

THE MORAVIAN UNION (INCORPORATED)

(A company limited by guarantee)

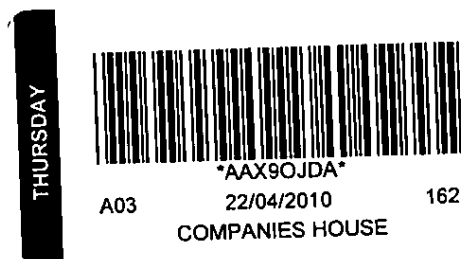
Company Number: 133708

Charity Number: 251211-3

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2009




KNOX CROPPER
chartered accountants

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST AUGUST 2009

The Board presents the report and financial statements of the Moravian Union (Incorporated) for the year ended 31st August 2009. 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 2006. The Moravian Union (Incorporated) was incorporated on 2nd February 1914. It is a company limited by guarantee, 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 Church's property.

The Provincial Elders' (who are the Charity's Trustees and the Company's Directors) for the period ended 31st August 2008 and to date comprise

Rev R J Hopcroft
Mrs J.K Morten
Rev J. Mullin
Mrs G Taylor

The principal officers at 31st August 2009 were

Rev. R J. Hopcroft	Company Secretary
Mrs L Newens	Administrator
Mr W Esterhuizen	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 Harnes Hall
Wallside House
12 Mt. Ephraim Road
Tunbridge Wells,
Kent TN11 1EG

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 2009

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 Provincial Elders' Conference (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 one congregations, three societies, one fellowship and a choir house. The Trust Society for the Furtherance of the Gospel and Unitas Estates Limited are now both dormant companies and are in the process of being wound up. This now completes the reorganisation of the Moravian Church

Procedures for the Recruitment and Appointment of Trustees

The Book of Order, Section 3.1 states that the PEC consists of not fewer than 3 members. At present the full complement of the PEC is four. As part of its brief the PEC acts as the Board of Trustees (and Board of Directors) of the Moravian Union. Synod is the body with the power to appoint and remove members of the Board. Provincial Elders serve for a term of four years and may be appointed to serve a further two terms. Appointment is by election at the bi-ennial 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	Mrs G Taylor
Renewal	Mrs J K Morten
Faith and Order	Rev. R.J. Hopcroft and 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 2009

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 bi-annually following each Synod. 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. A revised report was laid before the Synod in 2008 and this was accepted.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2009

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 Moravian Missions 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 in the Moravian Union. Up until the 1st September 2007 title to some of these properties vested in the Moravian Union's 100% owned subsidiary company Unitas Estates Limited. However, from that date, Unitas Estates Limited ceased trading and its assets and liabilities were transferred to the parent, The Moravian Union, at book values.

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, the provincial archivist was given the task of documenting and categorising 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 2009

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 2009

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 is on target to complete the work by Synod 2010 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

With effect from 1st September 2008, the subsidiary company Unitas Estates Limited transferred all its assets and liabilities to the Moravian Union and subsequently ceased operations. Arrangements for the collection of rents and the maintenance of the properties have however remained unchanged and continue to be satisfactory

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 collections to finance Summer Camps for young Church members. The summer camp appeal succeeded in raising £12,389 this 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

(d) Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2009

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 was for the most part managed by the Moravian Union's wholly owned subsidiary Unitas Estates Limited but with effect from the 1st September 2007 the subsidiary company transferred all its assets and liabilities to the Moravian Union at book values and is now dormant. 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 £260,312 as compared to £541,030 for the preceding year.

The improvement in the current year arises because total incoming resources have increased from £2,006,848 to £2,497,632 net of increased total resources expended, up from £1,383,439 to £1,599,483.

The increase in total incoming resources arises mainly from the profit on sale of properties of £1,071,442 compared to £727,111 for the preceding year, which is disclosed as other incoming resources. It also includes increased grants and donations income of £81,822, increased rental income of £42,868, increased income from dividends and interest of £2,206 and increased income from charitable activities of £19,557 (mainly being increased income from congregation assessments).

The increase in total resources expended reflects increased costs of charitable activities of £291,768, increased governance costs of £5,839 net of decreased costs of generating funds of £81,563.

The increase in costs of charitable activities is primarily due to a £200,000 grant to the Moravian Church to help fund its theological training programme. The decrease in costs of generating funds is mainly the result of reduced costs of repair and maintenance of the estates.

This year losses on investments (realised and unrealised in aggregate) of £86,121 have been incurred in comparison to losses of £139,348 last year.

