

THE MORAVIAN UNION (INCORPORATED)

(A company limited by guarantee)

Company Number : 133708

Charity Number : 251211-3

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2006

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COMPANIES HOUSE


KNOX CROPPER
chartered accountants

THE MORAVIAN UNION (INCORPORATED)**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31ST AUGUST 2006**

The Board presents the report and financial statements of the Moravian Union (Incorporated) for the year ended 31st August 2006. These have been prepared in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities' issued by the Charity Commission in March 2005. The report and statements also comply with the Companies Act 1985 as the Moravian Union (Incorporated) was incorporated on 2nd February 1914. It has no share capital and is a subsidiary of a registered charity. The guarantee of each member is limited to £1.

LEGAL AND ADMINISTRATIVE INFORMATION

The Moravian Union was incorporated on 2nd 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' (who are the Charity's Trustees and the Company's Directors) for the period ended 31st August 2006 and subsequently comprised

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

The principal officers at 31st August 2006 were

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

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, Kent TN1 1EG	Gregory, Rowcliffe & Milners 1 Bedford Row London WC1R 4BZ
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Auditors : Knox Cropper
Chartered Accountants
8/9 Well Court
London EC4M 9DN

THE MORAVIAN UNION (INCORPORATED)
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2006

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document:

The Charity is a company limited by Guarantee, its governing instrument being its Memorandum and Articles

Ultimate Parent

The Charitable Company exists to support the work of the British Province of the Unitas Fratrum operating as the Moravian Church – registered charity number 251211

The Provincial Synod is the ultimate decision-making body. Synod normally meets once every two years. 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, the standing order of Synod was amended so that persons from time to time appointed by it to be Investment Trustees were automatically also appointed as 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.

Group Structure and Relationships

The Moravian Union, a charitable company limited by guarantee is controlled by its parent, The Moravian Church. The Moravian Church comprises a number of other charitable organisations, including two schools and thirty five congregations four societies, one fellowship and two choir houses. The Moravian Church is in the process of giving further consideration to the group's structure with a view to simplification and this review is likely to be concluded before the next Synod in 2008.

Procedures for the Recruitment and Appointment of Trustees

The Book of Order, Section 3.1 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. As part of its brief the PEC acts as the Board of Trustees (and Board of Directors) of the Moravian Union and its subsidiary Unitas Estates Limited. 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. Provincial Elders must be members of the Moravian Church.

The Chair and Officers are appointed by the membership 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

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

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 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, 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.

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 PEC acts as the Moravian Union's board of Trustees (and board of directors for the purpose of company law) and meets at least on a monthly basis. Responsibility for the day to day management of the charitable company's affairs is delegated to two members of the PEC, Rev. R J Hopcroft and Mrs J K Morten.

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. During the current year the PEC has given further consideration to the risks arising from maintenance of the estates.

Volunteers

The Moravian Church has many committees covering its policy, education, congregational work etc. Without the many volunteers that serve on these committees The Church 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.

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 backdrop of rapidly changing legislation with 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 pension schemes 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 was issued before the 2006 Synod, but was not accepted by Synod. Further consideration is now being given to this difficult area with a view to presenting a fresh report to Synod 2008.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

OBJECTS AND ACTIVITIES

Principal Objects

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

Activities

The Moravian Union holds the assets of the Moravian Church which consist principally of land, buildings and investments. The Moravian Union aims to maximize the return available from these assets for the benefit of the Moravian Church within the constraints imposed by the Church's Charitable work

The Moravian Union is also responsible for administering the relationships between the Bates Trust and the London Association in Aid of the Moravian Mission both of which are major benefactors of the Moravian Church

Following the decision of Synod in 2002, the company has been involved in restructuring the Province and in compiling a register of all land and buildings owned by the Moravian Union

The Moravian Union holds a number of restricted funds many of which are of some antiquity. The Moravian Union is involved in an ongoing programme to review its reporting and record keeping requirements in relation to a number of these funds and, where possible, obtaining Charity Commission consent to the merger of these funds with the charitable company

Strategies

The Moravian Union is charged with administering the assets of the Moravian Church, title to which vests either in the Moravian Union or the Moravian Union's 100% owned subsidiary company Unitas Estates Limited

To ensure the efficient administration of these assets, trading in listed investments is conducted through a professional fund manager whilst the renting and maintenance of the Charity's land and buildings is conducted through the services of a Chartered Surveyor who controls the collection of rental income and overseas property maintenance. The performance of the investment portfolio is regularly monitored by the trustees

The Moravian Church's estates are significant and title to much of these is long established. Title deeds to land and properties are frequently, by virtue of age, long and complex. Following the Synod decision, an archivist was appointed to document and categorise the Church's properties. Much of this exercise is complete and the archivist is now engaged in registering title to each property with the Land Registry, a task which it is hoped will be completed by Synod 2010

