

**THE BRITISH PROVINCE OF THE UNITAS FRATRUM**

**operating as  
THE MORAVIAN CHURCH**

**Charity Number: 251211**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2022**

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

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

**LEGAL AND ADMINISTRATIVE DETAILS :**

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

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

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

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

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

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

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

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

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

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

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

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

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

**Group Structure**

The Moravian Church controls a number of related organisations including:

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

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

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

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

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

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

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

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

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

**Volunteers**

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

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

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

**Organisational Management**

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

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

**Risk Management**

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

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

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

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

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

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

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

**Pensions**

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

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

**OBJECTS AND ACTIVITIES**

**Principal Objectives**

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

**Activities**

The parent charity's main activities consist of:

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

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

**OBJECTS AND ACTIVITIES (Continued)**

**Strategies**

To promote these activities the parent charity:

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

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

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

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

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

## **ACHIEVEMENTS AND PERFORMANCE**

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

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

### **Review of the year**

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

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

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

### **Ministry**

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

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

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

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

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

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

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

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

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

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

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

**Fulneck School**

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

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

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

**Choir House**

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

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

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

**Finances**

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

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

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

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

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

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Unity**

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

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

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

**Ecumenical**

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

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

**Conclusion**

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

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

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

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

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

**REVIEW OF FINANCIAL POSITION**

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

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

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

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

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

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

**REVIEW OF FINANCIAL POSITION (Continued)**

**Investment Policy and Objectives**

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

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

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

**Fundraising Policy**

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

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

**FUTURE PLANS**

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

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

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

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

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

**RESERVES POLICY**

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

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the incoming resources and application of resources for that period. In preparing those financial statements, the Trustees are required to: -

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

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

***On behalf of the Trustees***



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



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

**Date: 21 September      2023**

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

**OPINION**

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

In our opinion the financial statements:

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

This report is made solely to the Trustees in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to the Trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees for our audit work, for this report, or for the opinions we have formed.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

**OTHER INFORMATION**

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

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

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

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

**RESPONSIBILITIES OF THE TRUSTEES**

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

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

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

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

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

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

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

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

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

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



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

**Date: 21 September 2023**

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

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

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

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

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

The notes form part of these financial statements.

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

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

Approved by the Trustees on 21 September

2023 and signed on their behalf by



**Rev Dr L. Thompson**



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

Charity Number: 251211

The notes form part of these financial statements.

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

	Notes	£	2022	£	£	2021	£
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>				(1,983,495)			(3,741,688)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Investment income			1,087,182			1,142,792	
Payments to acquire tangible fixed assets	9		(28,970)			(26,498)	
Proceeds on disposal of tangible fixed assets			1,119,595			260,467	
Proceeds on disposal of investment property assets	10		-			-	
Purchase of fixed asset investments	11		(968,839)			(1,554,101)	
Proceeds of sale of fixed asset investments	11		1,194,936			1,676,908	
				2,403,904			1,499,568
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Interest paid			(151,176)			(65,184)	
Movement on Loans			(589,073)			1,278,601	
				(740,249)			1,213,417
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>				(319,840)			(1,028,703)
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>				1,480,518			2,509,221
<b>Cash and Cash Equivalents at the end of the reporting period</b>				<u>£1,160,678</u>			<u>£1,480,518</u>

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

	2022	2021
	£	£
Net Movement in funds for the year	2,882,667	4,782,864
Investment Income	(1,087,182)	(1,142,792)
Interest Paid	151,176	65,184
Depreciation	159,122	227,250
(Gains)/Losses on disposal of property fixed assets	(652,410)	(71,184)
(Gains)/Losses on disposal of other fixed assets	1,713	(38,608)
(Gains)/Losses on investment assets	(2,463,332)	(6,265,263)
Investment asset impairment	131,250	
(Increase)/Decrease in Stock	3,853	5,212
(Increase)/Decrease in Debtors	(81,539)	129,120
Increase/(Decrease) in Creditors	149,316	(1,166,039)
Movement on Defined Benefit Pension Liability	(1,178,129)	(267,432)
	<u>£(1,983,495)</u>	<u>£(3,741,688)</u>

