

THE MORAVIAN UNION (INCORPORATED)

(A company limited by guarantee)

Company Number: 133708

Charity Number: 251211-3

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2005



The Moravian Union (Incorporated)

Report of the Trustees

For the year ended 31st August 2005

The Board presents the report and financial statements of the Moravian Union (Incorporated) for the year ended 31 August 2005. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities. The report and statements also comply with the Companies Act 1985 as the Moravian Union (Incorporated) was incorporated on 2 February 1914. It has no share capital and is a subsidiary of a registered charity. The guarantee of each member is limited to £1. The governing document is the Memorandum and Articles of Association of the company and members of the Provincial Elders' Conference are the Trustees/Directors of the charitable company.

LEGAL & ADMINISTRATIVE INFORMATION

The Moravian Union was incorporated on 2 February 1914, following the resolution of Synod 1913 (Book of Order Section 33) as the holding body of the Moravian Churches' property.

The Provincial Elders' for the period ended 31 August 2005 and subsequently comprised:

Mr. T R Cross
Rev. R J Hopcroft
Mrs. J K Morten
Rev. J Mullin

The principal officers at 31st August 2005 were:

Rev. R J Hopcroft	Company Secretary
Mrs L Hill	Administrator
Mr P Hammond	Accountant
Miss L Parsons	Archivist

The Registered Office:

Moravian Church House
5-7 Muswell Hill
London
N10 3TJ

Investment Advisors:

UBS Wealth Management (UK) Ltd.
1 Curzon Street
London
W1J 5UB

Bankers:

Barclays Bank plc
Muswell Hill
223 Muswell Hill Broadway
London
N10 1DD

Solicitors:

Cripps Harries Hall
Wallside House
12 Mt Ephraim Road
Tunbridge Wells
TN1 1EG

Gregory, Rowcliffe & Milners
1 Bedford Row
London
WC1R 4BZ

Auditors:

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

The Moravian Union (Incorporated)

Report of the Trustees (continued)

For the year ended 31st August 2005

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document:

The Book of Order, Section 3.1.a states that the Provincial Elders' Conference (PEC) consists of not fewer than 3 members. At present the full complement of the Provincial Elders' Conference is four. 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 biannual Moravian Church Synod. Provincial Elders must be members of the Moravian Church.

The Chair and Officers are appointed by the members of the PEC themselves from among their number. The Board convenes at least twelve times each year.

Synod also elects members to the various standing committees which offer advice and support to the PEC. These standing committees include at least one Provincial Elder as follows:

Finance	All Elders
Social Responsibility	Mr. T R Cross
Renewal	Mrs. J K Morten
Faith and Order	Rev. R J Hopcroft and Rev. J Mullin
Hymnbook	Rev. R J Hopcroft and Mrs. J K Morten
Liturgy	Rev. J Mullin
Church Service Advisory Board	All Elders
Provincial youth and Children	Rev. R J Hopcroft

Governing Body:

The Provincial Synod is the ultimate decision-making body. Synod normally meets once every two years and its elected representatives, the Provincial Elders, act on behalf of Synod in the inter-synodal period.

The members of the Moravian Union are: the members for the time being of the PEC and other persons, not fewer than twelve in number, elected by the Provincial Synod (Book of Order Section 9.1.a). By Resolution 20 of the Synod 1929, it was made part of the standing order of Synod that persons from time to time appointed by it to be Investment Trustees are to be held to be thereby appointed by the Synod to be members of the Moravian Union. By Resolution 3 of the Synod of 1998 it was made part of the standing order that the members of the Finance Committee act also as Investment Trustees.

Trustee – training:

On appointment each Provincial Elder signs a code of conduct and completes a register of interests. The latter is renewed annually. They are given a Trustee Handbook that includes the Memorandum and Articles of Association, risk register, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investment, reserves and conflict of interest and other guidance. It contains job descriptions for Trustees, officers and staff and a copy of Charity Commission leaflet CC3.

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. The Moravian Union is the asset-holding body of the Church.

The PEC act on behalf of Synod in the inter-synod period and is the ultimate decision-making body during that period.