Principal Objectives for the Year Ended 31st August 2006

The trustees set the following objectives for the year under review

- (i) To continue to achieve acceptable rates of return on the Church's property and investment assets
- (ii) To progress the work of registering titles to the Union's property assets, and
- (iii) To continue to simplify the Group's reporting and record keeping requirements by obtaining Charity Commission consent to the merging of a number of small subsidiary charities

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

ACHIEVEMENTS AND PERFORMANCE

(a) Operational Performance

During the year work has continued to identify and register all of the Charitable Company's interests in land and buildings. The archivist has made real progress in this regard and approximately 20% of all properties now have registered title. It is anticipated that despite the size of the Estates, this work will be completed by Synod 2010 especially as the Charity has successfully gained the support and co-operation of the Land Registry who have been most helpful and for which the Charity wishes to express its appreciation.

The Charity has also continued with the ongoing work of simplifying its record keeping and reporting requirements and has, during the course of the year, succeeded in obtaining Charity Commission consent to the merger of 15 small subsidiary charities.

The arrangements for the collection of rents and maintenance of the Charity's properties remain satisfactory with Unitas Estates increasing their profits this year by approximately 30% in comparison to the preceding year.

The trustees regard the performance of the investment portfolio as satisfactory given the constraints of the Charity's ethical investment stance and its income generation requirement.

(b) Fundraising Performance

The parent charity's major sources of income consist of

- Voluntary income which includes income from the Bates Trust (a charity whose objects are to support the work of the Moravian Church)
- Income from Charitable activities which includes Congregation Assessments, and
- Investment Income

Other than collections from local congregations, fundraising activities in the recent past have been confined to securing small amounts from the National Lottery for archiving and collections to finance Summer Camps for young Church members. The summer camp appeal succeeded in raising £14,092 this year. No National Lottery Grants were received during the year.

(c) 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 to fund new initiatives which they wish to undertake.

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

External Factors affecting our Achievements and Performance

Recent changes to legislation in respect of the registration of leaseholder interests have imposed additional pressures on the Land Registry and as such delayed progress with the registration of the Moravian Union's title to properties.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

REVIEW OF FINANCIAL POSITION

The Moravian Union's role is to hold the assets of The British Province of the Moravian Church, the parent organisation, which is an unincorporated registered Charity and to manage these assets for the benefit of the Church

The assets consist of real property and investments. Real property for the most part is managed by the Moravian Union's wholly owned subsidiary Unitas Estates Limited whilst investments are managed by the Moravian Union with the assistance of professional fund managers

The Statement of Financial Activities on page 11 indicates that Net Income for the current year amounted to £198,771 as compared to net expenditure for the preceding year of £201,729.

The improvement in the current year arises despite reduced total incoming resources which are down from £1,666,619 to £1,448,457 because total resources expended have fallen from £1,913,992 to £1,316,896

The reduction in total incoming resources arises in part because of reduced Incoming Resources from Charitable Activities which in total has fallen from £214,450 to £121,141 with the reduction reflecting reduced Congregation Assessments in the current year down from some £61,229 to £32,540 whilst Unity Income has also fallen by almost £90,000. In addition, in the preceding year, the Group benefited from other incoming resources of some £365,000 being the profit on disposal of properties. No comparable income arose in the current year. Investment income has also fallen slightly as a result of reduced dividends receivable

These factors have been partially offset by

- Increased voluntary income up from £549,352 to £826,146, the increase reflecting increased Bates Trust donations in the current year which are up from £355,072 to £619,708
- Increased income from Activities for Generating Funds which is up from £398,634 to £416,192 reflecting increased Unitas Estates Limited income which in turn is the effect of the impact of the rent reviews which came into force on the 25th December 2005

The reduction in Total Resources Expended reflects reduced costs of charitable activities which have fallen from £1,437,238 to £848,200 whilst Governance Costs have fallen from £85,009 to £58,506

The reduction in Charitable Activities costs largely reflects reduced grants to Congregations and Projects which are down from £655,626 to £315,452, reduced ministry costs down from £95,248 to £46,783 and reduced Unity expenses down from £105,646 to nil. Reduced equipment leasing costs have also had an impact

Reduced Governance costs reflect reduced audit and accountancy fees and reduced support costs allocated to this head

These factors have been partially offset by marginally increased fundraising trading costs which are up by £12,418 reflecting increased Unitas Estates costs and increased investment management costs of £6,027

Realised Gains on investments this year amounted to £27,210 in comparison to £45,644 in the preceding year reflecting a lower level of transactions this year whilst unrealised gains on investments in the current year amounted to £161,478 in comparison to £232,046 last year

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

REVIEW OF FINANCIAL POSITION (Continued)

These factors combined give rise to an increase in the Charitable Company's total funds this year of £360,249 in comparison to £30,317 in the preceding year. As a result of the year's operations, therefore, the Charity's General Fund has increased by £12,867 whilst designated reserves have increased by £210,300 and restricted funds by £137,082.