**NET DEBT RECONCILIATION**

	01/09/2021	Cashflow	31/08/2022
	£	£	£
Cash at Bank and in Hand	1,480,518	(319,840)	1,160,678
UBS facility drawn down	(1,975,200)	-	(1,975,200)
Loans repayable within one year	(625,661)	458,356	(167,305)
Loans repayable outside one year	(881,934)	130,717	(751,217)
	<u>£(2,002,277)</u>	<u>£269,233</u>	<u>£(1,733,044)</u>

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

**1. ACCOUNTING POLICIES**

**Basis of Preparation**

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

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

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

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

**Going Concern**

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

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

**Income Recognition**

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

*Donations and Legacies*

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

*School Fees*

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

*Rental Income*

Rents receivable are included on an accruals basis.

*Investment Income*

Investment income is recognised when received by the investment managers.

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

**1. ACCOUNTING POLICIES (Continued)**

**Income Recognition (Continued)**

*Other Income*

Other income is generally recognised on an accruals basis.

**Expenditure**

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

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

**Stock**

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

**Investments**

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

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

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

**Investment Property**

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

**Leases**

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

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

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

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

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

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

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

**Taxation**

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

**Advance Fees Scheme**

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

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

**Fund Accounting**

Funds held by the charitable group are either:-

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

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

**1. ACCOUNTING POLICIES (Continued)**

**Pensions**

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

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

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

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

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

**Short-term debtors and creditors**

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

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

**1. ACCOUNTING POLICIES (Continued)**

**Key Judgements and Estimates**

(i) Financial instrument classification

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

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

(ii) Useful lives of functional properties

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

(iii) Recognition and valuation of investment properties

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

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

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

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

(v) Doubtful debt provision

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

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

**2. DONATIONS AND LEGACIES**

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

**3. OTHER TRADING ACTIVITIES**

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

**4. INVESTMENT INCOME**

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

**5. INCOME FROM CHARITABLE ACTIVITIES**

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

**6. OTHER INCOME**

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

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

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

**7. EXPENDITURE**

	Costs of Raising Funds			Charitable Activities			Support Costs	Total 2022	Total 2021
	Fundraising Trading Activities and other costs	Investment Management Costs	Education Costs	Ministry and Congregations					
				Domestic	Overseas				
	£	£	£	£	£	£	£	£	£
Fulneck School General Education Costs	-	-	621,074	-	-	-	-	621,074	471,337
Ockbrook School General Education Costs	-	-	-	-	-	-	-	-	278,404
Congregation Fundraising Activities	9,855	-	-	-	-	-	-	9,855	4,314
Ministry	-	-	-	602,941	-	-	-	602,941	611,490
Grants and Projects	-	-	-	-	-	159,750	-	159,750	185,395
Burial Ground Costs	-	-	-	2,911	-	-	-	2,911	2,718
Estate Management Costs	-	695,713	-	-	-	-	-	695,713	677,601
Pensions and Tax	-	-	-	-	-	-	-	-	-
Staff Costs	37,987	-	2,217,822	292,116	-	30,360	630,989	3,209,274	5,911,549
Advertising and Marketing	-	-	-	-	-	-	-	-	56,625