These factors combined give rise to an increase in the charitable company's total funds this year of £812,028 in comparison to £484,061 in the preceding year. As a result of the year's operations, the General Fund has decreased by £77,867, designated funds have decreased by £2,044 and restricted funds have increased by £891,939. These movements in funds have further strengthened both the parent charity and the group's balance sheets.

The Balance Sheets indicate that the group's net current assets, the principal measure of short to medium term solvency has improved from £1,561,414 to £2,198,507 whilst the parent charity's net current assets have increased from £1,504,594 to £2,141,687 which implies an improved and satisfactory margin of solvency.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2009

REVIEW OF FINANCIAL POSITION (Continued)

Tangible fixed assets have increased as a result of additions net of the annual depreciation charge

Debtor balances have increased from £1,301,324 to £1,963,526 in both the group and the parent. The increases mainly reflect increased sums due from the parent charity (the Moravian Church) and from Congregations and Schools, and increased other loans and increased donations due from the Bates Trust at the end of the current year

Creditors falling due within one year have decreased in aggregate from £429,504 to £358,045 for the group and from £486,324 to £414,865 for the parent. This reflects a £35,000 repayment of the Bates Trust loan and reduced other creditors and accruals

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 a loss of £86,121 which represents some 3.2% of the brought forward market value of the portfolio. Over the same period the FTSE 100 Index decreased by 12.9% whilst the FTSE all share index decreased by 12.1%. 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

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 in this regard is dependent upon the Land Registry's ability to process the applications.
- (iii) To continue to simplify the group's reporting and record keeping requirements by undertaking a comprehensive review of the charity's trust funds

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2009

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 £2 351m and this represented approximately 17 months total expenditure

TANGIBLE FIXED ASSETS

Movements in tangible fixed assets are set out in Note 7

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 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 2006. 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.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2009

On behalf of the Provincial Elders' Conference on 24th March 2010

A handwritten signature in black ink, appearing to read 'R. Hopcroft', with a stylized flourish at the end.

*Rev. R.J. Hopcroft
Company Secretary*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF

THE MORAVIAN UNION (INCORPORATED)

FOR THE YEAR ENDED 31ST AUGUST 2009

We have audited the consolidated financial statements of The Moravian Union (Incorporated) for the year ended 31st August 2009 which comprise, the Consolidated Statement of Financial Activities (including Consolidated Income and Expenditure Account), Statement of Historical Cost Surpluses and Deficits, the Consolidated and Parent Balance Sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the parent charitable company's members and trustees, as a body, in accordance with the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and trustees 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 and trustees as a body for our audit work, for this report or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The Trustees' (who are also the Directors of the Moravian Union (Incorporated) for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 2006 and Section 43 of the Charities Act 1993 and report to you in accordance with those Acts. 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 United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information provided in the Trustees' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 group's and the charitable parent company'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 group's and the parent company's affairs as at 31st August 2009 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 United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the Trustees' Report is consistent with the financial statements.


Duncan Jones, Senior Statutory Auditor
For and on Behalf of Knox Cropper, Statutory Auditors

8-9 Well Court
London, EC4M 9DN

24th March 2010

THE MORAVIAN UNION (INCORPORATED)**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
(Including Consolidated Income and Expenditure Account)**FOR THE YEAR ENDED 31ST AUGUST 2009**

	Note	Unrestricted Funds General £	Designated £	Restricted Funds £	Year Ended 31 st August 2009 £	Year Ended 31 st August 2008 £
INCOMING RESOURCES						
Incoming Resources from Generated Funds						
Voluntary Income	2	460,382	9,422	182,626	652,430	570,608
Investment Income	3	493,968	56,162	81,664	631,794	586,720
		954,350	65,584	264,290	1,284,224	1,157,328
Incoming Resources from Charitable Activities	4	114,835	-	27,131	141,966	122,409
Other Incoming Resources – Profit on Sale of Properties		-	-	1,071,442	1,071,442	727,111
Total Incoming Resources		1,069,185	65,584	1,362,863	2,497,632	2,006,848
RESOURCES EXPENDED						
Costs of Generating Funds						
Investment Management Costs		(373,358)	(141)	(1,890)	(375,389)	(456,952)
Charitable Activities		(387,988)	(232,084)	(543,983)	(1,164,055)	(872,287)
Governance Costs		(58,746)	(1,293)	-	(60,039)	(54,200)
Total Resources Expended	5	(820,092)	(233,518)	(545,873)	(1,599,483)	(1,383,439)
Net Incoming/(Outgoing) Resources before Transfers		249,093	(167,934)	816,990	898,149	623,409
Transfers		(308,535)	170,573	137,962	-	-
Net Incoming/(Outgoing) Resources before Other Recognised Gains and (Losses)		(59,442)	2,639	954,952	898,149	623,409
Realised Gains/(Losses) on Investment Assets	9	(18,448)	(8,259)	(111,130)	(137,837)	(82,379)
Net Income/(Loss) for the Year		(77,890)	(5,620)	843,822	760,312	541,030
Unrealised Gains/(Losses) on Investment Assets	9	23	3,576	48,117	51,716	(56,969)
NET MOVEMENT IN FUNDS		(77,867)	(2,044)	891,939	812,028	484,061
Total Funds Brought Forward		2,428,488	274,624	3,614,993	6,318,105	5,834,044
Total Funds Carried Forward		£2,350,621	£272,580	£4,506,932	£7,130,133	£6,318,105