These increases in funds have strengthened both the parent charity and the Group's balance sheets.

The Balance sheets on page 11 indicate that the group's net current assets, the principal measure of short to medium term solvency, has improved from £496,072 to £629,555 whilst the parent charity's net current assets have increased from £400,304 to £604,145 which implies an improved and satisfactory margin of solvency.

Tangible Fixed Assets have moved little over the year with the cost of additions being largely offset by the annual depreciation charge.

Debtor balances have increased significantly up from £505,479 to £875,253 in the group and from £404,457 to £790,368 in the parent. The increase reflects increased sums due from congregations and schools up by £67,552, increased sums from related organisations up by £179,615 in the Group's accounts reflecting increased sums due from the ultimate parent, the Moravian Church. Prepayments and accrued income have also increased from £38,596 to £179,549 due to donations due from the Bates Trust at the end of the current year with no sums being outstanding at the end of the preceding year.

This significant increase in sums due is largely responsible for the reduction in Bank and Cash balances which in the Group have fallen from approximately £506,000 to £336,000 whilst for the parent have fallen from approximately £489,000 to £321,000.

Creditors falling due within one year have increased by approximately £64,000 in the group and approximately £11,000 in the parent largely reflecting increased balances due to congregations, schools and related organisations. Creditors falling due outside one year have fallen by £35,000 reflecting repayments of the Bates Trust loans by the subsidiary, Unitas Estates Limited.

The trustees are of the opinion that the financial performance for the year and financial position at the year end are generally satisfactory.

Investment Policy and Objectives

Investment policy is determined in consultation with the Finance Committee, which make 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 investment portfolio is managed by professional fund managers and consists entirely of listed securities.

The movement in market value of investments this year, both realised and unrealised amounts to £188,628, some 6.7% of the brought forward market value of the portfolio. Over the same period the FTSE 100 Index increased by 11.5% whilst the FTSE all share index increased by 13.1%. Given the Charity's ethical investment stance and its income requirements, the Trustees consider the portfolio's performance to be satisfactory.

The parent charitable company holds one unlisted investment, its 100% holding in Unitas Estates Limited which is disclosed in the accounts at cost net of a provision for permanent diminution in value.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

FUTURE PLANS

During the forthcoming year the Trustees aim to continue to

- (i) Administer the charity's assets efficiently to maximise returns for the benefit of the Moravian Church subject to constraints imposed by the Church's charitable work.
- (ii) Progress the work of registering title to all the Charity's properties with the Land Registry although it is recognised that progress may not be as rapid this year as a result of changes to legislation covering registration of leasehold interests, as this has increased pressure on the resources available at the Land Registry.
- (iii) To continue to simplify the group's reporting and record keeping requirements by undertaking a comprehensive review of the charity's trust funds

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 Charitable company'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 some £1 874m and this represented approximately 15 months total expenditure.

TANGIBLE FIXED ASSETS

Movements in tangible fixed assets are set out in Note 8

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company and Charity law require 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 its income and expenditure for that period. In preparing those financial statements, the Trustees are required to -

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue to operate

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

STATEMENT OF TRUSTEES' RESPONSIBILITIES (Continued)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that, in the case of each of the persons who are Trustees at the date of this report, the following applies :

- so far as each Trustee is aware there is no relevant audit information (information needed by the Group's auditors in connection with preparing their report) of which the Group's auditors are unaware; and
- each Trustee has taken all the steps necessary to make herself/himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

Knox Cropper have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985, it is proposed they be re-appointed auditors to the company for the ensuing year.

On behalf of the Provincial Elders' Conference on 26th April 2007



Rev. R.J. Hopcroft
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE MORAVIAN UNION (INCORPORATED)
FOR THE YEAR ENDED 31ST AUGUST 2006

We have audited the consolidated financial statements of The Moravian Union (Incorporated) and its Subsidiary Company, Unitas Estates Company Limited, for the year ended 31st August 2006 which comprise, the Statement of Financial Activities (including Consolidated Income and Expenditure Account), Statement of Historical Cost Surpluses and Deficits, the Balance Sheets and the Notes to the Accounts. These financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments and the accounting policies set out therein.