Ministers Travel	-	-	-	20,299	-	-	-	20,299	18,764
Ministerial Training	-	-	-	-	-	-	-	-	29,103
Other Ministerial Costs	-	-	-	-	-	-	-	-	13,493
Archive Costs	-	-	-	53,606	-	-	-	53,606	51,616
Brokers Fees	-	36,023	-	-	-	-	-	36,023	36,146
Honorariums	500	-	-	10,832	-	-	-	11,332	15,356
Provision for Doubtful Debts	-	-	-	55,227	-	-	-	55,227	39,265
Youth and Children	-	-	-	46,120	-	-	-	46,120	39,773
Audit	-	-	-	7,980	-	-	39,360	47,340	36,720
Accounting	-	-	-	-	-	-	-	-	-
Bank Charges	13,378	-	-	3,074	-	-	-	16,452	26,160
Interest	24,590	-	-	-	-	-	126,586	151,176	65,184
Hire Purchase Finance Charges	-	-	-	-	-	-	-	-	-
Depreciation	-	-	117,500	7,723	-	-	33,897	159,120	227,250
Book Purchases	-	-	-	14,350	-	-	-	14,350	14,753
Subscriptions and Licences	-	-	-	21,632	-	-	-	21,632	34,460
Messenger	-	-	-	24,041	-	-	-	24,041	22,580
Stationery and Postage	-	-	-	6,544	-	-	47,257	53,801	63,337
Premises (cleaning, repairs, security, light, power and utilities)	37,855	57,992	269,699	292,408	-	-	171,787	829,741	863,733
Legal & Professional	-	-	-	276,927	-	-	35,394	312,321	1,473,628
Photocopier Lease	-	-	-	-	-	-	-	-	-
Computer Software Maintenance & Licences	-	-	-	-	-	-	86,784	86,784	76,855
Communications	-	-	-	-	-	-	4,258	4,258	5,138
Insurance	-	-	7,419	53,507	-	-	11,769	72,695	156,297
Ministers Removal Costs	-	-	-	10,828	-	-	-	10,828	13,225
Synod	-	-	-	30,371	-	-	-	30,371	27,241
Church House Assessments	-	-	-	-	-	-	-	-	-
Other Congregations Costs	-	-	-	97,104	-	-	-	97,104	49,520
Other Office Costs	-	-	-	2,258	-	-	2,268	4,526	1,322
	124,165	789,728	3,233,514	1,932,799	190,110	-	1,190,349	7,460,665	11,600,352
Apportioned Support Costs (based) on staff time)	-	-	762,975	371,815	55,559	-	(1,190,349)	-	-
Total 2022	£124,165	£789,728	£3,996,489	£2,304,614	£245,669	£-	£-	£7,460,665	£11,600,352
Total 2021	£168,729	£729,499	£8,520,107	£1,983,641	£198,376	£-	£-	£11,600,352	£11,600,352

All grants are made to charitable institutions and are to help fund the ministry and congregations. They range in value from £200 to £50,000.  
 Legal & Professional fees charged to Domestic Charitable activities, relate to fees incurred as part of the review and restructuring exercise of Fulneck and Ockbrook Schools.

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

**8. STAFF COSTS**

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

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

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

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

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

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

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

**9. TANGIBLE FIXED ASSETS**

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

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

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

**10. INVESTMENT PROPERTIES**

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

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

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

**11. INVESTMENTS**

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

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

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

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

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

13. **DEBTORS**

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

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

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

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

Deferred Income consists entirely of fees in advance.

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

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

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

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

  

Group	1 – 2 years £	2 – 5 years £	More than 5 years £	2021 £
Bank Loans - Fulneck School	20,608	60,334	39,368	120,310
- Moravian Union	59,818	184,891	257,644	502,353
	80,426	245,225	297,012	622,663
Bates Trust Loan	50,935	159,379	48,957	259,271
Other Creditors	-	-	-	-
	£131,361	£404,604	£345,969	£881,934

When Ockbrook School went into administration in 2021, The Moravian Union as guarantor assumed responsibility for the liability in respect of Ockbrook School's outstanding bank loan balances which amount to £494,377 at the balance sheet date (2021: £993,422), of which £47,542 was repayable within one year (2021: £546,587). The outstanding loans are secured against Moravian Union property.

Fulneck School has one bank loan (2019), secured against the Fulneck School property which is owned by the Moravian Union. At the year end £117,004 remained outstanding, of which £20,511 was repayable within one year.

During 2017 a loan of £500,000 was extended to The Moravian Union by the Mrs EM Bates Trust. The loan was to provide investment funding to The Moravian Union to undertake a major fixed asset properties repair programme. The loan is to be repaid over a period of 10 years and is secured against 49 Creighton Avenue, a property valued at in excess of £1.3m. Interest is charged at 2% above base rate. The loan is considered a concessionary loan.

