and in hand	21,487	19,997	991,403	1,032,887
Other net assets/(liabilities)	(14,805)	-	(300,226)	(315,031)
	<u>£6,682</u>	<u>£19,997</u>	<u>£1,157,795</u>	<u>£1,184,474</u>

	Unrestricted Funds		Restricted Funds	Total 2019
	General	Designated		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	5,540	2,533,811	4,074,406	6,613,757
Investments	1,969,990	305,536	2,645,908	4,921,434
Investment Properties	-	18,338,448	-	18,338,448
Cash at bank and in hand	132,320	21,891	2,366,427	2,520,638
Other net assets/(liabilities)	586,097	(5,261,928)	(2,889,835)	(7,565,666)
	<u>£2,693,947</u>	<u>£15,937,758</u>	<u>£6,196,906</u>	<u>£24,828,611</u>
<b>Parent</b>				
Tangible fixed assets	-	-	386,172	386,172
Investments	-	-	-	-
Cash at bank and in hand	15,935	20,494	1,059,572	1,096,001
Other net assets/(liabilities)	-	(10,254)	(242,093)	(252,347)
	<u>£15,935</u>	<u>£10,240</u>	<u>£1,203,651</u>	<u>£1,229,826</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

17. MOVEMENTS ON FUNDS

GROUP AND PARENT 2019	Opening Balance At 01/09/19	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/20
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union							
Evangelical	99,849	4,682	(21,147)	(4,825)	-	84,934	157,493
Ministers emoluments	609,148	14,920	(14,920)	(15,619)	-	-	593,529
Education	(35,252)	10,010	(57,724)	(1,950)	-	182,781	97,865
Overseas	336,598	2,277	(2,277)	(10,096)	-	-	326,502
Property	1,779,966	74,318	(122,465)	(43,310)	-	-	1,688,509
Relief of poverty	3,076	63	(63)	(90)	-	-	2,986
Other	319,709	37,732	(185,830)	(7,361)	-	284,957	449,207
	3,113,094	144,002	(410,426)	(83,251)	-	552,672	3,316,091
Moravian Church (congregations) – Parent only	1,203,651	1,259,762	(756,279)	4,597	-	(553,936)	1,157,795
Fulneck School	867,699	4,062,843	(4,171,450)	-	-	(28,617)	730,475
Ockbrook School	817,292	3,402,774	(5,047,380)	-	-	124,619	(702,695)
Fulneck Choir House	53,142	39,295	(23,721)	-	-	1,000	67,716
	6,054,878	8,908,676	(10,409,256)	(78,654)	-	93,738	4,569,382
<b>DESIGNATED</b>							
Moravian Union							
Defined Benefit Pension Scheme	(4,306,007)	-	-	-	-	265,073	(4,040,934)
Ministers emoluments	(126,273)	8,574	(270)	(1,197)	-	-	(119,166)
Property	1,929,070	2,491	(2,340)	(8,294)	-	-	1,920,927
Investment Property – Cost	1,607,327	-	-	-	-	-	1,629,034
Investment Property – Revaluation	16,731,122	-	-	547,463	-	(65,458)	17,213,127
Other	1,973	13	(13)	(57)	-	-	1,916
Mission Renewal	99,306	-	(113)	-	-	-	99,193
	15,927,518	11,078	(2,736)	537,915	-	221,322	16,695,097
Moravian Church and Congregations – Parent only	10,240	9,623	(681,161)	-	-	681,295	19,997
	15,937,758	20,701	(683,897)	537,915	-	902,617	16,715,094
<b>GENERAL</b>							
Moravian Union	2,678,012	1,173,424	(1,088,728)	30,084	-	(996,355)	1,796,437
Moravian Church – Parent only	15,935	48	(9,301)	-	-	-	6,682
	2,693,947	1,173,472	(1,098,029)	30,084	-	(996,355)	1,803,119
	24,686,583	10,102,849	(12,191,182)	489,345	-	-	23,087,595