The Moravian Union (Incorporated)

Report of the Trustees (continued)

For the year ended 31st August 2005

Group Structure and relationships

As explained above, the PEC is elected by Synod and, as part of its brief, acts as the Committee of Management of the Moravian Union. Synod is the body with the power to appoint and remove members of the Committee of Management.

The Moravian Church and its partner organisations in the UK are currently undertaking a review of group control and reporting arrangements with the intention of clarifying the relationships between the organisations and simplifying financial reporting. This review is likely to be concluded by the Synod 2006.

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 is in the process of introducing procedures and a reporting regime to manage and reduce identified risks. PEC has agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities.

PROVINCIAL ELDERS' CONFERENCE RESPONSIBILITIES

Company law requires the PEC to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that year. In preparing these financial statements, the PEC has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards and statements of recommended practice without any material departures;
- prepared the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

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

PRINCIPAL ACHIEVEMENTS FOR THE YEAR

Principal Activity

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

Two principle activities at present are to continue the restructuring of the Province as sanctioned by Synod in 2002 and to compile a register of all the land and buildings belonging to the Moravian Union.

Grant - making

The Moravian Union also holds a number of small funds for the benefit of specific congregations and schools. The income from these funds is paid over to the beneficiaries.

Since April 2003, the funds of the Trust Society for the Furtherance (TSFG) of the Gospel have been held by the Moravian Union and applied in accordance with TSFG's objects, notably for the work of the Moravian Church in South Asia and Tanzania.

The Moravian Union (Incorporated)

Report of the Trustees (continued)

For the year ended 31st August 2005

Pensions

Provided sufficient funds are available, the Union provides discretionary pensions to ministers under rules established by Synod. The assets used to fund these pensions are not held separately from other funds of the Union. No provision is made in these accounts for any liability to pay pensions in future periods.

Against the backcloth of rapidly changing legislation and difficult economic conditions, charities have seen some bewildering changes in the solvency of their pension schemes and charity staff have understandably expressed concerns about the financial status of their pensions scheme or in the falling value of their pension pot.

The Finance Committee's Pensions sub committee, was born out of the realisation of the nature and possible implications of the changes and shortfall in funding to provide some general guidance in these difficult areas. Its report will be issued before the 2006 Synod.

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 work by volunteers.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

Operational performance

During the year the, items of income and expenditure that had previously been attributable to the Union have been taken over by the Moravian Church.

Work is continuing to identify and register all of our interest in land and property.

The Unitas Estates Company Limited continued to manage the estates of the Moravian Church and performed according to expectations during the year to 31 August 2005, making a small loss of £18,021, and made a charitable donation of £35,000 to the Moravian Union during the year.

Fundraising performance

The major source of income are:

- the Bates Trust, a charity whose objects are to support the work of the Moravian Church;
- contributions from Moravian congregations and individuals; and
- investment income.

The members of the British Province of the Moravian Church are assessed on a per capita basis.

Loans to congregations and other institutions are charged at 2% above bank rate.

Investment Policy and Objectives

The investment policy is determined in consultation with the Finance Committee, which makes its recommendations to the PEC. The present investment objective is to achieve a balanced return in the wider range and income in the narrower range of the investment portfolio.

The Moravian Union (Incorporated)
Report of the Trustees (continued)
For the year ended 31st August 2005

FUTURE PLANS

As the Moravian Union moves into its final year of the reorganisation plan it is anticipated that this will mean finding ways of increasing income combined with a rigorous plan to keep running costs to a minimum.

REVIEW OF FINANCIAL POSITION

Income from congregations decreased from £270,460 in 2004 to £61,229 in 2005. This decrease was due to the reallocation of assessment income previously all received by the Moravian Union which is now split between the Moravian Union and the Moravian Church.

The decrease in expenditure from unrestricted funds (excluding donated services) was as a result of keeping a tighter control on establishment costs.

The unrestricted general fund ended the year up from £1,658,394 to £1,861,582.

All staff are directly engaged in activities in furtherance of the objects of the Moravian Union and their cost has been allocated accordingly.

In our budget for the year we anticipated a deficit of £409,785 on the year. The Moravian Union managed to produce a surplus of £48,338 before consolidation. This was due to the tight control of expenditure mentioned above and the sale of one of the Church's properties.