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

16. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total 2022</b>
	<b>General</b>	<b>Designated</b>		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	10,507	1,608,943	2,517,737	4,137,187
Investments	1,936,390	307,295	2,853,924	5,097,609
Investment Properties	611,381	26,206,086	-	26,817,467
Cash at bank and in hand	141,044	240,904	778,730	1,160,678
Other net assets/(liabilities)	(2,237,645)	(3,593,441)	(1,597,915)	(7,429,001)
	<u>£461,677</u>	<u>£24,769,787</u>	<u>£4,552,476</u>	<u>£29,783,940</u>
<b>Parent</b>				
Tangible fixed assets	-	-	363,003	363,003
Investments	-	-	161,694	161,694
Cash at bank and in hand	1,486	28,455	853,183	883,124
Other net assets/(liabilities)	-	-	(368,250)	(368,250)
	<u>£1,486</u>	<u>£28,455</u>	<u>£1,009,630</u>	<u>£1,039,571</u>
<b>2021 (Restated)</b>				
	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>General</b>	<b>Designated</b>		
	£	£	£	£
<b>Group</b>				
Tangible fixed assets	5,554	2,104,988	2,625,691	4,736,233
Investments	2,088,800	331,482	3,088,825	5,509,107
Investment Properties	993,422	23,306,561	-	24,299,983
Cash at bank and in hand	967,384	204,372	308,762	1,480,518
Other net assets/(liabilities)	(2,565,226)	(5,498,313)	(1,061,029)	(9,124,568)
	<u>£1,489,934</u>	<u>£20,449,090</u>	<u>£4,962,249</u>	<u>£26,901,273</u>
<b>Parent</b>				
Tangible fixed assets	-	-	370,726	370,726
Investments	-	-	171,248	171,248
Cash at bank and in hand	1,470	29,095	904,940	935,505
Other net assets/(liabilities)	-	(3,777)	(353,692)	(357,469)
	<u>£1,470</u>	<u>£25,318</u>	<u>£1,093,222</u>	<u>£1,120,010</u>

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

**17. MOVEMENTS ON FUNDS**

**GROUP AND PARENT 2022**

	Opening Balance At 01/09/21 Restated (note 23)	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/22
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union	173,457	5,079	(28,929)	(6,327)	-	23,850	167,130
Evangelical	684,747	(2,132)	(12,868)	(24,912)	-	-	644,835
Ministers emoluments	115,069	11,108	(61,502)	(2,534)	-	52,331	114,472
Education	376,961	2,372	(2,372)	(13,117)	-	-	363,844
Overseas	1,903,655	47,879	(50,716)	(56,641)	-	-	1,844,177
Property	3,435	67	(67)	(116)	-	-	3,319
Relief of poverty	499,117	194,481	(191,495)	(9,566)	-	47,454	539,991
Other	3,756,441	258,854	(347,949)	(113,213)	-	123,635	3,677,768
Moravian Church (congregations) – Parent only	1,093,222	1,013,195	(559,940)	13,828	-	(550,675)	1,009,630
Fulneck School	29,115	3,787,650	(3,998,005)	-	-	(199,276)	(380,516)
Ockbrook School	-	-	-	-	-	-	-
Fulneck Choir House	-	37,001	(28,878)	-	-	-	91,594
Comenius Foundation	-	-	-	-	-	154,000	154,000
	4,962,249	5,096,700	(4,934,772)	(99,385)	-	(472,316)	4,552,476
<b>DESIGNATED</b>							
Moravian Union	(4,742,688)	-	(73,739)	-	983,841	268,027	(3,564,559)
Defined Benefit Pension Scheme	(104,548)	9,006	(282)	(1,556)	-	142,130	44,750
Ministers emoluments	1,972,051	2,910	(2,015)	(10,774)	-	563	1,962,735
Property	1,629,034	-	-	-	-	(26,075)	1,602,959
Investment Property – Cost	21,577,529	-	-	2,517,484	-	508,114	24,603,127
Investment Property – Revaluation	2,201	13	(13)	(74)	-	-	2,127
Other	90,193	-	-	-	-	-	90,193
Mission Renewal	20,423,772	11,929	(76,049)	2,505,080	983,841	892,759	24,741,332
Moravian Church and Congregations – Parent only	25,318	10,414	(678,838)	-	-	671,561	28,455
	20,449,090	22,343	(754,887)	2,505,080	983,841	1,564,320	24,769,787
<b>GENERAL</b>							
Moravian Union	1,488,464	1,908,350	(1,771,006)	(73,613)	-	(1,092,004)	460,191
Moravian Church – Parent only	1,470	16	-	-	-	-	1,486
	1,489,934	1,908,366	(1,771,006)	(73,613)	-	(1,092,004)	461,677
	£26,901,273	£7,027,409	£(7,460,665)	£2,332,082	£983,841	£-	£29,783,940