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**17. MOVEMENTS ON FUNDS (Continued)**

GROUP AND PARENT 2019	Opening Balance At 01/09/18	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/19
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union							
Evangelical	117,938	2,076	(22,464)	1,662	-	637	99,849
Ministers emoluments	603,768	15,809	(15,809)	5,380	-	-	609,148
Education	2,225	704	(38,853)	672	-	-	(35,252)
Overseas	333,121	2,333	(2,333)	3,477	-	-	336,598
Property	1,789,468	9,819	(24,490)	14,719	-	(9,550)	1,779,966
Relief of poverty	3,045	66	(66)	31	-	-	3,076
Other	353,530	58,654	(199,012)	2,537	-	104,000	319,709
	3,203,095	89,461	(303,027)	28,478	-	95,087	3,113,094
Moravian Church (congregations) – Parent only	818,444	1,809,268	(822,659)	-	-	(601,402)	1,203,651
Fulneck School (Restated)	1,429,932	3,889,086	(4,402,970)	-	-	(48,349)	867,699
Ockbrook School	719,530	3,918,560	(3,792,471)	-	-	(28,327)	817,292
Fulneck Choir House	40,357	36,856	(24,071)	-	-	-	53,142
	6,211,358	9,743,231	(9,345,198)	28,478	-	(582,991)	6,054,876
<b>DESIGNATED</b>							
Moravian Union							
Defined Benefit Pension Scheme	(4,569,101)	-	-	-	-	263,094	(4,306,007)
Ministers emoluments	(134,873)	8,464	(277)	413	-	-	(126,273)
Property	1,924,448	4,405	(2,630)	2,855	-	-	1,929,070
Investment Property – Cost	1,607,327	-	-	-	-	-	1,607,327
Investment Property – Revaluation	16,560,423	-	-	170,699	-	-	16,731,122
Other	1,953	13	(13)	20	-	-	1,973
Mission Renewal	90,806	-	(500)	-	-	-	90,306
	15,480,983	12,882	(3,428)	173,987	-	263,094	15,927,518
Moravian Church and Congregations – Parent only	-	9,762	(674,686)	-	-	675,164	10,240
	15,480,983	22,644	(678,114)	173,987	-	938,258	15,937,758
<b>GENERAL</b>							
Moravian Union	2,932,615	1,264,719	(1,185,258)	21,203	-	(355,267)	2,678,012
Moravian Church – Parent only	24,859	66	(8,990)	-	-	-	15,935
	£2,957,474	1,264,785	(1,194,248)	21,203	-	(355,267)	2,693,947
	£24,649,815	£11,030,660	£(11,217,560)	£223,668	£-	£-	£24,686,583

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

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**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS FOR EQUIPMENT**

<b>Group</b>	<b>2020</b>	<b>2019</b>
	£	£
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:		
Less than One Year	162,379	95,478
Between One and Five Years	141,975	108,330
After more than Five Years	2,578	-
	<u>£306,932</u>	<u>£203,808</u>

No obligations arise in the parent.

**19. PENSIONS**

*Moravian Union/Moravian Church*

The Moravian Church through the Moravian Union operates three pension schemes,

(i) Defined benefit pension scheme

Under this scheme discretionary pensions were paid to retired ministers in service prior to 31 August 2010 in accordance with the rules established by Synod, provided sufficient funds were available. The assets used to pay these pensions are not held separately from other funds of the Charitable Company. As a result of a resolution passed at the 2016 British Provincial Synod, The Moravian Union has recognised these pensions as an obligation and has obtained an actuarial valuation of the liability at the 31 August 2017.