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

THE MORAVIAN UNION (INCORPORATED)
HISTORICAL COST SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31ST AUGUST 2009

	2009	2008
	£	£
Net Income for the Year	760,312	541,030
Investment gains recognised in prior periods and Realised in the current period	72,429	31,020
Surplus on the historical cost accounting basis	<u>£832,741</u>	<u>£572,050</u>

THE MORAVIAN UNION (INCORPORATED)**BALANCE SHEET AT 31ST AUGUST 2009**

		Group		Charity	
	Note	2009	2008	2009	2008
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7	2,206,505	2,065,452	2,206,505	2,065,452
Investment in subsidiary	8	-	-	56,710	56,710
Other Investments	9	2,725,121	2,691,239	2,725,121	2,691,239
		<u>4,931,626</u>	<u>4,756,691</u>	<u>4,988,336</u>	<u>4,813,401</u>
CURRENT ASSETS					
Stock		11,461	14,131	11,461	14,131
Debtors	10	1,963,526	1,301,324	1,963,526	1,301,324
Bank Deposits	11	554,320	642,994	554,320	642,994
Cash and Bank	11	27,245	32,469	27,245	32,469
		<u>2,556,552</u>	<u>1,990,918</u>	<u>2,556,552</u>	<u>1,990,918</u>
CREDITORS : Amounts falling due within one year	12	<u>(358,045)</u>	<u>(429,504)</u>	<u>(414,865)</u>	<u>(486,324)</u>
NET CURRENT ASSETS		<u>2,198,507</u>	<u>1,561,414</u>	<u>2,141,687</u>	<u>1,504,594</u>
NET ASSETS		<u>£7,130,133</u>	<u>£6,318,105</u>	<u>£7,130,023</u>	<u>£6,317,995</u>
Restricted Funds	14	4,506,932	3,614,993	4,506,932	3,614,993
Unrestricted Funds					
Designated Funds	15	272,580	274,624	272,580	274,624
General		<u>2,350,621</u>	<u>2,428,488</u>	<u>2,350,511</u>	<u>2,428,378</u>
TOTAL FUNDS		<u>£7,130,133</u>	<u>£6,318,105</u>	<u>£7,130,023</u>	<u>£6,317,995</u>

Approved by the Trustees on 24th March 2010
and signed on their behalf

J. Morten
Director and Trustee



R.J. Hopcroft
Director and Trustee



Company Number: 00133708
Charity Number: 251211-3

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2009****1 ACCOUNTING POLICIES****Basis of Preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are disclosed at market value (as described below), and in accordance with the requirements of the Companies Act 2006 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 'Accounting and Reporting by Charities' issued in March 2005. Accordingly, the presentation of income and expenditure in the financial statements has been adapted from that prescribed by the Companies Act 2006 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 is accrued at the balance sheet date if the trustees are satisfied that the criteria of entitlement, certainty and measurement have been met on the basis of declarations and/or payments by the donating organisation after the year end. 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 2009

1 ACCOUNTING POLICIES (Continued)

Investments

Investment in the Subsidiary on the parent company's balance sheet is shown at cost. 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 Unitas Estates Company Limited is now dormant and its activities are undertaken directly by the Moravian Union.