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

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

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

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

**GROUP AND PARENT 2021**

	Opening Balance At 01/09/20	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/21 restated
	£	£	£	£	£	£	£
<b>RESTRICTED</b>							
Moravian Union	157,493	8,135	(29,376)	14,465	-	22,740	173,457
Evangelical	593,529	30,880	(15,880)	76,218	-	-	684,747
Ministers emoluments	97,865	11,876	(53,031)	9,748	-	48,611	115,069
Education	326,502	2,374	(2,373)	50,458	-	-	376,961
Overseas	1,688,509	48,722	(51,473)	217,897	-	-	1,903,655
Property	2,986	68	(68)	449	-	-	3,435
Relief of poverty	449,207	66,181	(183,005)	36,797	-	129,937	499,117
Other	3,316,091	168,236	(335,206)	406,032	-	201,288	3,756,441
Moravian Church (congregations) – Parent only	1,157,795	908,306	(471,876)	39,079	-	(540,082)	1,093,222
Fulneck School (Restated)	730,475	3,647,441	(4,309,339)	-	-	(39,462)	29,115
Ockbrook School	(702,695)	3,969,274	(4,353,158)	-	-	1,086,579	-
Fulneck Choir House	67,716	37,780	(22,025)	-	-	-	83,471
	4,569,382	8,731,037	(9,491,604)	445,111	-	708,323	4,962,249
<b>DESIGNATED</b>							
Moravian Union	(4,040,934)	-	-	-	(969,186)	267,432	(4,742,688)
Defined Benefit Pension Scheme	(119,167)	8,915	(282)	5,985	-	-	(104,549)
Ministers emoluments	1,920,927	2,414	(2,610)	51,320	-	-	1,972,051
Property	1,629,034	-	-	-	-	-	1,629,034
Investment Property – Cost	17,213,127	-	-	5,457,824	-	(1,093,422)	21,577,529
Investment Property – Revaluation	1,916	13	(13)	285	-	-	2,201
Other	90,194	-	-	-	-	-	90,194
Mission Renewal	16,695,097	11,342	(2,905)	5,515,414	(969,186)	(825,990)	20,423,772
	19,997	-	(637,721)	-	-	643,042	25,318
Moravian Church and Congregations – Parent only	16,715,094	11,342	(640,626)	5,515,414	(969,186)	(182,948)	20,449,090
<b>GENERAL</b>							
Moravian Union	1,796,437	1,375,324	(1,462,660)	304,738	-	(525,375)	1,488,464
Moravian Church – Parent only	6,682	250	(5,462)	-	-	-	1,470
	1,803,119	1,375,574	(1,468,122)	304,738	-	(525,375)	1,489,934
	£23,087,595	£10,117,953	£(11,600,352)	£6,265,263	£(969,186)	£-	£26,901,273

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

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

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

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

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

***Restricted funds,***

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

***Designated funds,***

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

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

<b>Group</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:		
Less than One Year	63,978	63,978
Between One and Five Years	77,652	77,652
After more than Five Years	991	991
	<u>£142,621</u>	<u>£142,621</u>

No obligations arise in the parent.

