

THE MORAVIAN UNION (INCORPORATED)

(A company limited by guarantee)

Company Number: 00133708

Charity Number: 251211-3

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2010




KNOX CROPPER
chartered accountants

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST AUGUST 2010

The Board presents the report and financial statements of the Moravian Union (Incorporated) for the year ended 31st August 2010. These have been prepared in the format required by the Statement of Recommended Practice, '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 Charities Act 1993 and regulations made thereunder. 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 2010 and to date comprise:

Rev. P. J Cooper	(Appointed 21/07/2010)
Rev S G. Groves	(Appointed 21/07/2010)
Rev. R.J. Hopcroft	
Mrs J K Morten	(Resigned 21/07/2010)
Rev. J. Mullin	(Resigned 21/07/2010)
Mrs G Taylor	

The principal officers at 31st August 2010 were :

Rev. R.J. Hopcroft	Company Secretary
Mrs L. Newens	Administrator
Mr. W. Esterhuizen (to June 2010)	Accountant
Mr G Salt (from June 2010)	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

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 2010

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 were both dormant companies and were both dissolved on 17th August 2010.

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	Rev. S G. Groves
Faith and Order	Rev. R.J. Hopcroft and Rev. S G. Groves
Church Service Advisory Board	All Elders
Provincial Youth and Children	Mrs G. Taylor

THE MORAVIAN UNION (INCORPORATED)**REPORT OF THE TRUSTEES (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2010****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. G. Taylor.

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.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2010

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 Mrs E M 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 in the near future.

Principal Objectives for the Year Ended 31st August 2010

The trustees set the following objectives for the year under review.

- (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 2010

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 the registration of titles to properties in England, Scotland and Wales is now almost complete. In the forthcoming year the registration of title to properties in Northern Ireland will be addressed.

The Charity has also continued with the ongoing work of simplifying its record keeping and reporting requirements.

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 Mrs E M 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 £12,064 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) (now dissolved) 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 2010****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 10 indicates that Net Income for the current year amounted to £437,333 as compared to £760,312 for the preceding year.

The decrease in the current year arises because total incoming resources have decreased from £2,497,632 to £1,898,037 net of decreased total resources expended, down from £1,599,483 to £1,481,415

The decrease in total incoming resources arises mainly from reduced profit on sale of properties. Profits on sale of properties in the current year amounted to £452,207 compared to £1,071,442 for the preceding year. It also reflects decreased voluntary income of £20,415, decreased income from charitable activities of £1,017 net of increased investment income of £41,072.

The decrease in total resources expended reflects decreased costs of charitable activities of £164,256, decreased governance costs of £595 net of increased costs of generating funds of £46,783.

The decrease in costs of charitable activities is primarily due to a £100,000 grant to the Moravian Church to help fund its theological training programme in the current year compared to a £200,000 grant in the preceding year. The increase in costs of generating funds is mainly the result of increased costs of repair and maintenance of the estates.

This year gains on investments (realised and unrealised in aggregate) of £149,286 have arisen in comparison to losses of £86,121 last year.

These factors combined give rise to an increase in the charitable company's total funds this year of £565,908 in comparison to £812,028 in the preceding year. As a result of the year's operations, the General Fund has increased by £189,249, designated funds have increased by £15,050 and restricted funds have increased by £361,609. These movements in funds have further strengthened the balance sheet

The Balance Sheet indicates that the company's net current assets, the principal measure of short to medium term solvency, have increased from £2,141,797 to £2,401,033 which implies an improved and very satisfactory margin of solvency

THE MORAVIAN UNION (INCORPORATED)**REPORT OF THE TRUSTEES (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2010****REVIEW OF FINANCIAL POSITION (Continued)**

Tangible fixed assets at net book value have fallen by £47,325 as a result of the annual depreciation charge exceeding the cost of additions in the year

Debtor balances have increased from £1,963,526 to £2,359,942. The increase mainly reflects increased sums due from the parent charity (the Moravian Church) and from Congregations and Schools, increased other loans and increased donations due from the Mrs E M Bates Trust at the end of the current year

Creditors falling due within one year have decreased in aggregate from £414,755 to £160,074. This reflects a repayment of the Mrs E M 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 gain of £149,176 which represents some 5.5% of the brought forward market value of the portfolio. Over the same period the FTSE 100 Index increased by 8.4% whilst the FTSE all share index increased by 9.0%. Given the Charity's ethical investment stance and its income requirements, the Trustees consider the portfolio's performance to be satisfactory.