**Employee benefit obligations for the Moravian Church in respect of the Liability**

The amounts recognised in the Balance Sheet are as follows:

	<b>31/08/2020</b>	<b>31/08/2019</b>
	£	£
Fair value of Liability Assets	-	-
Present value of funded obligations	(4,040,934)	(4,306,007)
Net (under) / overfunding in Liability	<u>£(4,040,934)</u>	<u>£(4,306,007)</u>
Unrecognised assets	-	-
Net Defined Benefit Asset / (Liability)	<u>£(4,040,934)</u>	<u>£(4,306,007)</u>

The amounts recognised in Profit or Loss are as follows:

	<b>31/08/2020</b>
	£
Service cost	-
Cost of benefit changes	-
Curtailment costs / (gains)	-
Settlement costs / (gains)	-
Net Interest on Net Defined Benefit Liability	-
Expense recognised in Profit or Loss	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**19. PENSIONS (Continued)**

The Moravian Union contributed £265,073 to fund the payment of benefits over the year from 1 September 2019 to 31 August 2020. No contributions were made by members over the period as the Liability is an unfunded arrangement.

No contributions are expected from the Church or from members over the next year from 1 September 2019 to 31 August 2020. The Liability is unfunded and pensions are paid directly by the Moravian Union.

**Changes in the present value of the Liability's Defined Benefit Obligation are as follows:**

	<b>31/08/2020</b>	<b>31/08/2019</b>
	£	£
Opening Defined Benefit Obligation	4,306,007	4,569,101
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(265,073)	(263,094)
Interest on obligation	-	-
Experience losses / (gains)	-	-
Losses / (gains) from changes in assumptions	-	-
Closing Defined Benefit Obligation	<u>£4,040,934</u>	<u>£4,306,007</u>

The weighted average duration of the liabilities of the Liability was 14 years as at 31 August 2017.

**Employee Benefit Obligations for The Moravian Union in Respect of the Liability**

Changes in the fair value of the assets are as follows:

	<b>31/08/2020</b>	<b>31/08/2019</b>
	£	£
Opening fair value of Liability assets	-	-
Interest on assets	-	-
Return on assets (not included in interest)	-	-
Assets distributed on settlements	-	-
Contributions by Moravian Union	-	-
Contributions by members	-	-
Benefits paid	-	-
Administration expenses	-	-
Closing fair value of Liability assets	<u>£-</u>	<u>£-</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

19. **PENSIONS (Continued)**

Principal actuarial assumptions used for the FRS 102 disclosures:

	<b>31/08/2017</b>	<b>31/08/2016</b>
	% pa	% pa
Discount rate at end of year	2.40	1.90
Rate of increase in deferred pensions (LPI 3%)	2.60	2.30
Rate of increase in deferred pensions (LPI 4%)	3.00	2.70
Rate of Increase in pensions in payment (LPI 3%)	2.60	2.30
Rate of increase in pensions in payment (LPI 4%)	3.00	2.70

**Mortality Assumptions**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female.

For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 88 if they are male and until age 91 if female.

(ii) Active ministers defined contribution scheme

With effect from 31 December 2015 the discretionary scheme for active ministers was discontinued and replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the previous scheme, which were recognised as obligations by Synod during the preceding year, have been calculated and Index linked to retirement as part of the actuarial valuation.

(iii) Other employees personal pension plans

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 7% of pensionable salaries to each plan. The employer's contribution in the year was £13,498 (2018: £11,194).

*Ockbrook School and Fulneck School*

The Schools participate in the Teachers' Pension Scheme (England and Wales) ("the TPS") for their teaching staff.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**19. PENSIONS (Continued)**

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from 1 September 2016. The next valuation was due at 31 March 2016, whereupon the employer contribution rate increased to 23.6% and is payable from September 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The pension charge for the year includes contributions payable to the TPS of £752,442 (2019: £475,664) and at the year-end £119,408 (2019 - £27,666) was accrued in respect of contributions to this scheme.

Pension costs for the year are disclosed in note 8.