This report is made solely to the parent charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company and the parent charitable company's members as a body for our audit work, for this report or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether

- the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985
- the information provided in the Trustees' Report is consistent with the financial statements

We also report to you if the Company or Group 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 Trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

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

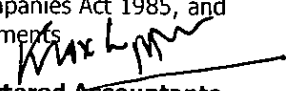
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charitable Company's and the Group's affairs as at 31st August 2006 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

**8-9 Well Court
London, EC4M 9DN**


**Chartered Accountants
Registered Auditors**

26th April 2007

THE MORAVIAN UNION (INCORPORATED)**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
(Including Consolidated Income and Expenditure Account)**FOR THE YEAR ENDED 31ST AUGUST 2006**

	Note	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Year Ended 31 st August 2006	Year Ended 31 st August 2005 As restated*
		£	£	£	£	£
INCOMING RESOURCES						
Incoming Resources from Generated Funds						
Voluntary Income	2	675,503	4,176	146,467	826,146	549,352
Activities for Generating Funds	3	416,192	-	-	416,192	398,634
Investment Income	4	49,260	62,753	12,965	124,978	138,846
		1,140,955	66,929	159,432	1,367,316	1,086,832
Incoming Resources from Charitable Activities	5	81,558	-	39,583	121,141	214,450
Other Incoming Resources		-	-	-	-	365,337
Total Incoming Resources		1,222,513	66,929	199,015	1,488,457	1,666,619
RESOURCES EXPENDED						
Costs of Generating Funds						
Costs of Generating Voluntary Income		-	-	-	-	-
Fundraising Trading Cost of Goods Sold and Other Costs	3	(394,642)	-	-	(394,642)	(382,224)
Investment Management Costs		(4,173)	(799)	(10,576)	(15,548)	(9,521)
		(398,815)	(799)	(10,576)	(410,190)	(391,745)
Charitable Activities		(312,334)	(215,991)	(319,875)	(848,200)	(1,437,238)
Governance Costs		(58,506)	-	-	(58,506)	(85,009)
Other Resources Expended		-	-	-	-	-
Total Resources Expended	6	(769,655)	(216,790)	(330,451)	(1,316,896)	(1,913,992)
Net Incoming/(Outgoing) Resources Before Transfers		452,858	(149,861)	(131,436)	171,561	(247,373)
Transfers		(465,587)	348,700	116,887	-	-
Net Incoming/(Outgoing) Resources Before Other Recognised Gains and (Losses)		(12,729)	198,839	(14,549)	171,561	(247,373)
Realised Gains/(Losses) on Investment Assets	10	3,691	1,653	21,866	27,210	45,644
Net Income/(Expenditure) For the Year		(9,038)	200,492	7,317	198,771	(201,729)
Unrealised Gains/(Losses) on Investment Assets	10	21,905	9,808	129,765	161,478	232,046
NET MOVEMENT IN FUNDS		12,867	210,300	137,082	360,249	30,317
Total Funds Brought Forward		1,861,582	53,866	3,081,364	4,996,812	4,966,495
Total Funds carried forward		£1,874,449	£264,166	£3,218,446	£5,357,061	£4,996,812

All recognised Gains and losses are reflected through the Statement of Financial Activities. No separate Statement of Total Recognised Gains and Losses is presented.

* To comply with the Statement of Recommended Practice issued by the Charity Commission in March 2005, the analysis of Incoming Resources and Resources Expended have been reviewed this year and the corresponding amounts restated accordingly. The re-statement however is simply one of analysis and the result for the preceding year and reserve balances at the preceding year end remain unaffected.

THE MORAVIAN UNION (INCORPORATED)
HISTORICAL COST SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31ST AUGUST 2006

	2006	2005
	£	£
Net Expenditure for the Year	198,771	(201,729)
Investment gains recognised in prior periods and Realised in the current period	54,049	97,473
Loss on the historical cost accounting basis	<u>£252,820</u>	<u>£(104,256)</u>

