

THE MORAVIAN UNION (INCORPORATED)

(A company limited by guarantee)

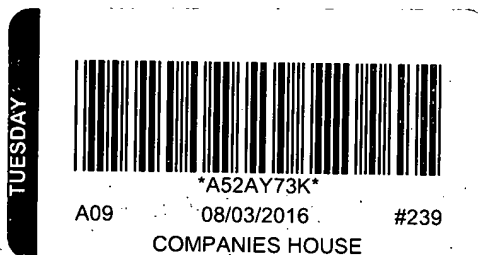
Company Number: 00133708

Charity Number: 251211-3

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2015



THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2015

The Board presents the report and financial statements of the Moravian Union (Incorporated) for the year ended 31 August 2015. 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 2011 and regulations made thereunder. The Moravian Union (Incorporated) was incorporated on 2 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 2 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 31 August 2015 and to date comprise:

Rev. D. R. Howarth
Rev. S. G. Groves
Rev. R.J. Hopcroft
Mrs G. Taylor

The principal officers at 31 August 2015 were:

Rev. D. R. Howarth
Mrs. L. Newens
Mr G. Salt
Miss L. Parsons

Company Secretary
Administrator
Accountant
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	Vestra Wealth LLP 14 Cornhill London EC3V 3NR
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Bankers : CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

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 31 AUGUST 2015

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' Committee (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 congregations, two societies, one fellowship and a choir house.

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 biennial Moravian Church Synod. Provincial Elders must be members of the Moravian Church.

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

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

The standing committee currently consists of:

- Finance Committee
- Mission and Society Committee
- Faith and Order and Ecumenical Relations Committee
- Church Service Committee
- Provincial Youth Committee
- World Mission Committee
- Church Book Committee

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

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 biennially 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. D. R. Howarth 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 the process of introducing procedures and a reporting regime to manage and reduce identified risks is ongoing. The PEC has agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities. 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, Moravian Union provides discretionary pensions to ministers in service prior to 31 August 2010 under rules established by Synod. The assets used to fund these pensions are not held separately from other funds of Moravian Union. No provision is made in these accounts for any commitment to pay pensions in future periods.

Other employees hold defined contribution personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 5.5% of pensionable salaries to each plan.

Following changes to legislation, under order of Synod, the discretionary pension arrangements for ministers will be discontinued at 31 December 2015 with rights accrued at that date being calculated and index linked to retirement. A defined contribution scheme for ministers will replace the discretionary scheme with effect from 1 January 2016.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

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 1 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 professional fund managers 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. Title to each property in Great Britain has now been registered with the Land Registry.

Principal Objectives for the Year Ended 31 August 2015

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) 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 31 AUGUST 2015

ACHIEVEMENTS AND PERFORMANCE

(a) Operational Performance

The Charity has 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 charitable company's major sources of income consist of:

- Voluntary income which includes income from the Mrs E M Bates Trust and the London Association in Aid of Moravian Missions (charities 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 and for mission funds when there is a specific cause.

(c) Grant - Making

The Moravian Union also holds a number of small funds for the benefit of specific congregations. The income from these funds is paid over to the beneficiaries to fund new initiatives which they wish to undertake.

Since April 2003, when the Trust Society for the Furtherance of the Gospel was dissolved, the Moravian Union has taken responsibility 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 particular have considered how planned activities will contribute to the furtherance of the Charity's objects.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

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. The real property portfolio is managed with the assistance of a chartered surveyor. Investments are managed by the Moravian Union with the assistance of two professional fund managers and the estate manager. During the current year the trustees reviewed the property portfolio and analysed it between functional properties (eg Churches, Church Halls, Manses and Church House) and investment properties, known as the estates properties, which are maintained to generate rental income. Previously, all properties were disclosed at cost less accumulated depreciation. Under UK generally accepted accounting practice the investment properties should be carried at market value and this is now reflected in these financial statements and has resulted in the designated reserves of the Charity at 31 August 2015 increasing by £14,644,851 of which £13,574,279 is reflected within opening reserves for the current year. The change in accounting policy and its effect on the financial statements in the current and preceding years is disclosed in notes 1, 8, 9 and 22 of these financial statements.

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

The Statement of Financial Activities on page 10 indicates that net expenditure for the current year amounted to £572,888 as compared to net expenditure for the preceding year of £301,443.