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 2009	Total 2008
	General	Designated			
	£	£	£	£	£
Bates Trust	411,227	-	-	411,227	360,000
Donations and Legacies	49,155	9,422	182,626	241,203	210,608
	<u>£460,382</u>	<u>£9,422</u>	<u>£182,626</u>	<u>£652,430</u>	<u>£570,608</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 consist 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 2009****3 INVESTMENT INCOME**

	Unrestricted Funds		Restricted Funds	Total 2009	Total 2008
	General	Designated			
	£	£	£	£	£
Dividends Receivable	23,976	52,230	38,162	114,368	117,648
Interest Receivable	16,131	-	-	16,131	10,645
Rents Receivable	453,861	3,932	43,502	501,295	458,427
	<u>£493,968</u>	<u>£56,162</u>	<u>£81,664</u>	<u>£631,794</u>	<u>£586,720</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Total 2009	Total 2008
	General	Designated			
	£	£	£	£	£
Unity & Congregational Activities					
Congregation Assessments	73,971	-	-	73,971	52,405
Unity Income	-	-	23,967	23,967	19,839
	<u>73,971</u>	<u>-</u>	<u>23,967</u>	<u>97,938</u>	<u>72,244</u>
Book Sales	16,915	-	3,164	20,079	18,901
Synod Income	60	-	-	60	312
Sundry Income	7,390	-	-	7,390	8,355
Youth and Children (Summer Camp) Income	12,389	-	-	12,389	15,821
Manse Reimbursement	4,110	-	-	4,110	6,776
	<u>£114,835</u>	<u>£-</u>	<u>£27,131</u>	<u>£141,966</u>	<u>£122,409</u>

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2009

5	TOTAL RESOURCES EXPENDED	Costs of Generating Funds (Inv. Mgt)	Charitable Activities Ministry & Congregations			Support Costs	Total 2009	Total 2008
		£	Domestic £	Overseas £	Governance £	£	£	£
	Grants to Congregations and Projects	-	345,781	212,526	-	-	558,307	255,524
	Estate Management Costs	366,939	-	-	-	-	366,939	404,906
	Burial Ground Costs	2,358	-	-	-	-	2,358	36,748
	Pensions and Tax	-	231,084	-	-	-	231,084	218,902
	Staff Costs	-	64,663	23,626	17,440	-	105,729	116,552
	Archive Costs	-	31,841	-	-	-	31,841	31,068
	Brokers Fees	2,345	-	-	-	-	2,345	10,776
	Honorarias	-	500	-	-	-	500	1,000
	Ministry	-	34,338	25,209	-	-	59,547	53,036
	Bad Debts	-	2	-	-	-	2	6,187
	Youth and Children	-	22,723	-	-	-	22,723	20,982
	Audit	-	-	-	22,833	-	22,833	19,898
	Bank Charges	-	2,880	-	-	-	2,880	2,965
	Interest	-	-	-	-	17,455	17,455	30,810
	Depreciation	-	-	-	-	51,558	51,558	45,722
	Cost of Books Sold	-	17,576	-	-	-	17,576	12,500
	Subscriptions & Licences	-	17,055	-	-	-	17,055	7,877
	Messenger	-	20,011	-	-	-	20,011	20,161
	Stationery and Postage	-	-	-	-	5,545	5,545	9,482
	Premises (Cleaning, repairs, refresh, security, light, power and utilities)	3,198	-	-	-	28,782	31,980	31,658
	Legal & Professional	-	-	-	-	10,391	10,391	7,159
	Lease Costs	-	-	-	-	550	550	419
	Computer Software Maintenance & Licences	-	-	-	-	6,910	6,910	12,813
	Communications	-	-	-	-	3,258	3,258	4,006
	Insurance	-	-	-	-	7,326	7,326	6,945
	Synod	-	1,499	-	-	-	1,499	13,987
	Other Office Costs	549	732	-	-	-	1,281	1,356
		375,389	790,685	261,361	40,273	131,775	1,599,483	1,383,439
	Apportioned Support Costs (Based on staff time)	-	88,289	23,720	19,766	(131,775)	-	-
	Total 2009	£375,389	£878,974	£285,081	£60,039	£-	£1,599,483	£1,383,439
	Total 2008	£456,952	£596,196	£276,091	£54,200			

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 2009****6 EMPLOYEE INFORMATION**

	2009	2008
	£	£
Salaries – Archives	26,056	24,779
Salaries – Administrative	88,184	101,866
Social Security Costs – Archives	2,678	2,492
Social Security Costs - Administrative	9,446	10,195
Pension Costs – Archives	1,848	1,474
Pension Costs - Administrative	8,099	4,491
Staff Costs	136,311	145,297
Other Costs	1,259	2,323
	£137,570	£147,620
Split as follows -		
Staff Costs	105,729	116,552
Archive Costs	31,841	31,068
	£137,570	£147,620

