

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 TN11 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 invested 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, is 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 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.

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

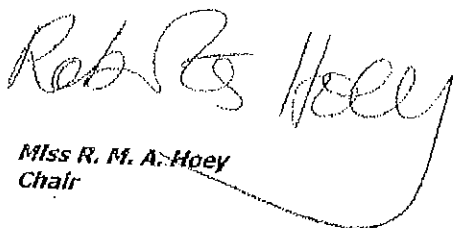
The trustees are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard 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 General £	Designated £	Restricted Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
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
Charitable activities	5	32,796	5,834	7,124,315	7,162,945	8,357,023
Other	6	-	-	144,504	144,504	10,000
Total Income		1,228,512	20,701	8,853,636	10,102,849	11,030,660
Expenditure on:						
Raising Funds						
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)
Charitable Activities	7	(538,246)	(681,274)	(10,153,427)	(11,372,947)	(10,208,282)
Total Expenditure		(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
Other Recognised Gains/(Losses)						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	19	-	-	-	-	-
Transfers between reserves	17	(996,355)	902,617	(93,738)	-	-
NET MOVEMENT IN FUNDS		(890,828)	777,336	(1,485,496)	(1,598,988)	36,768
Reconciliation of Funds:						
Total Funds Brought Forward (Restated)	17	2,693,947	15,937,758	6,054,878	24,686,583	24,649,815
TOTAL FUNDS CARRIED FORWARD		<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.

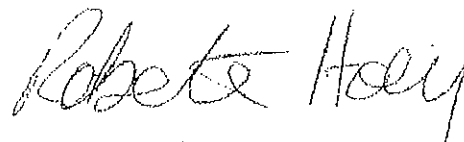
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MORAVIAN CHURCH
CONSOLIDATED BALANCE SHEET
AT 31 AUGUST 2020

	Notes	Group 2020	2019 (Restated)	Parent 2020	2019
		£	£	£	£
FIXED ASSETS					
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>
CURRENT ASSETS					
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>
LIABILITIES					
Creditors: Amounts falling due within one year	14	3,381,357	2,852,695	665,650	601,603
NET CURRENT ASSETS		<u>(245,744)</u>	<u>367,731</u>	<u>717,856</u>	<u>843,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,454,550</u>	<u>30,099,342</u>	<u>1,184,474</u>	<u>1,229,826</u>
CREDITORS: Amounts falling due after more than one year	15	(1,326,021)	(1,106,752)	-	-
Defined Benefit Pension Liability	19	(4,040,934)	(4,306,007)	-	-
TOTAL NET ASSETS		<u>£23,087,595</u>	<u>£24,686,583</u>	<u>£1,184,474</u>	<u>£1,229,826</u>
The Funds of the Charity:					
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>
TOTAL FUNDS		<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	
		£	£	£	£
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES			(2,031,259)		(692,823)
CASH FLOWS FROM INVESTING ACTIVITIES					
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	2,452,897		1,432,841	
			1,059,744		473,381
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(23,142)		(22,153)	
Movement on Loans		1,037,240		(127,258)	
			1,014,098		(149,411)
CHANGE IN CASH AND CASH EQUIVALENTS			42,583		(368,853)
Cash and Cash Equivalents at the beginning of the reporting period			2,520,638		2,889,491
Cash and Cash Equivalents at the end of the reporting period			<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	(265,073)	(263,094)
	<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	(1,007,086)	(241,686)	(1,248,772)
	<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	Total
	General	Designated		2020	2019
	£	£	£	£	£
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					
Aid of Moravian Mission	-	-	65,000	65,000	65,000
	<u>£403,095</u>	<u>-</u>	<u>£1,190,166</u>	<u>£1,593,261</u>	<u>£1,396,755</u>

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
	<u>£-</u>	<u>£-</u>	<u>£116,109</u>	<u>£116,109</u>	<u>£145,079</u>

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
	<u>£792,621</u>	<u>£14,867</u>	<u>£278,542</u>	<u>£1,086,030</u>	<u>£1,121,803</u>

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
	<u>£32,796</u>	<u>£5,834</u>	<u>£7,124,315</u>	<u>£7,162,945</u>	<u>£8,357,023</u>

6. OTHER INCOME

Insurance proceeds	-	-	144,504	144,504	10,000
	<u>£-</u>	<u>£-</u>	<u>£144,504</u>	<u>£144,504</u>	<u>£10,000</u>