**The People's Pension**

The People's Pension is a defined contribution multi-employer occupational pension scheme. The pension charge for the year includes contributions payable to The People's Pension of £22,975 (2019: £21,301) and at the year-end £nil (2018 - £833) was accrued in respect of contributions to this scheme.

**Opt Pensions**

Fulneck School participates in a support staff pension scheme that is regulated by Opt Pensions which is an auto enrolment scheme whereby the school contributes 5% of gross earnings. The pension charge for the year includes contributions payable to Opt Pensions of £27,527 (2019: £34,959).

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**20. RELATED ORGANISATIONS**

Two of the Moravian Church's Trustees are also Trustees of the London Association In Aid of Moravian Missions. The group received the following amounts from related parties during the period:-

	<b>2020</b>	<b>2019</b>
	£	£
Mrs E.M. Bates Trust	<u>£324,064</u>	<u>£391,471</u>
The London Mission in Aid of Moravian Missions	<u>£61,000</u>	<u>£67,000</u>
At 31 August 2020, the following balances were outstanding:-		
Due from Mrs E.M. Bates Trust	<u>£80,020</u>	<u>£207,275</u>
Due to Mrs E.M. Bates Trust	<u>£357,545</u>	<u>£404,893</u>

In appropriate cases, the charity makes car loans available to ministers and staff. Amounts outstanding from members of the committee of management were as follows.

	<b>2020</b>	<b>2019</b>
	£	£
Dr L. Thompson	-	417
Miss R. M. A. Hoey	<u>729</u>	<u>1,979</u>
	<u>£729</u>	<u>£2,396</u>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

## 21. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds		Restricted	Total
	General	Designated	Funds	2019
	£	£	£	£
<b>Income and endowments from:</b>				
Donations and Legacies	424,739	-	972,016	1,396,755
Other Trading Activities	-	-	145,079	145,079
Investments	757,990	16,949	346,864	1,121,803
	1,182,729	16,949	1,463,959	2,663,637
<b>Charitable activities</b>	82,056	5,695	8,269,272	8,357,023
<b>Other</b>	-	-	10,000	10,000
<b>Total Income</b>	1,264,785	22,644	9,743,231	11,030,660
<b>Expenditure On:</b>				
<b>Raising Funds</b>				
Fundraising trading: cost of goods sold and other costs	-	-	(264,997)	(264,997)
Investment management costs	(699,881)	(2,928)	(41,472)	(744,281)
	(699,881)	(2,928)	(306,469)	(1,009,278)
<b>Charitable Activities</b>	(494,367)	(675,186)	(9,038,729)	(10,208,282)
<b>Total expenditure</b>	(1,194,248)	(678,114)	(9,345,198)	(11,217,560)
Gains/(Losses) on investment Assets	21,203	173,987	28,478	223,668
Net income/(expenditure)	91,740	(481,483)	426,511	36,768
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	-	-	-	-
Transfers between reserves	(355,267)	938,258	(582,991)	-
	(263,527)	456,775	(156,480)	36,768
Total Funds Brought Forward (Restated)	2,957,474	15,480,983	6,211,358	24,649,815
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>£2,693,947</b>	<b>£15,937,758</b>	<b>£6,054,878</b>	<b>£24,686,583</b>

**MORAVIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**22. IMPACT OF THE COVID-19 PANDEMIC**

As with many other entities, the COVID-19 pandemic has had, and is likely to have in the future, a significant impact on the financial performance of the Group and the individual entities within the Group. The Trustees have reviewed the projected performance and financial position of the Group and the entities within the Group and are of the opinion that both the parent charity and its subsidiary, The Moravian Union, will remain going concerns for the foreseeable future.

On 28 July 2021 Ockbrook School was put into Administration on the basis that it is no longer considered a going concern. The Moravian Union acts as guarantor in respect of Ockbrook School's loans from NatWest Bank. The outstanding balance on those loans as at 28 July 2021 amount to £993,442 in aggregate and responsibility for repayment of those loans will shortly be transferred to the Moravian Union. These loans are already reflected in these consolidated financial statements.