RESERVES POLICY

As discussed above, the Trustees are awaiting a report from the Pensions sub-committee regarding the finances of the Charity's discretionary pension scheme. This is expected before 2006 Synod. In the interim, the Trustees are unable to fix a formal reserves policy but will be reviewing the position once the report is available. The Trustees are conscious of the need to accumulate and retain free reserves sufficient to meet the working capital requirements of the Moravian Union and to provide a buffer against a drop in funding.

TANGIBLE FIXED ASSETS

The movements in tangible fixed assets are set out in note 8.

AUDITORS

On 1st May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The charity's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Provincial Elders' Conference



Rev. R J Hopcroft
Company Secretary

10th. May. 2006

Independent Auditors' Report to the Members of The Moravian Union (Incorporated)

We have audited the financial statements of The Moravian Union (Incorporated) for the year ended 31st August 2005 which comprise the Consolidated Statement of Financial Activities, (including the Income and Expenditure Account), the note of Historical Cost Profits and Losses, the Balance Sheets and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and the accounting policies set

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the Trustees (whose members are also the directors of the Moravian Union (Incorporated) for the purposes of company law) for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

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

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

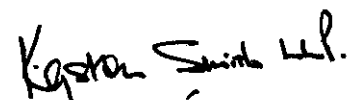
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's and the group's affairs as at 31st August 2005 and of the groups incoming resources and application of resources, including the income and expenditure of the group, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 31st May, 2006



Kingston Smith LLP
Chartered Accountants
and Registered Auditors

The Moravian Union (Incorporated)
Consolidated Statement of Financial Activities
(Including Consolidated Income & Expenditure Account)
For the year ended 31st August 2005

		Unrestricted Funds	Restricted	Year	8 months
		General	Designated	ended 31	ended 31
		£	£	August 2005	August 2004
		£	£	£	£
Incoming Resources					
Donations and grants					
Bates Trust	3	355,072	-	355,072	-
Other	3	42,944	4,940	194,280	91,082
Activities to generate funds					
Trading subsidiary	16	399,203	-	399,203	231,516
Income from charitable activities:					
Congregation assessments		61,229	-	61,229	270,460
Unity income		35,298	-	127,310	75,245
Book Sales		25,434	-	25,434	3,120
Investment income	4	47,404	88,249	138,277	65,678
Gains on disposal of property fixed assets		365,337	-	365,337	-
Sundry		452	-	477	34,306
Total Incoming Resources		1,332,373	93,189	1,666,619	771,407
Resources Expended					
Cost of generating funds					
Trading subsidiary	16	382,224	-	382,224	191,938
Investment management		6,419	628	9,521	4,579
		<u>388,643</u>	<u>628</u>	<u>391,745</u>	<u>196,517</u>
Charitable expenditure:					
Activities in furtherance of charitable objects	5	139,047	224,388	426,096	660,442
Grants to the church, congregations and projects		390,397	3,500	655,626	228,662
Unity expenses		-	-	105,646	48,851
Support costs	6	304,579	-	304,579	204,135
Administration of the charity	6	30,300	-	30,300	40,867
		<u>864,323</u>	<u>227,888</u>	<u>1,522,247</u>	<u>1,182,957</u>
Total Resources Expended		1,252,966	228,516	1,913,992	1,379,474
Net Incoming/(Outgoing) Resources before transfers		79,407	(135,327)	(247,373)	(608,067)
Transfers - reclassification		<u>(63,448)</u>	<u>-</u>	<u>63,448</u>	<u>-</u>
		15,959	(135,327)	(247,373)	(608,067)
Realised Gains/(Losses)					
Realised investment gains/(losses)		<u>30,775</u>	<u>3,009</u>	<u>45,644</u>	<u>(45,951)</u>
Net income/(expenditure) for the year		46,734	(132,318)	(201,729)	(654,018)
Unrealised investment gains		<u>156,454</u>	<u>15,297</u>	<u>232,046</u>	<u>2,415</u>
Net Movements in Funds		203,188	(117,021)	30,317	(651,603)
Total Funds brought forward restated at 1st September 2005		<u>1,658,394</u>	<u>170,887</u>	<u>4,966,495</u>	<u>5,618,098</u>
Total Funds carried forward at 31st August 2005		<u>1,861,582</u>	<u>53,866</u>	<u>4,996,812</u>	<u>4,966,495</u>

All recognised gains and losses in each of the two financial periods are included above.