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) Complete work of registering title to all the Charity's properties with the Land Registry
- (iii) To continue to simplify the group's reporting and record keeping requirements by conducting 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 £2.54m and this represented approximately 19 months total expenditure.

THE MORAVIAN UNION (INCORPORATED)
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2010

TANGIBLE FIXED ASSETS

Movements in tangible fixed assets are set out in Note 8.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law and the law applicable to charities in England and Wales requires the Charity's Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Trustees are required to -

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent,
- 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 Charitable Company 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 Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity 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 Company's auditors in connection with preparing their report) of which the Company'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 Company's auditors are aware of that information

On behalf of the Provincial Elders' Conference on 22nd March 2010



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 2010

We have audited the financial statements of The Moravian Union (Incorporated) for the year ended 31st August 2010 which comprise, the Consolidated Statement of Financial Activities (including Income and Expenditure Account), Statement of Historical Cost Surpluses and Deficits, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the 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 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 charitable company and the 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

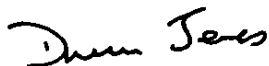
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 charitable 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 company's affairs as at 31st August 2010 and of its 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

22nd March 2011

THE MORAVIAN UNION (INCORPORATED)**STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)****FOR THE YEAR ENDED 31ST AUGUST 2010**

	Note	Unrestricted Funds General £	Designated £	Restricted Funds £	Year Ended 31 st August 2010 £	Year Ended 31 st August 2009 £
INCOMING RESOURCES						
Incoming Resources from Generated Funds						
Voluntary Income	2	458,922	9,018	164,075	632,015	652,430
Investment Income	3	525,912	61,238	85,716	672,866	631,794
		984,834	70,256	249,791	1,304,881	1,284,224
Incoming Resources from Charitable Activities	4	115,849	-	25,100	140,949	141,966
Other Incoming Resources – Profit on Sale of Properties		-	-	452,207	452,207	1,071,442
Total Incoming Resources		1,100,683	70,256	727,098	1,898,037	2,497,632
RESOURCES EXPENDED						
Costs of Generating Funds						
Investment Management Costs		(418,875)	(652)	(2,645)	(422,172)	(375,389)
Charitable Activities		(357,282)	(220,655)	(421,862)	(999,799)	(1,164,055)
Governance Costs		(59,444)	-	-	(59,444)	(60,039)
Total Resources Expended	5	(835,601)	(221,307)	(424,507)	(1,481,415)	(1,599,483)
Net Incoming/(Outgoing) Resources before Transfers		265,082	(151,051)	302,591	416,622	898,149
Transfers		(103,540)	157,690	(54,150)	-	-
Net Incoming/(Outgoing) Resources before Other Recognised Gains and (Losses)		161,542	6,639	248,441	416,622	898,149
Realised Gains/(Losses) on Investment Assets	10	2,772	1,241	16,698	20,711	(137,837)
Net Income/(Loss) for the Year	7	164,314	7,880	265,139	437,333	760,312
Unrealised Gains/(Losses) on Investment Assets	10	24,935	7,170	96,470	128,575	51,716
NET MOVEMENT IN FUNDS		189,249	15,050	361,609	565,908	812,028
Total Funds Brought Forward		2,350,621	272,580	4,506,932	7,130,133	6,318,105
Total Funds Carried Forward		£2,539,870	£287,630	£4,868,541	£7,696,041	£7,130,133

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

In the preceding year the company prepared consolidated accounts but as the subsidiary company has now been dissolved parent company accounts are presented. However, as the subsidiary company was dormant throughout the corresponding period (and in the current period up to the time of its dissolution), the parent company's corresponding amounts in the current period are identical to the consolidated amounts reported in the preceding year.