The Trustees of the Moravian Church are also considering the long-term financial viability of Fulneck School. This has involved providing substantial financial support to the School via the Moravian Union. At the date of signing these financial statements loans to Fulneck School amount to £1,469,234. In addition, the Moravian Union acts as guarantor in respect of Fulneck School's loans from RBS, also reflected in these financial statements.

After considering the Charity's reserves, held primarily within the Moravian Union which acts as the asset holding body of the Moravian Church, and future cash flow forecasts for a period well in excess of 12 months from the date of approval of these financial statements, the Trustees are confident that the assets of the Church are sufficient to meet these liabilities as they arise.

**23. PRIOR YEAR ADJUSTMENT**

During the year, a historic error was noted in relation to the fixed asset balances reflected in the accounts of Fulneck School and consequently these consolidated financial statements. The error affected both the cost and accumulated depreciation for asset that no longer existed. No depreciation had been charged on these assets either in the current or prior year. A prior year adjustment was carried out and this affected opening reserves at 1 September 2018 and the brought forward cost and accumulated depreciation of tangible fixed assets as detailed below:

**Summary of consolidated net asset adjustment as at 31 August 2019:**

	<b>As originally stated</b>	<b>Adjustment</b>	<b>As restated</b>
	£	£	£
<b>Tangible Assets</b>			
Cost – Land and Buildings	10,037,687	(169,536)	9,868,151
Cost – Furniture, Fixtures and Fittings (F,F&E)	1,577,654	(86,359)	1,491,295
Accumulated depreciation – Land and Buildings	(3,707,903)	70,053	(3,637,850)
Accumulated depreciation – F,F&E	(1,297,856)	43,814	(1,254,042)
		<u>(142,028)</u>	
<b>Reserves</b>			
Restricted Funds – Fulneck School	1,009,727	<u>(142,028)</u>	867,699

**Restatement of brought forward reserves at 1 September 2018 on SOFA:**

Restricted Funds	6,353,386	<u>(142,028)</u>	6,211,358
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Appendix 1

**MORAVIAN CHURCH**  
**PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	2020	2019
	£	£	£	£	£
<b>Income and endowments from:</b>					
Donations and Legacies	-	212,000	681,907	893,907	1,020,646
Other Trading Activities	-	-	54,349	54,349	91,984
Investments	48	9,623	233,960	243,631	225,333
	48	221,623	970,216	1,191,887	1,337,963
<b>Charitable activities</b>	-	-	145,042	145,042	676,133
<b>Other</b>	-	-	144,504	144,504	10,000
<b>Total Income</b>	48	221,623	1,259,762	1,481,433	2,024,096
<b>Expenditure On:</b>					
<b>Raising Funds</b>					
Fundraising trading: cost of goods sold and other costs	-	-	(13,744)	(13,744)	(17,110)
Investment management costs	-	-	(27,741)	(27,741)	(22,364)
	-	-	(41,485)	(41,485)	(39,474)
<b>Charitable Activities</b>	(9,301)	(687,986)	(788,013)	(1,485,300)	(1,598,099)
<b>Total expenditure</b>	(9,301)	(687,986)	(829,498)	(1,526,785)	(1,637,573)
Gains/(losses) on investment assets	-	-	-	-	-
Net income/(expenditure)	(9,253)	(466,363)	430,264	(45,352)	386,523
Transfers	-	476,120	(476,120)	-	-
<b>NET MOVEMENT IN FUNDS</b>	(9,253)	9,757	(45,856)	(45,352)	386,523
Total Funds Brought Forward	15,935	10,240	1,203,651	1,229,826	843,303
<b>TOTAL FUNDS CARRIED FORWARD</b>	£6,682	£19,997	£1,157,795	£1,184,474	£1,229,826

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.