THE MORAVIAN UNION (INCORPORATED)**BALANCE SHEET AT 31ST AUGUST 2006**

		Group		Charity	
	Note	2006	2005	2006	2005
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8	2,189,837	2,191,661	1,217,257	1,235,019
Investment in subsidiary	9	-	-	14,177	14,177
Other Investments	10	2,804,169	2,610,579	2,804,169	2,610,579
		<u>4,994,006</u>	<u>4,802,240</u>	<u>4,035,603</u>	<u>3,859,775</u>
CURRENT ASSETS					
Stock		12,922	15,654	12,922	15,654
Debtors	11	875,253	505,479	790,368	404,457
Bank Deposits	12	293,949	445,887	293,949	445,887
Cash and Bank	12	42,577	60,426	27,767	43,941
		<u>1,224,701</u>	<u>1,027,446</u>	<u>1,125,006</u>	<u>909,939</u>
CREDITORS : Amounts falling due within one year	13	<u>(595,146)</u>	<u>(531,374)</u>	<u>(520,861)</u>	<u>(509,635)</u>
NET CURRENT ASSETS		<u>629,555</u>	<u>496,072</u>	<u>604,145</u>	<u>400,304</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,623,561	5,298,312	4,639,748	4,260,079
CREDITORS : Amounts falling due after one year	14	<u>(266,500)</u>	<u>(301,500)</u>	-	-
TOTAL NET ASSETS		<u>£5,357,061</u>	<u>£4,996,812</u>	<u>£4,639,748</u>	<u>£4,260,079</u>
 Restricted Funds	16	3,218,446	3,081,364	3,218,446	3,081,364
Unrestricted Funds					
Designated Funds	17	264,166	53,866	264,166	53,866
General		<u>1,874,449</u>	<u>1,861,582</u>	<u>1,157,136</u>	<u>1,124,849</u>
TOTAL FUNDS		<u>£5,357,061</u>	<u>£4,996,812</u>	<u>£4,639,748</u>	<u>£4,260,079</u>

Approved by the Trustees on 26th April 2007
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 2006****1. 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), and in accordance with the requirement of the Companies Act 1985 and relevant accounting standards

The Moravian Union (Incorporated) is a registered charity No 251211-3, so the financial statements are presented in accordance with the Statement of Recommended Practice (2005) '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.

The following accounting policies, which are unchanged from the previous year, have been applied in preparing the financial statements.

Income Recognition

Income from grants and donations is generally recognised on receipt. However, income from the Bates Trust and Unitas Estates Company 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.

Charitable activities represent the direct costs of carrying out the charity's aims, together with support costs and the costs of general administration, principally Church House, which are apportioned to the different expenditure heads on the basis of staff time.

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

Stock which represents goods for resale is valued at the lower of cost or net realisable value.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****1. ACCOUNTING POLICIES (Continued)****Investments**

Investments 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 7th 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

Cashflow Statement

The group has taken advantage of the exemption available for small groups under FRS1 and has not disclosed a cashflow statement.

2 VOLUNTARY INCOME

	Unrestricted Funds		Restricted Funds	Total 2006	Total 2005
	General	Designated			
	£	£	£	£	£
Bates Trust	619,708	-	-	619,708	355,072
Donations and Legacies	55,795	4,176	146,467	206,438	194,280
	<u>£675,503</u>	<u>£4,176</u>	<u>£146,467</u>	<u>£826,146</u>	<u>£549,352</u>

The charity is the principal beneficiary of the income of the Bates Trust, an endowed charity established for the benefit of the Moravian Church Donations and legacies consists of income from congregations, individuals, companies and church bodies

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****3. TRADING ACTIVITIES**

Activities of Subsidiary Company	Total 2006	Total 2005
Turnover	414,366	397,937
Other Operating Income	1,826	697
	416,192	398,634
Estate Management Costs	316,239	325,883
Depreciation	19,849	17,610
Administrative Expenses	37,244	27,137
Interest Payable and Similar Charges	21,310	11,594
	394,642	382,224
Profit on Ordinary Activities	£21,550	£16,410

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 £731,490 (2005: £750,910).

The results for the year of the subsidiary undertaking exclude interest receivable of £299 which is disclosed within investment income and the gift aid donation to the parent charity, The Moravian Union, of £41,269. After adjusting for these amounts the subsidiary made a loss on ordinary activities after tax of £19,420.

4. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Total 2006	Total 2005
	General	Designated			
	£	£	£	£	£
Dividends Receivable	30,407	60,098	12,557	103,062	121,875
Interest Receivable	14,404	-	-	14,404	10,530
Rent Receivable	4,449	2,655	408	7,512	6,441
	£49,260	£62,753	£12,965	£124,978	£138,846

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	2006	2005
	£	£	£	£	£
Unity & Congregational Activities					
Congregation Assessments	32,540	-	-	32,540	61,229
Unity Income	-	-	37,750	37,750	127,310
	<u>32,540</u>	<u>-</u>	<u>37,750</u>	<u>70,290</u>	<u>188,539</u>
Book Sales	20,262	-	1,833	22,095	25,434
Synod Income	552	-	-	552	477
Sundry Income	8,000	-	-	8,000	-
Youth and Children (summer Camp) Income	14,092	-	-	14,092	-
Manse Reimbursement	6,112	-	-	6,112	-
	<u>£81,558</u>	<u>£ -</u>	<u>£39,583</u>	<u>£121,141</u>	<u>£214,450</u>