The Moravian Union (Incorporated)
Historical Cost Profits and Losses
For the year ended 31st August 2005

	Year ended 31 August 2005 £	8 months ended 31 August 2004 £
Net movements in funds as disclosed in the Statement of Financial Activities	30,317	(651,603)
Unrealised gains on revaluation of investments	(232,046)	(2,415)
Investment gains recognised in prior periods and realised in the current period	<u>97,473</u>	<u>93,477</u>
Loss on the historical cost accounting basis	<u>(104,256)</u>	<u>(534,119)</u>

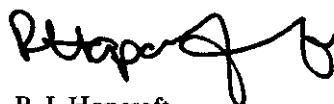
The Moravian Union (Incorporated)
Balance Sheet at 31st August 2005

	Note	Group		Charity	
		2005	2004	2005	2004
			Restated		Restated
		£	£	£	£
Fixed Assets					
Tangible	8	2,191,661	1,546,178	1,235,019	772,179
Investment in subsidiary	9	-	-	14,177	14,177
Other investments	10	2,610,579	2,913,093	2,610,579	2,913,093
		<u>4,802,240</u>	<u>4,459,271</u>	<u>3,859,775</u>	<u>3,699,449</u>
Current Assets					
Stock on hand		15,654	12,326	15,654	12,326
Debtors	11	505,479	428,208	404,457	354,019
Bank deposits	12	445,887	210,882	445,887	210,882
Cash at bank and in hand	12	60,426	295,467	43,941	171,968
		<u>1,027,446</u>	<u>946,883</u>	<u>909,939</u>	<u>749,195</u>
Creditors: Amounts falling due within one year	13	<u>(531,374)</u>	<u>(204,409)</u>	<u>(509,635)</u>	<u>(236,903)</u>
Net Current Assets		<u>496,072</u>	<u>742,474</u>	<u>400,304</u>	<u>512,292</u>
Total Assets less Current Liabilities		<u>5,298,312</u>	<u>5,201,745</u>	<u>4,260,079</u>	<u>4,211,741</u>
Creditors: Amounts falling due within one year	14	<u>(301,500)</u>	<u>(235,250)</u>	-	-
Total Net Assets		<u>4,996,812</u>	<u>4,966,495</u>	<u>4,260,079</u>	<u>4,211,741</u>
Restricted Funds	15	3,081,364	3,137,214	3,081,364	3,137,214
Unrestricted Funds:					
Designated Funds	15	53,866	170,887	53,866	170,887
General	15	1,861,582	1,658,394	1,124,849	903,640
Total Funds		<u>4,996,812</u>	<u>4,966,495</u>	<u>4,260,079</u>	<u>4,211,741</u>

Approved by the Trustees on 10th May 2006.
and signed on their behalf



T. R. Cross
Director and Trustee



R. J. Hopcroft
Director and Trustee

The Moravian Union (Incorporated)

Notes to the Financial Statements

For the year ended 31st August 2005

1 Status

The Union was incorporated under the Companies Acts 1908 and 1913 as a company limited by guarantee and not having a share capital. In the event of the Union being wound up, the liability of each member shall not exceed £1.

2 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention, except investments which are shown at market value as described below, the Companies Act 1985 and in accordance with relevant accounting standards. The following accounting policies, which are unchanged from the previous year, have been applied in preparing the financial statements.

The British Province of the Moravian Church is a registered charity no. 251211, so the financial statements are presented in accordance with the Statement of Recommended Practice (2000): 'Accounting and Reporting by Charities'. Accordingly, the presentation of income and expenditure in the financial statements has been adapted from that prescribed by the Companies Act 1985 to reflect the special nature of the company's activities.

A review of assets previously classified as investment properties was performed during the year and it was felt that they would be more accurately shown as tangible fixed assets. Therefore, the brought forward figures have been reallocated.