No employee earned £50,000 or more during the period The full time equivalent number of staff was 4 (2008: 5)

Trustees

The Trustees are not remunerated for their services

An amount of £15,902 (2008: £11,382) reimbursed to four (2008: 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 2009

7 TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1st September 2008	2,285,560	23,887	2,309,447
Additions at Cost	191,453	1,158	192,611
At 31st August 2009	<u>2,477,013</u>	<u>25,045</u>	<u>2,502,058</u>
Depreciation			
At 1st September 2008	223,947	20,048	243,995
Depreciation for the period	49,540	2,018	51,558
At 31st August 2009	<u>273,487</u>	<u>22,066</u>	<u>295,553</u>
Net Book Value			
At 31st August 2009	<u>£2,203,526</u>	<u>£2,979</u>	<u>£2,206,505</u>
At 31st August 2008	<u>£2,061,613</u>	<u>£3,839</u>	<u>£2,065,452</u>

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

8 INVESTMENTS IN SUBSIDIARY - CHARITY

	2009 £	2008 £
Shares in Unitas Estates Co Ltd, At Valuation in 1962/Cost	56,710	56,710
Provision for permanent diminution in value	-	-
Release of provision for permanent diminution in value	-	-
At Cost/Valuation in 1962	<u>£56,710</u>	<u>£56,710</u>

The investment is 5,671 shares of £10 each, representing 99% of the issued share capital. The company is incorporated in England and Wales and is now dormant. At the year end the company had net assets of £56,820 (2008: £56,820). Its activities are now undertaken directly by The Moravian Union with its income being disclosed as part of rents receivable and expenditure primarily as investment management costs.

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2009

9 OTHER INVESTMENTS – GROUP AND CHARITY
Listed Investments at Market Value

	2009	2008
	£	£
At 1 st September 2008	2,691,239	2,849,117
Additions	648,456	1,660,365
Disposal Proceeds	(528,453)	(1,678,895)
Realised (Losses)	(137,837)	(82,379)
Unrealised Gains/(Losses)	51,716	(56,969)
	<u>£2,725,121</u>	<u>£2,691,239</u>
At 31 st August 2009		
Listed Investments at Cost - At 31 st August	<u>£2,479,109</u>	<u>£2,424,514</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 2009.

Market Value

Legal & General US Index Unit Trusts	<u>£140,580</u>
--------------------------------------	-----------------

10. DEBTORS – GROUP AND CHARITY

	2009	2008
	£	£
Due from congregations, schools and		
Other loans	350,364	217,926
Due from parent organisation	1,186,416	732,065
Other Debtors	73,329	60,857
Prepayments and accrued income	260,151	220,099
Agents Balances	72,560	59,854
Rent Due	20,706	10,523
	<u>£1,963,526</u>	<u>£1,301,324</u>

Included above are debtors amounting to £75,281 (2008. £88,739) 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 2009

11 BANK AND CASH – GROUP AND CHARITY

	2009 £	2008 £
<i>Deposits</i>		
Euro Account	34,642	1,107
Laing & Cruickshank	19,678	141,887
Treasury Deposits	500,000	500,000
	<u>£554,320</u>	<u>£642,994</u>
<i>Cash at bank and in hand</i>		
Current Account	27,020	31,875
Cash in hand	225	594
	<u>£27,245</u>	<u>£32,469</u>

12. CREDITORS : Amounts falling due within one year

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Bank Loans and Overdrafts	1,232	835	1,232	835
Due to Subsidiary Undertaking	-	-	56,820	56,820
Congregations, schools and related Organisations	64,453	59,228	64,453	59,228
Social Security and other taxes	2	-	2	-
Other Creditors	30,715	61,136	30,715	61,136
Accruals and Deferred Income	57,927	68,577	57,927	68,577
Rent received in advance	11,216	12,228	11,216	12,228
Bates Trust loans *	192,500	227,500	192,500	227,500
	<u>£358,045</u>	<u>£429,504</u>	<u>£414,865</u>	<u>£486,324</u>

* The Bates Trust loan was originally extended to the subsidiary company Unitas Estates Limited. On 1st September 2007 the balance outstanding on the loan was transferred, with the consent of the Bates Trust, to The Moravian Union. Technically, the loan is repayable on demand but the Bates Trust have indicated their willingness to accept repayment in accordance with a schedule of repayments over ten years.