THE MORAVIAN UNION (INCORPORATED)
NOTES OF HISTORICAL COST SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31ST AUGUST 2010

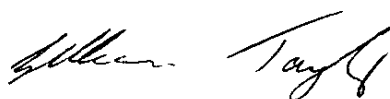
	2010	2009
	£	£
Net Income for the Year	437,333	760,312
Investment gains recognised in prior periods and Realised in the current period	36,086	72,429
Surplus on the historical cost accounting basis	<u>£473,419</u>	<u>£832,741</u>

THE MORAVIAN UNION (INCORPORATED)**BALANCE SHEET AT 31ST AUGUST 2010**

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible Assets	8	2,159,180	2,206,505
Investment in subsidiary	9	-	56,710
Other Investments	10	<u>3,135,828</u>	<u>2,725,121</u>
		<u>5,295,008</u>	<u>4,988,336</u>
CURRENT ASSETS			
Stock		11,461	11,461
Debtors	11	2,359,942	1,963,526
Bank Deposits	12	164,786	554,320
Cash and Bank	12	<u>24,918</u>	<u>27,245</u>
		2,561,107	2,556,552
CREDITORS : Amounts falling due within one year	13	<u>(160,074)</u>	<u>(414,755)</u>
NET CURRENT ASSETS		2,401,033	2,141,797
NET ASSETS		<u>£7,696,041</u>	<u>£7,130,133</u>
Restricted Funds	15	4,868,541	4,506,932
Unrestricted Funds			
Designated Funds	16	287,630	272,580
General		<u>2,539,870</u>	<u>2,350,621</u>
TOTAL FUNDS		<u>£7,696,041</u>	<u>£7,130,133</u>

Approved by the Trustees on 22nd March 2011
and signed on their behalf

G. Taylor
Director and Trustee



R.J. Hopcroft
Director and Trustee



Company Number 00133708
Charity Number: 251211-3

In the preceding year in addition to its own balance sheet the company presented a consolidated balance sheet, which consolidated its net assets with the net assets of its wholly owned subsidiary. The subsidiary has now been dissolved, having been dormant since 1st September 2007. Whilst consolidated accounts were prepared in the preceding year, they are not required in the current year. The corresponding amounts reflect the parent company's assets and liabilities at the preceding year end. The consolidated accounts of the preceding year are no longer disclosed.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2010****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 Mrs E M Bates Trust is accrued at the balance sheet date if the trustees are satisfied that the criteria of entitlement, certainty and measurement have been met on the basis of declarations and/or payments by the donating organisation after the year end. 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.

Governance costs include the costs of administering the charity as a legal entity and include costs of trustees meetings, audit fees, other statutory costs and support costs allocated to this head.

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 2010

1. ACCOUNTING POLICIES (Continued)

Investments

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 as they fall due 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.

Pensions

The Moravian Union pays discretionary pensions to ministers under rules established by Synod provided funds permit. These costs are charged when payments to ministers fall due.

The Moravian Union contributes at the rate of 5.5% of pensionable salaries to the private pension plans of a number of employees. As the charitable company's liability under these schemes is limited to paying contributions due to the schemes at the appropriate time, these costs are recognised in the accounts when the contributions fall due.

Cashflow Statement

The company 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 2010	Total 2009
	General	Designated			
	£	£	£	£	£
Mrs E M Bates Trust	383,691	-	-	383,691	411,227
Donations and Legacies	75,231	9,018	164,075	248,324	241,203
	<u>£458,922</u>	<u>£9,018</u>	<u>£164,075</u>	<u>£632,015</u>	<u>£652,430</u>

The charity is the principal beneficiary of the income of the Mrs E M 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 2010****3. INVESTMENT INCOME**

	Unrestricted Funds		Restricted Funds	Total 2010	Total 2009
	General	Designated			
	£	£	£	£	£
Dividends Receivable	25,758	56,133	41,311	123,202	114,368
Interest Receivable	16,647	-	6	16,653	16,131
Rents Receivable	483,507	5,105	44,399	533,011	501,295
	<u>£525,912</u>	<u>£61,238</u>	<u>£85,716</u>	<u>£672,866</u>	<u>£631,794</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Total 2010	Total 2009
	General	Designated			
	£	£	£	£	£
Unity & Congregational Activities					
Congregation Assessments	58,907	-	-	58,907	73,971
Unity Income	-	-	21,924	21,924	23,967
	<u>58,907</u>	<u>-</u>	<u>21,924</u>	<u>80,831</u>	<u>97,938</u>
Book Sales	17,893	-	3,176	21,069	20,079
Synod Income	889	-	-	889	60
Sundry Income	24,075	-	-	24,075	7,390
Youth and Children (Summer Camp) Income	12,064	-	-	12,064	12,389
Manse Reimbursement	2,021	-	-	2,021	4,110
	<u>£115,849</u>	<u>£ -</u>	<u>£25,100</u>	<u>£140,949</u>	<u>£141,966</u>