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2020

7. EXPENDITURE

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
Oddbrook 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				79,018			79,018	181,445
Other Office Costs				1,249		420	1,669	3,746
	154,273	663,962	7,685,378	1,891,782	205,156	1,590,631	12,191,182	11,217,560
Apportioned Support Costs (based on staff time)	-	-	1,416,644	151,369	22,618	(1,590,631)	-	-
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	-
	£603,166	£215,817	£3,230,095	£2,983,245	£7,032,323	6,749,354
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
	£603,166	£215,817	£3,230,095	£2,983,245	£7,032,323	6,749,354
Average Staff Numbers:					No.	No.
Teaching	-	-	72	82	154	143
Ministers	14	-	-	-	14	14
Other	3	4	34	8	49	48
	17	4	106	90	217	205

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
	£56,460	£53,880

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 £
Cost				
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
Depreciation				
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
Net Book Value				
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
PARENT				
Cost				
Brought Forward	386,172	-	21,413	407,585
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2020	386,172	-	21,413	407,585
Depreciation				
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
Net Book Value				
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

	2020	2019
	£	£
Market Value		
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**GROUP - LISTED INVESTMENTS**

	Total 2020	Total 2019
	£	£
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:

	2020	2019
	£	£
The Charities Property Fund	<u>£413,558</u>	<u>£435,326</u>

**12. STOCK
Group**

	2020	2019
	£	£
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**

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
	£239,959	£538,054	£548,008	£1,326,021

Group	1 – 2 years £	2 – 5 years £	More than 5 years £	2019 £
Bank Loans - Fulneck School	12,422	37,266	49,123	98,811
- Ockbrook School	59,057	182,540	309,042	550,639
	71,479	219,806	358,165	649,450
Bates Trust Loan	46,207	138,621	172,808	357,636
Other Creditors	14,219	41,790	43,657	99,666
	£131,905	£400,217	£574,630	£1,106,752

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		
	£	£	£	£
Group				
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>

Parent				
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		
	£	£	£	£
Group				
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>

Parent				
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
	£	£	£	£	£	£	£
RESTRICTED							
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
DESIGNATED							
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	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
GENERAL							
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
	£	£	£	£	£	£	£
RESTRICTED							
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)	6,054,878
DESIGNATED							
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	(2,638)	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
GENERAL							
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.

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

18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS FOR EQUIPMENT

Group	2020 £	2019 £
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:

	31/08/2020 £	31/08/2019 £
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:

	31/08/2020 £
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:

	31/08/2020	31/08/2019
	£	£
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:

	31/08/2020	31/08/2019
	£	£
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:

	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 £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:-

	2020	2019
	£	£
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.

	2020	2019
	£	£
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	Funds	2019
	£	£	£
Income and endowments from:			
Donations and Legacies	424,739	-	972,016
Other Trading Activities	-	-	145,079
Investments	757,990	16,949	346,864
	1,182,729	16,949	1,463,959
			2,663,637
Charitable activities	82,056	5,695	8,269,272
Other	-	-	10,000
Total Income	1,264,785	22,644	9,743,231
			11,030,660
Expenditure On:			
Raising Funds			
Fundraising trading: cost of goods sold and other costs	-	-	(264,997)
Investment management costs	(699,881)	(2,928)	(41,472)
	(699,881)	(2,928)	(306,469)
			(1,009,278)
Charitable Activities	(494,367)	(675,186)	(9,038,729)
			(10,208,282)
Total expenditure	(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
TOTAL FUNDS CARRIED FORWARD	£2,693,947	£15,937,758	£6,054,878
			£24,686,583

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:

	As originally stated	Adjustment	As restated
	£	£	£
Tangible Assets			
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>	
Reserves			
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 General £	Designated £	Restricted Funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
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
Charitable activities	-	-	145,042	145,042	676,133
Other	-	-	144,504	144,504	10,000
Total Income	48	221,623	1,259,762	1,481,433	2,024,096
Expenditure On:					
Raising Funds					
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)
Charitable Activities	(9,301)	(687,986)	(788,013)	(1,485,300)	(1,598,099)
Total expenditure	(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)	-	-
NET MOVEMENT IN FUNDS	(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
TOTAL FUNDS CARRIED FORWARD	£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.