The movement year on year arises as a result of total incoming resources decreasing from £1,584,611 to £1,527,006 and total resources expended increasing from £1,981,660 to £2,180,958.

The decrease in total incoming resources reflects decreased voluntary income, down from £698,778 to £587,975 chiefly the result of decreased legacies in the current year.

The increase in total resources expended of £199,298 reflects increased grants to congregations and projects, increased estate management and premises costs, increased legal and professional fees, increased staff costs, increased books and publications costs and increased IT costs. Grants to the Moravian Church this year amounted to £250,000 in comparison to £250,000 last year.

This year gains on investments (realised and unrealised in aggregate) of £1,115,722 have arisen in comparison to gains of £1,316,227 last year. The gains in both years being primarily the result of the increase in value of investment properties of £1,070,572 in the current year and £1,076,883 in the preceding year. Revaluation gains on the investment properties are credited to the designated revaluation reserve as they are not considered to be free reserves.

These factors combined to give rise to an increase in the charitable company's total funds this year of £461,770 in comparison to an increase of £919,178 in the preceding year. As a result of the year's operations, the general fund has decreased by £546,946, designated funds have increased by £1,218,281 and restricted funds have decreased by £209,565. The Balance Sheet indicates that the company's net current assets, the principal measure of short to medium term solvency, amounted to £226,597. Whilst reduced in comparison to the preceding year, it continues to imply a reasonable margin of solvency.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

REVIEW OF FINANCIAL POSITION (Continued)

Tangible fixed assets at net book value have increased by £523,214 with the cost of additions exceeding the net book value of disposals and the annual depreciation charge. The principle additions consist of the purchase of two properties.

Investment Policy and Objectives

Investment policy is determined in consultation with the Finance Committee, which makes its recommendations to the PEC. The present investment objective is to achieve a balanced return in the investment portfolio. The investment portfolio is managed by professional fund managers and consists entirely of listed securities. Investment decisions are based on an ethical stance with the investment brokers being instructed to avoid tobacco, armaments etc.

The movement in market value of investments this year, both realised and unrealised, amounts to a gain of £45,150 or 1.0% of the brought forward value of the portfolio. Given the Charity's ethical investment stance and its income requirements, the Trustees consider the portfolio's performance to be satisfactory.

The investment properties represent the managed estates and are held to generate rental income for the Charity. The current market value of investment property is currently in the region of £16,252,178 and net rental income is £123,913.

Risk Management

The Trustees confirm that they periodically review the risks to which the Charity is exposed and have implemented measures to mitigate the risks identified.

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) Further simplify the group's reporting and record keeping requirements by progressing 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 £920k and this represented approximately 5 month's total expenditure.

THE MORAVIAN UNION (INCORPORATED)**REPORT OF THE TRUSTEES (Continued)****FOR THE YEAR ENDED 31 AUGUST 2015****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. Under Company Law the Trustees must not approve the accounts unless they are satisfied that they show a true and fair view of the company's affairs at the period end and of its surplus or deficit for the 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 24 February 2016



Rev. D.R. Howarth
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

THE MORAVIAN UNION (INCORPORATED)

FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of The Moravian Union (Incorporated) for the year ended 31 August 2015 which comprise the Statement of Financial Activities, (including Income and Expenditure Account), Note of Historical Cost Surpluses and Deficits, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in a Report of the Auditors 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' Responsibilities set out in the Report of the Trustees, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect or materially inconsistent with the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year to which the financial statements are prepared is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.



Richard Billinghamurst, Senior Statutory Auditor
For and on behalf of
Knox Cropper (Statutory Auditor)
8/9 Well Court London EC4M 9DN