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2006

6 TOTAL RESOURCES EXPENDED

	Trading Activities	Costs of				Support Costs	Total 2006	Total 2005
		£	Generating Funds (Inv. Mgt)	Charitable activities Ministry & Congregations	Overseas	Governance		
		£	£	Domestic	£	£	£	£
Grants to Congregations and Projects	-	-	-	49,281	266,171	-	315,452	655,626
Resettlement and Retirement Grants	-	-	-	-	-	-	-	5,004
Trading Activities of Subsidiary	394,642	-	-	-	-	-	394,642	382,224
Pensions and Tax	-	-	-	214,103	-	-	214,103	214,973
Staff Costs	-	-	-	67,972	29,546	27,028	124,546	137,174
Archive Costs	-	-	-	29,917	-	-	29,917	37,418
Brokers Fees	-	13,161	-	-	-	-	13,161	9,521
Honorariums	-	-	-	1,000	-	-	1,000	1,000
Ministry	-	-	-	21,574	25,209	-	46,783	95,248
Bad Debts	-	-	-	366	-	-	366	-
Youth and Children	-	-	-	17,868	-	-	17,868	19,517
Audit	-	-	-	-	-	11,000	11,000	7,700
Accounting	-	-	-	-	-	11,195	11,195	21,225
Bank Charges	-	-	-	-	1,314	-	6,661	3,111
Interest	-	73	-	-	-	-	73	-
Depreciation	-	-	-	-	-	18,188	18,188	17,399
Cost of Books Sold	-	-	-	17,107	-	-	17,107	13,754
Subscriptions & Licences	-	-	-	9,715	-	-	9,715	9,307
Messenger	-	-	-	19,782	-	-	19,782	20,410
Stationery and Postage	-	-	-	-	-	10,675	10,675	9,941
Premises (Cleaning, repairs, refresh, security, light, power and utilities)	-	2,045	-	-	-	18,404	20,449	22,360
Legal & Professional	-	-	-	-	-	10,534	10,534	25,156
Lease Costs	-	-	-	-	-	(16,855)	(16,855)	73,931
Computer Software Maintenance & Licences	-	-	-	-	-	5,989	5,989	8,597
Communications	-	-	-	-	-	3,036	3,036	2,224
Insurance	-	-	-	-	-	6,570	6,570	6,667
Removal Costs	-	-	-	-	-	-	-	2,596
Unity Expenses	-	-	-	-	-	-	-	105,646
Synod	-	-	-	12,792	-	-	12,792	1,375
Other Office Costs	-	269	-	11,878	-	-	12,147	4,888
	394,642	15,548	473,355	322,240	49,223	61,888	1,316,896	1,913,992
Apportioned Support Costs (Based on Staff Time)	-	-	41,465	11,140	9,283	(61,888)	-	-
Total 2006	£394,642	£15,548	£514,820	£333,380	£58,506	£ -	£1,316,896	
Total 2005	£382,224	£9,521	£993,694	£443,544	£85,009			£1,913,992

All Grants are made to institutions and are to help fund the ministry and congregations

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2006

7. EMPLOYEE INFORMATION

	Year Ended 31st August 2006	Year Ended 31st August 2005
	£	£
Salaries – Archives	24,795	24,789
Salaries – Administrative	108,862	120,145
Social Security Costs – Archives	2,446	2,502
Social Security Costs - Administration	11,460	12,898
Pension Costs – Archives	1,564	1,338
Pension Costs - Administrative	4,224	4,131
Staff Costs	153,351	165,803
Other Costs	1,112	8,789
	<u>£154,463</u>	<u>£174,592</u>
Split as follows -		
Staff Costs	124,546	137,174
Archive Costs	29,917	37,418
	<u>£154,463</u>	<u>£174,592</u>

No employee earned £50,000 or more during the period The full time equivalent number of staff was 5 (2005-6)

Trustees

The Trustees are not remunerated for their services

An amount of £7,025 (2005: £7,549) was reimbursed to four (2005: four) members of the Committee of Management in respect of travel expenses incurred during the period.

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2006

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
Group Cost			
At 1st September 2005	2,303,097	18,379	2,321,476
Additions at Cost	35,787	426	36,213
At 31st August 2006	<u>2,338,884</u>	<u>18,805</u>	<u>2,357,689</u>
Depreciation			
At 1st September 2005	120,084	9,731	129,815
Depreciation for the period	32,400	5,637	38,037
At 31st August 2006	<u>152,484</u>	<u>15,368</u>	<u>167,852</u>
Net Book Value			
At 31st August 2006	<u>£2,186,400</u>	<u>£3,437</u>	<u>£2,189,837</u>
At 31st August 2005	<u>£2,183,013</u>	<u>£8,648</u>	<u>£2,191,661</u>
	£	£	£
Charity Cost			
At 1 st September 2005	1,255,079	18,379	1,273,458
Additions at Cost	-	426	426
At 31 st August 2006	<u>1,255,079</u>	<u>18,805</u>	<u>1,273,884</u>
Depreciation			
At 1 st September 2005	28,708	9,731	38,439
Depreciation for the period	12,551	5,637	18,188
At 31 st August 2006	<u>41,259</u>	<u>15,368</u>	<u>56,627</u>
Net Book Value			
At 31 st August 2006	<u>£1,213,820</u>	<u>£3,437</u>	<u>£1,217,257</u>
At 31 st August 2005	<u>£1,226,371</u>	<u>£8,648</u>	<u>£1,235,019</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 (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****9 INVESTMENTS IN SUBSIDIARY - CHARITY**