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

**19. PENSIONS**

*Moravian Union/Moravian Church*

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

(i) Defined benefit pension scheme

Under this scheme discretionary pensions were paid to retired ministers in service prior to 31 August 2010 in accordance with the rules established by Synod, provided sufficient funds were available. The assets used to pay these pensions are not held separately from other funds of the Charitable Company. As a result of a resolution passed at the 2016 British Provincial Synod, The Moravian Union has recognised these pensions as an obligation and initially obtained an actuarial valuation of the liability at the 31 August 2017. A revised valuation was obtained as at 31 August 2022.

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

The amounts recognised in the Balance Sheet are as follows:

	<b>31/08/2022</b>	<b>31/08/2021</b>
	£	Restated £
Fair value of Liability Assets	-	-
Present value of funded obligations	(3,564,559)	(4,742,688)
Net (under) / overfunding in Liability	<u>£(3,564,559)</u>	<u>£(4,742,688)</u>
Unrecognised assets	-	-
Net Defined Benefit Asset / (Liability)	<u>£(3,564,559)</u>	<u>£(4,742,688)</u>

The amounts recognised in Profit or Loss are as follows:

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

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

**19. PENSIONS (Continued)**

The Moravian Union contributed £268,027 to fund the payment of benefits over the year from 1 September 2021 to 31 August 2022. No contributions were made by members over the period as the Liability is an unfunded arrangement.

No contributions are expected from the Church or from members over the next year from 1 September 2022 to 31 August 2023. The liability is unfunded, and pensions are paid directly by the Moravian Union.

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

	<b>31/08/2022</b>	<b>31/08/2021</b>
	<b>£</b>	<b>Restated</b>
	<b>£</b>	<b>£</b>
Opening Defined Benefit Obligation	4,742,688	4,040,934
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(268,027)	(267,432)
Interest on obligation	73,739	-
Experience losses / (gains)	135,005	-
Losses / (gains) from changes in assumptions	(1,118,846)	969,186
Closing Defined Benefit Obligation	<u>£3,564,559</u>	<u>£4,742,688</u>

The weighted average duration of the liabilities of the Liability was 10 years as at 31 August 2022.

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

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

	<b>31/08/2022</b>	<b>31/08/2021</b>
	<b>£</b>	<b>Restated</b>
	<b>£</b>	<b>£</b>
Opening fair value of Liability assets	-	-
Interest on assets	-	-
Return on assets (not included in interest)	-	-
Assets distributed on settlements	-	-
Contributions by Moravian Union	268,027	267,432
Contributions by members	-	-
Benefits paid	(268,027)	(267,432)
Administration expenses	-	-
Closing fair value of Liability assets	<u>£-</u>	<u>£-</u>

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

**19. PENSIONS (Continued)**

Principal actuarial assumptions used for the FRS 102 disclosures:

	<b>31/08/2022</b>	<b>31/08/2021</b>
	% pa	% pa
Discount rate at end of year	4.10	1.60
Discount rate at start of year	1.60	0.00
Rate of increase in deferred pensions (LPI 3%)	2.70	2.60
Rate of increase in deferred pensions (LPI 4%)	3.30	3.10
Rate of increase in pensions in payment (LPI 3%)	2.70	2.60
Rate of increase in pensions in payment (LPI 4%)	3.30	3.10

**Mortality Assumptions**

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

For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 88 if they are male and until age 91 if female.

(ii) Active ministers defined contribution scheme

With effect from 31 December 2015 the discretionary scheme for active ministers was discontinued and replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the previous scheme, which were recognised as obligations by Synod during the preceding year, have been calculated and index linked to retirement as part of the actuarial valuation. Employer contributions to the defined contribution scheme during the year were £79,610 (2021: £74,258).

(iii) Other employees personal pension plans

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 7% of pensionable salaries to each plan. The employer's contribution in the year was £19,015 (2021: £11,957).

*Fulneck School*

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff.