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2010

5. TOTAL RESOURCES EXPENDED	Costs of Generating Funds	Charitable Activities of Ministry & Congregations				Support Costs	Total 2010	Total 2009
	£	Domestic	Overseas	Governance	£	£	£	£
Grants to Congregations and Projects	-	136,811	230,265	-	-	-	367,076	558,307
Estate Management Costs	409,296	-	-	-	-	-	409,296	366,939
Burial Ground Costs	4,132	-	-	-	-	-	4,132	2,358
Pensions and Tax	-	221,655	-	-	-	-	221,655	231,084
Staff Costs	-	64,578	23,459	13,020	-	-	101,057	105,729
Archive Costs	-	31,871	-	-	-	-	31,871	31,841
Brokers Fees	3,109	-	-	-	-	-	3,109	2,345
Honorarias	-	500	-	-	-	-	500	500
Ministry	-	24,088	25,209	-	-	-	49,297	59,547
Bad Debts	-	246	-	-	-	-	246	2
Youth and Children	-	22,511	-	-	-	-	22,511	22,723
Audit	-	-	-	14,963	-	-	14,963	18,833
Bank Charges	-	2,724	-	-	-	-	2,724	2,880
Interest	-	-	-	-	-	3,451	3,451	17,455
Depreciation	-	-	-	-	-	52,066	52,066	51,558
Cost of Books Sold	-	15,203	-	-	-	-	15,203	17,576
Subscriptions & Licences	-	11,427	-	-	-	-	11,427	17,055
Messenger	-	20,409	-	-	-	-	20,409	20,011
Stationery and Postage	-	-	-	-	-	11,051	11,051	5,545
Advertising	-	-	-	-	-	1,041	1,041	-
Premises (Cleaning, repairs, security, light, power and utilities)	5,172	-	-	-	-	46,549	51,721	31,980
Legal & Professional	-	10,536	-	8,363	-	20,187	39,086	14,391
Lease Costs	-	-	-	-	-	1,103	1,103	550
Computer Software Maintenance & Licences	-	-	-	-	-	6,288	6,288	6,910
Communications	-	-	-	-	-	4,130	4,130	3,258
Insurance	-	-	-	-	-	7,495	7,495	7,326
Synod	-	12,457	-	-	-	-	12,457	1,499
Other Office Costs	463	15,587	-	-	-	-	16,050	1,281
	422,172	590,603	278,933	36,346	153,361	1,481,415	1,599,483	
Apportioned Support Costs (Based on staff time)	-	102,678	27,585	23,098	(153,361)	-	-	-
Total 2010	£422,172	£693,281	£306,518	£59,444	£	£1,481,415		
Total 2009	£375,389	£878,974	£285,081	£60,039			£1,599,483	

All grants are made to charitable 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 2010

6. EMPLOYEE INFORMATION

	2010	2009
	£	£
Salaries – Archives	26,742	26,520
Salaries – Administrative	86,001	89,736
Social Security Costs – Archives	2,636	2,678
Social Security Costs - Administrative	8,930	9,446
Pension Costs – Archives	1,311	1,384
Pension Costs - Administrative	6,126	6,547
Staff Costs	131,746	136,311
Other Costs	1,182	1,259
	<u>£132,928</u>	<u>£137,570</u>
Split as follows -		
Staff Costs	101,057	105,729
Archive Costs	31,871	31,841
	<u>£132,928</u>	<u>£137,570</u>

No employee earned £60,000 or more during the period The average number of staff was 4 (2009. 4)

Trustees

The Trustees are not remunerated for their services.

An amount of £14,902 (2009 £15,902) reimbursed to six (2009 four) members of the Committee of Management in respect of travel expenses incurred during the period.