	31st August 2006	31st August 2005
	£	£
Shares in Unitas Estates Co Ltd, At Cost	56,710	56,710
Provision for permanent diminution in value	(42,533)	(42,533)
At Valuation in 1962	<u>£14,177</u>	<u>£14,177</u>

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

10. OTHER INVESTMENTS – GROUP AND CHARITY
Listed Investments at Market Value

	2006	2005
	£	£
At 1 st September 2005	2,610,579	2,913,093
Additions	430,255	581,461
Disposal Proceeds	(425,353)	(1,161,665)
Realised Gains	27,210	45,644
Unrealised Gains	161,478	232,046
At 31 st August 2006	<u>£2,804,169</u>	<u>£2,610,579</u>
Listed Investments at Cost - At 31 st August 2006	<u>£2,383,458</u>	<u>£2,297,297</u>

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

The following holdings represented more than 5% of the total portfolio at 31st August 2006

	Market Value	
	2006	2005
	£	£
5% Treasury Stock 2012	<u>£1,102,521</u>	<u>£1,146,108</u>

11 DEBTORS

	Group		Charity	
	2006	2005	2006	2005
	£	£	£	£
Due from congregations, schools and other loans	303,053	235,501	303,053	235,501
Due from related organisations	251,423	71,808	268,792	71,808
Other Debtors	63,792	79,451	63,792	79,451
Prepayments and accrued income	179,549	38,986	154,731	17,697
Agents Balances	56,267	61,850	-	-
Rent Due	21,169	17,883	-	-
	<u>£875,253</u>	<u>£505,479</u>	<u>£790,368</u>	<u>£404,457</u>

Included above are debtors amounting to £224,284 (2005 £185,202) receivable after more than one year representing loans to Ockbrook School

Loans to congregations and other related parties carry interest at 2% above bank base rate

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****12 BANK AND CASH**

	Group		Charity	
	2006	2005	2006	2005
	£	£	£	£
<i>Deposits</i>				
Euro Account	6,585	8,890	6,585	8,890
Dollar Account	4	12,587	4	12,587
Laing & Cruickshank	29,654	47,945	29,654	47,945
Treasury Deposits	257,108	375,872	257,108	375,872
Premium Account	598	593	598	593
	<u>£293,949</u>	<u>£445,887</u>	<u>£293,949</u>	<u>£445,887</u>
<i>Cash at bank and in hand</i>				
Current Account	41,807	59,857	26,997	43,372
Cash in hand	770	569	770	569
	<u>£42,577</u>	<u>£60,426</u>	<u>£27,767</u>	<u>£43,941</u>

13 CREDITORS : Amounts falling due within on year

	Group		Charity	
	2006	2005	2006	2005
	£	£	£	£
Congregations, schools and related Organisations	367,441	338,808	367,441	387,708
Social Security and other taxes	20,100	-	20,100	-
Other Creditors	65,275	55,931	48,475	41,038
Accruals and Deferred Income	97,235	89,839	84,845	80,889
Rent received in advance	10,095	11,796	-	-
Bates Trust loan	35,000	35,000	-	-
	<u>£595,146</u>	<u>£531,374</u>	<u>£520,861</u>	<u>£509,635</u>

14 CREDITORS : Amounts falling due after more than one year

Group	2006	2005
	£	£
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	35,000
2 - 5 years	105,000	105,000
More than 5 years	122,500	157,500
	<u>262,500</u>	<u>297,500</u>
Mortgage at 3 75% per annum with no fixed date of repayment – secured on part of the Fulneck Estate	4,000	4,000
	<u>£266,500</u>	<u>£301,500</u>

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****15 ANALYSIS OF NET ASSETS BETWEEN THE FUND BALANCES**

	General £	Designated £	Restricted £	Total as at 31 st August 2006 £
Group				
Fixed Assets	1,334,532	60,068	795,237	2,189,837
Cash and Investments	513,388	204,098	2,423,209	3,140,695
Other Net Assets	26,529	-	-	26,529
	<u>£1,874,449</u>	<u>£264,166</u>	<u>£3,218,446</u>	<u>£5,357,061</u>
Unrealised Gains included above	<u>£62,482</u>	<u>£23,895</u>	<u>£334,334</u>	<u>£420,711</u>
Charity				
Fixed Assets	361,952	60,068	795,237	1,217,257
Subsidiary	14,177	-	-	14,177
Cash and Investments	498,578	204,098	2,423,209	3,125,885
Other Net Assets	282,429	-	-	282,429
	<u>£1,157,136</u>	<u>£264,166</u>	<u>£3,218,446</u>	<u>£4,639,748</u>
Unrealised Gains included above	<u>£62,482</u>	<u>£23,895</u>	<u>£334,334</u>	<u>£420,711</u>

16 DESIGNATED FUNDS

See Page 24

17 RESTRICTED FUNDS

See page 24.