Restatement of Prior Year Funds

A review of funds was undertaken in the year with the result that the allocations between general, designated and restricted fund have been refined and revised. Corresponding figures have been restated accordingly.

Income Recognition

Income from grants and donations is generally recognised on receipt. However, income from the Bates Trust and Unitas Estates Limited 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 organisations after the year end. Investment income is recognised when received by the investment managers. Other income is recognised on an accruals basis. Income from congregation assessments is the amount due for the year.

Expenditure

Expenditure is charged on an accruals basis. Liabilities are recognised when a legal or constructive obligation to make a payment arises as a result of a past event. Grants are recognised when approved by the Board and notified to the congregation.

Activities in furtherance of charitable objects' represents the direct costs of carrying out the charity's aims, whilst 'support costs' are the costs of general provincial administration, principally Church House. 'Administration' costs are the costs of meeting the charity's regulatory obligations.

Tangible Fixed Assets

Freehold property is shown at cost less depreciation. Office furniture and equipment is capitalised, only where material, and depreciated at rates of between 25% and 33% per annum. Properties in use by congregations are not included in the balance sheet, although legal title may be vested in the Union, as the congregations have the beneficial use thereof.

Depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated at 2% per annum straight line.

Stock

Stocks which represent goods for resale are valued at the lower of cost or net realisable value.

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (Continued)

2 Accounting Policies (continued)

Investments

Investment in the Subsidiary is shown at market value in 1962 (see note 9). Other investments are included at their market value at the balance sheet date. Gains and losses on disposal are calculated by reference to the market value at the beginning of the year or cost if acquired later.

Operating Leases

Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease.

Taxation

As a charity, the company enjoys the exemptions from corporation tax under s.505 Income and Corporation Taxes Act 1988. The company is not registered for Value Added Tax and expenditure includes irrecoverable VAT where incurred.

Funds

General unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the Trustees.

Designated funds comprise unrestricted funds that have been set aside at the discretion of the Trustees for a particular purpose.

Restricted funds are subject to specific restrictions imposed by the donor.

Consolidation

Following the issue of the uniting direction of the Moravian Church on 7 April 2005, the assets and liabilities of The Unitas Estates Company Limited are consolidated on a line by line basis. The income and expenditure is summarised in the SOFA and shown in detail in note 16.

3 Bates Trust and other income sources

The charity is the principal beneficiary of the income of the Bates Trust, an endowed charity established for the benefit of the Moravian Church.

Other income includes the following:

	Year ended 31 August 2005	8 months 31 August 2004
	£	£
Income from congregations, individuals, companies and church bodies	194,280	91,082

4 Investment Income

	Year ended 31 August 2005	8 months 31 August 2004
	£	£
Dividends receivable	121,875	58,067
Interest receivable	9,961	1,907
Rental income	6,441	5,704
	138,277	65,678

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (Continued)

5 Charitable expenditure - Activities in furtherance of charitable objects

	Unrestricted Funds		Restricted	Total year ended	Total 8 months ended
	General	Designated	Funds	31 August 2005	31 August 2004
	£	£	£	£	£
Ministry	86,694	-	3,833	90,527	367,384
Ministerial training	-	-	-	-	21,861
Pensions	-	214,973	-	214,973	147,759
Education and child allowance	-	-	-	-	16,002
Resettlement and retirement grants	5,004	-	-	5,004	3,850
Removal costs	2,596	-	-	2,596	-
Moravian Messenger	-	-	20,410	20,410	13,503
Bookroom expenses	16,747	-	-	16,747	1,284
Subscriptions	-	9,307	-	9,307	9,527
Archives	-	-	37,418	37,418	37,676
Youth and Children	19,517	-	-	19,517	31,234
Other congregation costs	8,489	108	1,000	9,597	10,362
	<u>139,047</u>	<u>224,388</u>	<u>62,661</u>	<u>426,096</u>	<u>660,442</u>