24 February 2016

THE MORAVIAN UNION (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted Funds General	Designated	Restricted Funds	Year Ended 31 August 2015	Year Ended 31 August 2014 (As restated)
		£	£	£	£	£
INCOMING RESOURCES						
Incoming Resources from Generated Funds						
Voluntary Income	2	420,631	-	167,344	587,975	698,778
Investment Income	3	631,442	66,430	73,702	771,574	738,649
		1,052,073	66,430	241,046	1,359,549	1,437,427
Incoming Resources from Charitable Activities	4	133,875	-	33,582	167,457	147,184
Total Incoming Resources		1,185,948	66,430	274,628	1,527,006	1,584,611
RESOURCES EXPENDED						
Costs of Generating Funds						
Investment Management Costs		(471,921)	(3,218)	(25,550)	(500,689)	(513,663)
Charitable activities		(869,481)	(252,242)	(504,316)	(1,626,039)	(1,426,700)
Governance costs		(54,230)	-	-	(54,230)	(41,297)
Total resources expended	5	(1,395,632)	(255,460)	(529,866)	(2,180,958)	(1,981,660)
Net Outgoing Resources before Other Recognised Gains and (Losses)		(209,684)	(189,030)	(255,238)	(653,952)	(397,049)
Realised Gains/ (Losses) on Investment Assets	10	5,873	4,846	70,345	81,064	95,606
Net expenditure for the year	7	(203,811)	(184,184)	(184,893)	(572,888)	(301,443)
Unrealised Gains/(Losses) on Investment Assets	10	(2,660)	(2,196)	(31,058)	(35,914)	143,738
Revaluation Gains/(Losses)	9	-	1,070,572	-	1,070,572	1,076,883
NET MOVEMENT IN FUNDS BEFORE TRANSFERS		(206,471)	884,192	(215,951)	461,770	919,178
Transfers between Reserves*		(311,071)	304,685	6,386	-	-
NET MOVEMENT IN FUNDS AFTER TRANSFERS		(517,542)	1,188,877	(209,565)	461,770	919,178
Total Funds Brought Forward		1,467,171	16,767,831	4,612,921	22,847,923	21,928,745
Total Funds Carried Forward		£949,629	£17,956,708	£4,403,356	£23,309,693	£22,847,923

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

Note of Historical Costs Surpluses and Deficits

	2015	2014
	£	£
Net expenditure for the Year	(572,888)	(301,443)
Investment gains recognised in prior periods and realised in the current period	37,403	65,349
Deficit on the historical cost accounting basis	£(535,485)	£(236,094)

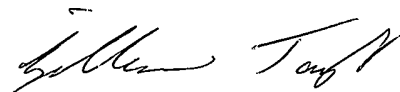
* Transfers on reserves are made to eliminate debit balances on restricted and designated funds.

THE MORAVIAN UNION (INCORPORATED)**BALANCE SHEET****AT 31 AUGUST 2015**

	Notes	2015 £	2014 (As restated) £
FIXED ASSETS			
Tangible Assets	8	2,511,282	1,988,068
Investment Property	9	16,252,178	15,043,899
Investments	10	4,319,636	4,445,121
Total fixed assets		<u>23,083,096</u>	<u>21,477,088</u>
CURRENT ASSETS			
Stock		16,287	15,673
Debtors	11	439,767	1,021,356
Investments	12	63,874	156,564
Cash and Bank	12	64,419	385,701
Total current assets		<u>584,347</u>	<u>1,579,294</u>
Creditors: Amounts falling due within one year	13	<u>(357,750)</u>	<u>(208,459)</u>
NET CURRENT ASSETS		226,597	1,370,835
NET ASSETS		<u>£23,309,693</u>	<u>£22,847,923</u>
The funds of the charity:			
Restricted Funds	15	4,403,356	4,612,921
Unrestricted Funds			
General		949,629	1,467,171
Designated – Investment Property Revaluation Reserve	16	14,644,851	13,574,279
Designated – Other Reserves	16	3,311,857	3,193,552
TOTAL CHARITY FUNDS		<u>£23,309,693</u>	<u>£22,847,923</u>

Approved by the Trustees on 24 February 2016
and signed on their behalf

G. Taylor
Director and Trustee



D.R. Howarth
Director and Trustee



Company Number: 00133708
Charity Number: 251211-3

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2015****1. ACCOUNTING POLICIES****Basis of Preparation**

The financial reporting framework adopted in the preparation of the accounts is applicable law and United Kingdom Accounting Standards. 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 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 beneficiary.

Charitable activities represent the direct costs of carrying out the charity's aims, together with allocated support costs which arose principally at Church House and 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 together with support costs allocated to this head.