7. NET INCOME FOR THE YEAR

	2010	2009
	£	£
Net income for the year is stated after charging:		
Auditors remuneration		
For audit		
- current year	10,863	12,000
- prior year under provision	4,100	6,833
For other services		
- current year	5,000	4,000
Depreciation	52,066	51,558
Operating lease expenditure	550	550
	<u> </u>	<u> </u>

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST AUGUST 2010

8 TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1st September 2009	2,477,013	25,045	2,502,058
Additions at Cost	-	4,741	4,741
At 31st August 2010	<u>2,477,013</u>	<u>29,786</u>	<u>2,506,799</u>
Depreciation			
At 1st September 2009	273,487	22,066	295,553
Depreciation for the period	49,539	2,527	52,066
At 31st August 2010	<u>323,026</u>	<u>24,593</u>	<u>347,619</u>
Net Book Value			
At 31st August 2010	<u>£2,153,987</u>	<u>£5,193</u>	<u>£2,159,180</u>
At 31st August 2009	<u>£2,203,526</u>	<u>£2,979</u>	<u>£2,206,505</u>

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

9. INVESTMENTS IN SUBSIDIARY

	2010 £	2009 £
Shares in Unitas Estates Co Ltd;		
At Valuation in 1962/Cost	56,710	56,710
Less Sums due to Unitas Estates Co Ltd	<u>(56,710)</u>	<u>-</u>
At Cost/Valuation in 1962	<u>£ -</u>	<u>£56,710</u>

At the preceding year end the company held a 100% holding in Unitas Estates Company Limited, a company which had remained dormant since 1st September 2007. The subsidiary company has been dissolved in the current year

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2010****10 OTHER INVESTMENTS****Listed Investments at Market Value**

	2010	2009
	£	£
At 1 st September 2009	2,725,121	2,691,239
Additions	647,348	648,456
Disposal Proceeds	(385,927)	(528,453)
Realised Gains/(Losses)	20,711	(137,837)
Unrealised Gains/(Losses)	128,575	51,716
At 31 st August 2010	<u>£3,135,828</u>	<u>£2,725,121</u>
Listed Investments at Cost - At 31 st August	<u>£2,797,327</u>	<u>£2,479,109</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 2010

	Market Value
	£
The Charities Property Fund	380,760
5% Treasury Stock 2012	<u>806,708</u>

11. DEBTORS

	2010	2009
	£	£
Due from congregations, schools and Other loans	151,833	350,364
Due from parent organisation	1,739,445	1,186,416
Other Debtors	71,973	73,329
Prepayments and accrued income	274,701	260,151
Agents Balances	89,552	72,560
Rent Due	32,438	20,706
	<u>£2,359,942</u>	<u>£1,963,526</u>

Included above are debtors amounting to £61,823 (2009: £75,281) 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 2010

12. BANK AND CASH

	2010	2009
	£	£
<i>Deposits</i>		
Euro Account	34,638	34,642
Laing & Cruickshank	130,148	19,678
Treasury Deposits	-	500,000
	<u>£164,786</u>	<u>£554,320</u>
<i>Cash at bank and in hand</i>		
Current Account	24,088	27,020
Cash in hand	830	225
	<u>£24,918</u>	<u>£27,245</u>

13. CREDITORS : Amounts falling due within one year

	2010	2009
	£	£
Bank Loans and Overdrafts	210	1,232
Due to Subsidiary Undertaking	-	56,710
Congregations, schools and related Organisations	62,187	64,453
Social Security and other taxes	77	2
Other Creditors	26,352	30,715
Accruals and Deferred Income	63,422	57,927
Rent received in advance	7,826	11,216
Mrs E M Bates Trust loans *	-	192,500
	<u>£160,074</u>	<u>£414,755</u>

* The Mrs E M Bates Trust loan was repaid in full during the current year.

14 ANALYSIS OF NET ASSETS BETWEEN THE FUND BALANCES

	General	Designated	Restricted	Total as at 31st August 2010
	£	£	£	£
Fixed Assets	1,045,336	78,086	1,035,758	2,159,180
Cash and Investments	834,046	209,544	2,281,942	3,325,532
Other Net Assets	660,488	-	1,550,841	2,211,329
	<u>£2,539,870</u>	<u>£287,630</u>	<u>£4,868,541</u>	<u>£7,696,041</u>
Unrealised Gains included above	<u>£56,838</u>	<u>£51,492</u>	<u>£230,171</u>	<u>£338,501</u>

THE MORAVIAN UNION (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST AUGUST 2010