6 Support and administration costs

	Year ended	8 months
	31 August 2005	31 August 2004
	£	£
Support costs		
Church House staff	140,157	88,959
Premises	20,724	28,629
Depreciation	17,399	5,680
Operating lease - rentals	13,931	6,180
- other	60,000	-
Communications	2,224	2,850
Legal fees and commission	25,156	41,615
Stationery	9,941	4,345
Interest paid	-	2,230
Insurance	6,667	4,657
Computer software	8,597	4,813
Other office costs	-	6,749
Bad & doubtful debts	-	14,281
Bank charges	3,111	-
Stock movement	(3,328)	(6,853)
	<u>304,579</u>	<u>204,135</u>
Administration		
Synod expenses	1,375	19,683
Auditors' remuneration		
- for audit services	7,700	7,350
- for accountancy and other services	7,300	7,650
- additional costs for prior years	13,925	6,204
	<u>30,300</u>	<u>40,867</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (Continued)

7 Employee information	Year ended 31 August 2005 £	Year ended 31 August 2005 No.	8 months 31 August 2004 £	8 months 31 August 2004 No.
Ministers	-	-	288,290	19
Other	160,334	7	227,330	16
	<u>160,334</u>	<u>7</u>	<u>515,620</u>	<u>35</u>
Salaries - Ministers & Other	-		374,058	
Salaries - Administrative Staff	120,145		88,549	
Salaries - Archive Staff	24,789		26,583	
Social security costs - Ministers & Other	-		18,034	
Social security costs - Administration	12,898		5,659	
Social security costs - Archives	<u>2,502</u>		<u>2,736</u>	
	<u>160,334</u>		<u>515,620</u>	

No employee earned £50,000 or more during the period.

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:

	Year ended 31 August 2005 £	8 months 31 August 2004 £
Rev. R.J. Hopcroft for ministry	-	16,080
Mrs. J.K. Morten for administration	-	21,015
Rev. D.J. Newman for ministry	-	16,080
	<u>-</u>	<u>53,175</u>

An amount of £7,549 (2004 - £8,113) was reimbursed to four (2004 - four) members of the Committee of Management in respect of travel expenses incurred during the period.

8 Tangible Fixed Assets

Charity	Freehold property £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1st September 2004	782,667	10,551	793,218
Additions at cost	<u>472,412</u>	<u>7,828</u>	<u>480,240</u>
At 31 August 2005	<u>1,255,079</u>	<u>18,379</u>	<u>1,273,458</u>
Depreciation			
At 1st September 2004	16,157	4,882	21,039
Depreciation for the period	<u>12,551</u>	<u>4,849</u>	<u>17,400</u>
At 31 August 2005	<u>28,708</u>	<u>9,731</u>	<u>38,439</u>
Net book value			
At 31 August 2005	<u>1,226,371</u>	<u>8,648</u>	<u>1,235,019</u>
At 31 August 2004	<u>766,510</u>	<u>5,669</u>	<u>772,179</u>

The Union is custodian trustee of other properties occupied by congregations, which are not included in these accounts.

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (Continued)

8 Tangible Fixed Assets (Continued)

Group	Freehold property £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1st September 2004	1,630,432	10,551	1,640,983
Additions at cost	672,665	7,828	680,493
At 31 August 2005	2,303,097	18,379	2,321,476
Depreciation			
At 1st September 2004	89,923	4,882	94,805
Depreciation for the period	30,161	4,849	35,010
At 31 August 2005	120,084	9,731	129,815
Net book value			
At 31 August 2005	2,183,013	8,648	2,191,661
At 31 August 2004	1,540,509	5,669	1,546,178

9 Investment in Subsidiary

	31 August 2005 £	31 August 2004 £
Shares in Unitas Estates Co. Ltd. at valuation in 1962	14,177	14,177

The investment is 5,671 shares of £10 each, representing 99% of the issued share capital.

10 Other Investments

	2005 £	2004 £
At 1 September 2004	2,913,093	3,082,185
Additions	581,461	617,548
Disposals	(1,116,022)	(789,055)
Unrealised gains	232,047	2,415
At 31 August 2005	2,610,579	2,913,093
Cost at 31 August 2005	2,297,297	2,734,384

Quoted securities are listed on a recognised stock exchange in the UK.