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

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

**19. PENSIONS (Continued)**

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2016 and was published in March 2019. This valuation confirmed that the employer contribution rate would be 23.68%, inclusive of a scheme administration levy of 0.08%, with effect from 1 September 2019. Additional details on the scheme are included in the audited financial statements of Fulneck School.

The pension charge for the year includes contributions payable to the TPS of £315,239 (2021: £361,003) and at the year-end £18,161 (2021 - £25,728) was accrued in respect of contributions to this scheme.

Pension costs for the year are disclosed in note 8.

**Opt Pensions**

Fulneck School participates in a support staff pension scheme that is regulated by Opt Pensions which is an auto enrolment scheme whereby the school contributes 5% of gross earnings. The pension charge for the year includes contributions payable to Opt Pensions of £32,650 (2021: £25,728).

**20. RELATED ORGANISATIONS**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Mrs E.M. Bates Trust	<u>£333,956</u>	<u>£315,110</u>
The London Mission in Aid of Moravian Missions	<u>£63,000</u>	<u>£63,000</u>
At 31 August 2022, the following balances were outstanding:-		
Due from Mrs E.M. Bates Trust	<u>£125,065</u>	<u>£71,110</u>
Due to Mrs E.M. Bates Trust	<u>£258,825</u>	<u>£308,702</u>

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

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

	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2021 £
<b>Income and endowments from:</b>				
Donations and Legacies	385,588	-	1,309,488	1,695,076
Other Trading Activities	-	-	133,509	133,509
Investments	888,651	5,442	248,699	1,142,792
	1,274,239	5,442	1,691,696	2,971,377
<b>Charitable activities</b>	30,151	5,900	6,231,047	6,267,098
<b>Other</b>	71,184	-	808,294	879,478
<b>Total income</b>	1,375,574	11,342	8,731,037	10,117,953
<b>Expenditure On:</b>				
<b>Raising Funds</b>				
Fundraising trading: cost of goods sold and other costs	-	-	(168,729)	(168,729)
Investment management costs	(694,349)	(2,905)	(32,245)	(729,499)
	(694,349)	(2,905)	(200,974)	(898,228)
<b>Charitable Activities</b>	(773,773)	(637,721)	(9,290,630)	(10,702,124)
<b>Total expenditure</b>	(1,468,122)	(640,626)	(9,491,604)	(11,600,352)
Gains/(Losses) on investment Assets	304,738	5,515,414	445,111	6,265,263
Net income/(expenditure)	212,190	4,886,130	(315,456)	4,782,864
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	-	(969,186)	-	(969,186)
Transfers between reserves	(525,375)	(182,948)	708,323	-
	(313,185)	3,733,996	392,867	3,813,678
Total Funds Brought Forward	1,803,119	16,715,094	4,569,382	23,087,595
<b>TOTAL FUNDS CARRIED FORWARD</b>	£1,489,934	£20,449,090	£4,962,249	£26,901,273

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

**22. ASSESSMENT OF GOING CONCERN**

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

On 28 July 2021 Ockbrook School, a former fellow subsidiary of the Moravian Union, was put into administration. The Moravian Union acted as guarantor in respect of the School's loans from NatWest Bank, which are secured on properties owned by the Moravian Union. In accordance with a payment plan agreement dated 26 July 2021, the Moravian Union agreed to assume responsibility for repayment of the outstanding loans. The aggregate value of the loans was £1,093,422 in respect of three loans and the payment plan required an initial settlement of £100,000 prior to 31 August 2021 with clearance of the balance on two loans on the immediate sale of the Union's Lynton Mead property. Sale of that property was completed in September 2021 and a lump sum settlement of £432,135 was made.

The outstanding balance represents the balance on the Ockbrook School loan originally drawn down in 2015 and repayment terms are in accordance with that original agreement, unless additional funds become available for earlier settlement. This bank loan is repayable in monthly instalments of £5,610 which include interest charged at rates of 1.5%pa and at 1.86% over bank base rate pa.