15. RESTRICTED FUNDS

	Opening Balance £	Incoming Resources £	Resources Expended £	Realised Inv. Gains £	Unrealised Inv. Gains £	Transfers £	Closing Balances £
Evangelical	61,270	5,396	(22,273)	325	1,880	17,733	64,331
Ministers Emoluments	2,098,552	38,718	(9,689)	11,035	63,753	-	2,202,369
Education	302,656	23,702	(47,403)	1,249	7,218	30,889	318,311
Overseas	509,073	151,618	(207,455)	1,265	7,305	88,682	550,488
Property	1,486,383	505,144	(137,509)	2,605	15,047	(191,454)	1,680,216
Relief of poverty	3,918	151	(96)	21	122	-	4,116
Other	45,080	2,369	(82)	198	1,145	-	48,710
	<u>£4,506,932</u>	<u>£727,098</u>	<u>£(424,507)</u>	<u>£16,698</u>	<u>£96,470</u>	<u>£(54,150)</u>	<u>£4,868,541</u>

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, investments and other assets

16. DESIGNATED FUNDS

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	30,828	65,400	(220,678)	157	904	155,690	32,301
Overseas	16,330	-	-	-	-	2,000	18,330
Property	224,012	4,835	(628)	1,077	6,223	-	235,519
Other	1,410	21	(1)	7	43	-	1,480
	<u>£272,580</u>	<u>£70,256</u>	<u>£(221,307)</u>	<u>£1,241</u>	<u>£7,170</u>	<u>£157,690</u>	<u>£287,630</u>

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 2010

17 PENSION COSTS

Provided sufficient funds are available, the Moravian Union 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 Charitable Company. No provision is made in these accounts for any liability to pay pensions in future periods. Amounts payable in pensions are charged in the year of payment.

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 5.5% pensionable salaries to each plan. The employees contribution in the year was £7,437 (2009: £7,931).

18 FUTURE FINANCIAL COMMITMENTS**Operating Leases**

At 31st August 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31st August 2011 in respect of office equipment.

	2010	2009
	£	£
Operating Leases which expire within		
Less than one year	550	-
Two to five years	-	550
	<u>£550</u>	<u>£550</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.

19 CONTINGENT LIABILITIES

At the Balance Sheet date there were no contingent liabilities (2009: NIL)

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST AUGUST 2010****19. RELATED ORGANISATIONS**

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

Moravian Church
Fulneck School
Ockbrook School
Congregations in Great Britain and Northern Ireland

One of the Trustees of the Moravian Union is also a trustee of the Mrs E M Bates Trust. Two of the Moravian Union's Trustees are also Trustees of the London Association in Aid of Moravian Missions.

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

	2010	2009
	£	£
Assessments received from Fulneck School	5,250	5,250
Assessments received from Ockbrook School	5,250	5,250
Interest on loan to Ockbrook School	3,366	4,039
Interest on loans to Congregations	1,511	1,063
Surplus funds from closed Congregation	6,635	-
Assessments received from Congregations	48,407	63,971
Mrs E M Bates Trust	383,691	411,227
The London Mission in Aid of Moravian Missions	<u>50,000</u>	<u>-</u>

At 31st August 2010, the following balances were outstanding

	2010	2009
	£	£
Due from Mrs E M Bates Trust	233,691	26,216
Due from Moravian Church	1,839,445	1,186,416
Due from Ockbrook School	75,282	88,740
Due from Congregations	56,321	60,925
Due to Congregations	(59,204)	(64,453)
Due from Fulneck Choir House	<u>20,000</u>	<u>20,000</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.

THE MORAVIAN UNION (INCORPORATED)

ESTATE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 2010

	YEAR ENDED 31 ST AUGUST 2010 -----					YEAR ENDED 31 ST AUGUST 2009	
	Repairs £	Commission & Legal Fees £	Insurance £	Compensation Gas, Electric, Council Tax £	Total Expenditure £	Turnover Gross Rents £	Profit/(Loss) £
Estate							
Fairfield	82,795	29,750	7,189	580	120,314	198,806	78,492
Fulneck	101,812	29,021	7,785	2,603	141,221	144,373	3,152
Gomersal	10,394	3,377	1,034	-	14,805	22,807	8,002
Wellhouse & Wyke	16,969	6,948	1,046	-	24,963	36,187	11,224
Ockbrook	79,227	18,569	3,228	85	101,109	88,528	(12,581)
	291,197	87,665	20,282	3,268	402,412	490,701	88,289
London Estate and Other Costs	1,616	1,586	709	2,973	6,884	42,310	35,426
	<u>£292,813</u>	<u>£89,251</u>	<u>£20,991</u>	<u>£6,241</u>	<u>£409,296</u>	<u>£533,011</u>	<u>£123,715</u>
						<u>£501,295</u>	<u>£134,356</u>