The following holdings represented more than 5% of the total portfolio at 31.08.05:

	Market Value	
	2005 £	2004 £
5% Treasury Stock 2012	1,146,108	1,219,556

11 Debtors

	Group		Charity	
	2005 £	2004 £	2005 £	2004 £
Due from congregations, schools and other loans	235,501	265,914	235,501	265,914
Due from related organisations	71,808	208	71,808	208
Other debtors	79,451	81,254	79,451	81,254
Prepayments and accrued income	38,986	8,182	17,697	6,643
Agents balances	61,850	52,670	-	-
Rent arrears	17,883	19,980	-	-
	505,479	428,208	404,457	354,019

Included above are debtors amounting to £186,202 (2004 - £219,394) receivable after more than one year.

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (continued)

12 Bank and Cash

	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Deposits				
Euro account	8,890	764	8,890	764
Dollar account	12,587	12,574	12,587	12,574
Laing & Cruickshank	47,945	197,291	47,945	197,291
Treasury deposits	375,872	-	375,872	-
Premium account	593	253	593	253
	<u>445,887</u>	<u>210,882</u>	<u>445,887</u>	<u>210,882</u>
Cash at bank and in hand				
Current account	59,857	294,998	43,372	171,499
Cash in hand	569	469	569	469
	<u>60,426</u>	<u>295,467</u>	<u>43,941</u>	<u>171,968</u>

13 Creditors: Amounts falling due within one year

	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Congregations, schools and related organisations	338,808	63,267	387,708	147,167
Social security and other taxes	-	20,933	-	20,933
Other creditors	55,931	55,387	41,038	41,702
Accruals and deferred income	89,839	35,651	80,889	27,101
Rent received in advance	11,796	10,421	-	-
Bates Trust loan	35,000	18,750	-	-
	<u>531,374</u>	<u>204,409</u>	<u>509,635</u>	<u>236,903</u>

14 Creditors: Amounts falling due after more than one year

	2005	2004
	£	£
Bates Trusts - Loans		
Repayable over 10 years at 6.75% interest per year - secured on 49 Creighton Avenue		
Due within:		
1 - 2 years	35,000	25,000
2 - 5 years	105,000	75,000
More than 5 years	<u>157,500</u>	<u>131,250</u>
	297,500	231,250
Mortgage at 3.75% per annum with no fixed date of repayment - secured on part of the Fulneck Estate	4,000	4,000
	<u>301,500</u>	<u>235,250</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (Continued)

15 Analysis of net assets between the fund balances

Charity	General	Designated	Restricted	Total as at 31 August 2005	Total as at 31 August 2004
	£	£	£	£	£
Fixed assets	1,235,019	-	-	1,235,019	772,179
Subsidiary	14,177	-	-	14,177	14,177
Cash and investments	(34,823)	53,866	3,081,364	3,100,407	3,295,943
Other net assets	(89,524)	-	-	(89,524)	129,442
	<u>1,124,849</u>	<u>53,866</u>	<u>3,081,364</u>	<u>4,260,079</u>	<u>4,211,741</u>
Unrealised gains included above	<u>191,037</u>	<u>22,467</u>	<u>89,111</u>	<u>302,615</u>	<u>168,042</u>
Group				Total as at 31 August 2005	Total as at 31 August 2004
	£	£	£	£	£
Fixed assets	2,191,661	-	-	2,191,661	1,546,178
Cash and investments	(18,338)	53,866	3,081,364	3,116,892	3,419,442
Other net assets	(10,241)	-	-	(10,241)	236,125
Creditors falling due in more than 1 year	<u>(301,500)</u>	<u>-</u>	<u>-</u>	<u>(301,500)</u>	<u>(235,250)</u>
	<u>1,861,582</u>	<u>53,866</u>	<u>3,081,364</u>	<u>4,996,812</u>	<u>4,966,495</u>
Unrealised gains included above	<u>191,037</u>	<u>22,467</u>	<u>89,111</u>	<u>302,615</u>	<u>168,042</u>

Designated funds

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.

Restricted funds

The restricted funds are numerous and many are of some antiquity. These small individual funds include fifteen separate trusts whose funds, totalling £55,237 as at 31 August 2005 (2004: £51,470), are administered by the Moravian Union in accordance with the original trust objects.