The outstanding loan balance is secured by two Moravian Union investment properties at the Ockbrook Settlement site, The Grange and The Mount, whose aggregate value is estimated to significantly exceed the outstanding loan balance.

The Trustees of the Moravian Church are in the middle of a restructuring exercise which includes an assessment of the long-term financial viability of Fulneck School. This has involved providing substantial financial support to the School via the Moravian Union. At the date of signing these financial statements loans to Fulneck School amount to £1,690,653. In addition, the Moravian Union acts as guarantor in respect of Fulneck School's loans from RBS (see notes 15 and 17).

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

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

**23. PRIOR YEAR ADJUSTMENT**

The Moravian Union, as the asset holding body within The Moravian Church group is responsible for the valuation of the defined benefit pension scheme liability. The preceding year's valuation was based on the 2017 actuarial valuation (see note 19) and did not take into account the unwinding of the discount applied to the liability or potential changes in estimated discount rates, mortality assumptions and inflationary increases in deferred pensions and pensions in payment. As explained in note 1, accounting policies, and note 19, pension costs, the Trustees have reviewed the assumptions underlying the 2017 actuarial valuation and, as a result, commissioned their actuaries, BWCI Consulting Limited, to calculate an actuarial valuation of the liability determined using the Projected Unit Method. BWCI completed their valuation on 6 April 2023, providing valuations as at 31 August 2021 (£4,742,688) and 31 August 2022 (£3,564,559). This indicated that the liability as at 31 August 2021 was understated by £969,186. Following completion of the valuation, the 2021 comparative figures have been restated to reflect the liability which existed at 31 August 2021. Because an actuarial valuation as at 31 August 2020 was not available, the whole of the prior year adjustment has been accounted for in the Consolidated Statement of Financial Activities for the year ended 31 August 2021.

	<b>As originally reported £</b>	<b>Prior year adjustment £</b>	<b>As restated £</b>
<b>Balance Sheet:</b>			
As at 31 August 2021,			
Reserves – Designated Funds			
Defined Benefit Pension Scheme	£3,773,502	£969,186	£4,742,688
Net Assets			
Defined Benefit Pension Scheme Liability	£3,773,502	£969,186	£4,742,688
<b>SOFA:</b>			
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme Liability	£-	£(969,186)	£(969,186)

The valuation and movements in the current year are disclosed in note 19 to these financial statements. The liability is unfunded and rests entirely with The Moravian Union.

## Appendix 1

### **MORAVIAN CHURCH** **PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES** **FOR THE YEAR ENDED 31 AUGUST 2022**

	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and Legacies	-	225,000	617,971	842,971	786,607
Other Trading Activities	-	-	37,282	37,282	86,763
Investments	16	10,414	212,326	222,756	193,752
	16	235,414	867,579	1,103,009	1,067,122
<b>Charitable activities</b>	-	-	202,963	202,963	75,266
<b>Other</b>	-	-	-	-	-
<b>Total income</b>	16	235,414	1,070,542	1,305,972	1,142,388
<b>Expenditure On:</b>					
<b>Raising Funds</b>					
Fundraising trading: cost of goods sold and other costs	-	-	(73,653)	(73,653)	(4,314)
Investment management costs	-	-	(38,905)	(38,905)	(13,144)
	-	-	(112,558)	(112,558)	(17,458)
<b>Charitable Activities</b>	-	(684,077)	(603,604)	(1,287,681)	(1,228,473)
<b>Total expenditure</b>	-	(684,077)	(716,162)	(1,400,239)	(1,245,931)
Gains/(losses) on investment assets	-	-	13,828	13,828	39,079
Net income/(expenditure)	16	(448,663)	368,208	(80,439)	(64,464)
Transfers	-	451,800	(451,800)	-	-
<b>NET MOVEMENT IN FUNDS</b>	16	3,137	(83,592)	(80,439)	(64,464)
Total Funds Brought Forward	1,470	25,318	1,093,222	1,120,010	1,184,474
<b>TOTAL FUNDS CARRIED FORWARD</b>	£1,486	£28,455	£1,009,630	£1,039,571	£1,120,010

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