18 FUTURE FINANCIAL COMMITMENTS**Operating Leases**

At 31st August 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31st August 2007 in respect of office equipment

	31 st August 2006 £	31 st August 2005 £
Operating Leases which expire within		
Less than one year	-	-
Two to five years	559	7,526
	<u>£559</u>	<u>£7,526</u>

The lease on the photocopier which was reflected in financial commitments at 31st August 2005 was terminated during the current year with all costs associated with the termination having been fully provided for in the preceding year (continued on page 25).

THE MORAVIAN UNION (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2006

16 RESTRICTED FUNDS – GROUP AND CHARITY

	Opening Balance £	Incoming Resources £	Resources Expended £	Realised Inv. Gains £	Unrealised Inv. Gains £	Transfers £	Closing Balances £
Evangelical	57,410	1,999	(20,992)	434	2,572	18,993	60,416
Ministers Emoluments	1,926,150	7,108	(7,108)	14,695	87,212	-	2,028,057
Education	228,201	14,055	(35,595)	1,664	9,873	65,319	283,517
Overseas	360,859	174,078	(253,554)	1,684	9,993	86,548	379,608
Property	411,928	1,588	(1,498)	3,097	18,382	-	433,497
Relief of poverty	3,679	14	(14)	28	167	-	3,874
Other	93,137	173	(11,690)	264	1,566	(53,973)	29,477
	£3,081,364	£199,015	£(330,451)	£21,866	£129,765	£116,887	£3,218,446

Each broad category consists of numerous individual funds set up by the trustees to address a wide variety of issues. They are represented by a proportion of the Charity's fixed assets, cash and investments

17 DESIGNATED FUNDS – GROUP AND CHARITY

Designated Funds have been set up for the following broad categories of purposes

	Opening Balance £	Incoming Resources £	Resources Expended £	Realised Inv. Gains £	Unrealised Inv. Gains £	Transfers £	Closing Balances £
Ministers Emoluments	(94,657)	63,576	(214,204)	208	1,237	273,668	29,828
Overseas	16,330	-	(1,000)	-	-	1,000	16,330
Property	204,929	3,349	(1,582)	1,434	8,513	-	216,643
Other	(72,736)	4	(4)	11	58	74,032	1,365
	£53,866	£66,929	£(216,790)	£1,653	£9,808	£348,700	£264,166

Each category consists of numerous designated funds which are represented by a proportion of the Charity's fixed assets, cash and investments and which relate to a variety of purposes identified by the trustees

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****18 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 Moravian Union. No provision is made in these accounts for any liability to pay pensions in future periods.

19 SURPLUS ATTRIBUTABLE TO THE MORAVIAN UNION (INCORPORATED)

The parent company, The Moravian Union (Incorporated), generated a surplus of £218,191 (as measured for Companies Act purposes) in the year to 31st March 2006 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

20 CONTINGENT LIABILITIES

At the Balance Sheet date there were no contingent liabilities (2005 £60,000) in respect of a disputed claim against the charity)

21 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 from related parties during the period

	Year ended 31st August 2006	Year ended 31st August 2005
	£	£
Assessments received from Fulneck School	2,750	2,750
Assessments received from Ockbrook School	2,750	2,750
Interest on loan to Ockbrook School	96	4,343
Interest on loan to Fulneck School	203	406
Assessments received from Congregations	<u>32,540</u>	<u>62,229</u>

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2006****21. RELATED ORGANISATIONS (CONTINUED)**

At 31st August 2006, the following balances were outstanding

	2006	2005
	£	£
Due to TSFG	(21,701)	(21,562)
Due from/(to) Unitas Estates Company Limited	17,369	(48,900)
Due from Fulneck School	-	4,056
Due from Moravian Church	251,423	71,808
Due from Ockbrook School	144,862	142,428
Due from Congregations	17,265	51,462
Due to Congregations	<u>(20,965)</u>	<u>(25,471)</u>

22. ULTIMATE PARENT ORGANISATION

The Ultimate Parent is The British Province of the Unitas Fratrum operating as The Moravian Church, registered charity number 251211