16 Future financial commitments

Operating leases

At 31st August 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 31st August 2006 in respect of office equipment.

	Year ended 31 August 2005	8 months 31 August 2004
	£	£
Operating leases which expire within		
Less than one year	-	535
Two to five years	<u>7,526</u>	<u>7,526</u>
	<u>7,526</u>	<u>8,061</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (Continued)

16 Future financial commitments (Continued)

Pensions

Provided sufficient funds are available, the Company provides discretionary pensions to ministers under rules established by Synod. The assets used to pay these pensions are not held separately from other funds of the Company. No provision is made in these accounts for any liability to pay pensions in future periods.

17 Results from Trading Activities of Subsidiary

The charity has a wholly owned trading subsidiary which is incorporated in England and Wales. The Unitas Estates Company Limited raises funds through the management of the historic Moravian Settlements. At the year end The Unitas Estates Company Limited had net assets of £750,910. Comparative figures are shown for 8 months to 31 August 2004. The actual period for was 16 months to 31 August 2004, accordingly the figures have been taken as 50% of the actual results except for the gift aid donation which is stated at 100%. The results for the year ended 31 August 2005 are as follows

	2005		8 months ended 31 August 2004	
	£	£	£	£
Turnover		397,937		229,894
Less: Estate management		<u>(325,883)</u>		<u>(162,356)</u>
Gross Profit		72,054		67,538
Other operating income		<u>697</u>		<u>196</u>
		72,751		67,734
Depreciation		(17,610)		(10,603)
Gift aid donation		(35,000)		(96,000)
Administrative expenses		<u>(27,137)</u>		<u>(18,920)</u>
Operating Loss		(6,996)		(57,788)
Interest receivable and similar income	569		1,426	
Interest payable and similar charges	<u>(11,594)</u>		<u>(60)</u>	
		<u>(11,025)</u>		<u>1,366</u>
Loss on Ordinary Activities before Taxation		(18,021)		(56,422)
Tax on loss on ordinary activities		<u>-</u>		<u>-</u>
Loss for the period withdrawn from reserves		<u><u>(18,021)</u></u>		<u><u>(56,422)</u></u>

21 Surplus attributable to The Moravian Union (Incorporated)

The parent company, The Moravian Union (Incorporated), generated a surplus of £48,338 in the year to 31 March 2005 within the Statement of Financial Activities.

The parent company is exempt from the requirement to present its own profit and loss account under Section 230 of the Companies Act 1985.

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st August 2005 (Continued)

19 Contingent Liabilities

At the balance sheet date there was a contingent liability in respect of a disputed claim against the charity estimated to be in the region of £60,000.

20 Related Organisations

The Moravian Union (Incorporated), as part of the British Province of the Moravian Church, is related to the following organisations:

Trust Society for the Furtherance of the Gospel (Incorporated): ("TSFG")
 Moravian Church
 Fulneck School
 Ockbrook School
 Congregations in Great Britain and Northern Ireland
 Unitas Estates Company Limited

The company received the following amounts during the period:

	Year ended 31 August 2005	Period ended 31 August 2004
	£	£
Assessments received from Fulneck School	2,750	2,550
Assessments received from Ockbrook School	2,750	2,550
Interest due on loan to Ockbrook School	4,343	879
Interest due on loan to Fulneck School	406	879
Assessments received from Congregations	61,229	270,460

At 31st August 2005, the following balances were outstanding:

	31 August 2005	31 August 2004
	£	£
Due to TSFG	(21,562)	(20,000)
Due to Unitas Estates Company Limited	(48,900)	(83,900)
Due from Fulneck School	4,056	8,112
Due from Moravian Church	71,808	-
Due from Ockbrook School	142,428	138,085
Due from Congregations	51,462	59,612
Due to Congregations	(25,471)	(15,827)

19 Uniting direction of the Moravian Church

Under a uniting direction of the Charity Commission, from 1 September 2004, aggregated accounts are to be prepared covering the various entities of the Moravian Church. Under this direction, certain items of income and expenditure previously incurred by the Moravian Union, are from 1 September 2004 included within the aggregated accounts by the Moravian Church.