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2009

13 ANALYSIS OF NET ASSETS BETWEEN THE FUND BALANCES

	General £	Designated £	Restricted £	Total as at 31 st August 2009 £
Group				
Fixed Assets	1,142,544	74,635	989,326	2,206,505
Cash and Investments	474,032	197,945	2,634,709	3,306,686
Other Net Assets	734,045	-	882,897	1,616,942
	<u>£2,350,621</u>	<u>£272,580</u>	<u>£4,506,932</u>	<u>£7,130,133</u>
Unrealised Gains included above	<u>£71,117</u>	<u>£12,100</u>	<u>£162,795</u>	<u>£246,012</u>
Charity				
Fixed Assets	1,142,544	74,635	989,326	2,206,505
Subsidiary	56,710	-	-	56,710
Cash and Investments	474,032	197,945	2,634,709	3,306,686
Other Net Assets	677,225	-	882,897	1,560,122
	<u>£2,350,511</u>	<u>£272,580</u>	<u>£4,506,932</u>	<u>£7,130,023</u>
Unrealised Gains included above	<u>£71,117</u>	<u>£12,100</u>	<u>£162,795</u>	<u>£246,012</u>

THE MORAVIAN UNION (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2009

14 RESTRICTED FUNDS – GROUP AND CHARITY

	Opening Balance £	Incoming Resources £	Resources Expended £	Realised Inv. (Losses) £	Unrealised Inv. Gains £	Transfers £	Closing Balances £
Evangelical	61,726	5,198	(21,773)	(2,166)	938	17,347	61,270
Ministers Emoluments	2,114,021	34,903	(8,728)	(73,443)	31,799	-	2,098,552
Education	296,711	24,491	(44,836)	(8,314)	3,600	31,004	302,656
Overseas	429,276	171,180	(176,222)	(8,415)	3,643	89,611	509,073
Property	666,694	1,123,670	(294,153)	(17,333)	7,505	-	1,486,383
Relief of poverty	3,947	139	(89)	(140)	61	-	3,918
Other	42,618	3,282	(72)	(1,319)	571	-	45,080
	£3,614,993	£1,362,863	£(545,873)	£(111,130)	£48,117	£137,962	£4,506,932

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

15 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. (Losses) £	Unrealised Inv. Gains £	Transfers £	Closing Balances £
Ministers Emoluments	31,048	61,899	(231,102)	(1,041)	451	169,573	30,828
Overseas	16,330	-	(1,000)	-	-	1,000	16,330
Property	225,825	3,667	(1,415)	(7,169)	3,104	-	224,012
Other	1,421	18	(1)	(49)	21	-	1,410
	£274,624	£65,584	£(233,518)	£(8,259)	£3,576	£170,573	£272,580

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 2009

16 FUTURE FINANCIAL COMMITMENTS

Operating Leases

At 31st August 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31st August 2008 in respect of office equipment

	2009 £	2008 £
Operating Leases which expire within		
Less than one year	-	-
Two to five years	550	559
	<u>£550</u>	<u>£559</u>

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.

17 SURPLUS ATTRIBUTABLE TO THE MORAVIAN UNION (INCORPORATED)

The parent company, The Moravian Union (Incorporated), generated a surplus of £760,312 (as measured for Companies Act purposes) in the year to 31st March 2009 and this is reflected within the Statement of Financial Activities

The parent company is exempt from the requirement to present its own profit and loss account under Section 408 of the Companies Act 2006

18 CONTINGENT LIABILITIES

At the Balance Sheet date there were no contingent liabilities (2008 NIL).

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2009

19. 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

One of the Trustees of the Moravian Union is also a trustee of the Bates Trust

The company received the following amounts from related parties during the period

	2009	2008
	£	£
Donation from TSFG	-	21,803
Assessments received from Fulneck School	5,250	5,000
Assessments received from Ockbrook School	5,250	5,000
Interest on loan to Ockbrook School	4,039	4,712
Assessments received from Congregations	63,971	42,406
Bates Trust	<u>411,227</u>	<u>360,000</u>

At 31st August 2009, the following balances were outstanding

	2009	2008
	£	£
Due to Bates Trust	26,216	(37,500)
Due to TSFG	-	-
Due from Moravian Church	1,186,416	732,065
Due from Ockbrook School	88,740	102,197
Due from Congregations	60,925	59,260
Due to Congregations	(64,453)	(40,510)
Due from Fulneck Choir House	<u>20,000</u>	<u>10,000</u>

20. ULTIMATE PARENT ORGANISATION

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