Tangible Fixed Assets

Up until 31 August 2014, all freehold property was disclosed at cost less accumulated depreciation. In the current year the Trustees reviewed the Charity's portfolio of properties and analysed it between functional properties (eg Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties') which are maintained to generate rental income. The functional properties continue to be carried at cost and depreciated. The investment properties are carried at market value. This is a material change in accounting policy and has resulted in a prior year adjustment (see note 22).

For functional properties, depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated at 2% per annum on a straight line basis. Certain properties used by congregations are not reflected on the balance sheet, although legal title may be vested in the Union, as they were acquired a number of years ago and no record of their cost is available.

Office furniture and equipment is capitalised only above the de-minimus limit of £250 per item or group of items and depreciated at rates of between 25% and 33% per annum.

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (Continued)

Investment Property

As disclosed earlier in the tangible fixed assets accounting policy note, investment property was separately identified for the first time in the current year and is valued at market value at the balance sheet date. It was independently valued on 3 July 2015 by SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors (RICS), based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. This is a material change in accounting policy and has resulted in a prior year adjustment (see note 22). The market value of the properties will be reviewed annually and adjusted based on the condition of those properties as advised by John Forrester Ltd using the Halifax Regional House Price Indices.

Investments

Investments, other than investment properties, are also included at their market value at the balance sheet date, using the closing quoted market price. Gains and losses on disposals are calculated by reference to the market value at the beginning of the year or cost if acquired later.

Stock

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

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 the Taxes Act 2010. 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 to further the generality of the Charity's objects.

Designated funds include the revaluation reserve in respect of investment properties and sums already expended on properties and which are therefore not available for use pending sale of properties. In addition they include sums set aside by the Trustees to fund identified future projects.

Restricted funds represent unexpended balances of donations and legacies which can only be applied in accordance with restrictions imposed by the donor or legator.

Pensions

The Moravian Union pays discretionary pensions to retired ministers who were in service prior to 31 August 2010, 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 companies under FRS1 and has not disclosed a cashflow statement.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2015****2. VOLUNTARY INCOME**

	Unrestricted Funds		Restricted Funds	Total 2015	Total 2014
	General	Designated			
	£	£	£	£	£
Mrs E M Bates Trust	409,138	-	-	409,138	395,390
Donations and Legacies	11,493	-	122,344	133,837	262,388
London Association in Aid of Moravian Missions	-	-	45,000	45,000	41,000
	£420,631	£-	£167,344	£587,975	£698,778

The charity is the principal beneficiary of the income of the Mrs E M Bates Trust and sole beneficiary of the London Association in Aid of Moravian Missions, charities established for the benefit of the Moravian Church. Donations and legacies consist of income from congregations, individuals, companies and church bodies.

3. INVESTMENT INCOME

	Unrestricted Funds		Restricted Funds	Total 2015	Total 2014
	General	Designated			
	£	£	£	£	£
Interest receivable	1,090	-	32	1,122	2,010
Dividends receivable	31,189	64,950	73,670	169,809	202,660
Rents receivable	599,163	1,480	-	600,643	533,979
	£631,442	£66,430	£73,702	£771,574	£738,649

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Total 2015	Total 2014
	General	Designated			
	£	£	£	£	£
Unity & Congregational Activities					
Congregation assessments	88,375	-	-	88,375	92,363
Unity Income	-	-	33,457	33,457	-
	88,375	-	33,457	121,832	92,363
Book Sales	21,065	-	75	21,140	22,873
Synod Income	-	-	-	-	-
Sundry Income	18,015	-	50	18,065	25,685
Youth and Children (Summer Camp) Income	6,420	-	-	6,420	6,000
Manse Reimbursement	-	-	-	-	263
	£133,875	£-	£33,582	£167,457	£147,184

THE MORAVIAN UNION (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

5. TOTAL RESOURCES EXPENDED

	Costs of Generating Funds (Inv. Mgt)	Charitable Activities Ministry & Congregations			Support Costs	Total 2015	Total 2014 (As restated)
	£	Domestic £	Overseas £	Governance £	£	£	£
Investment Management Costs	29,574	-	-	-	-	29,574	21,613
Grants to Congregations and Projects	-	522,896	185,149	-	-	708,045	491,289
Estate Management Costs	467,556	-	-	-	-	467,556	504,597
Burial Ground Costs	952	-	-	-	-	952	1,368
Pensions to former Ministers	-	248,797	-	-	-	248,797	231,683
Staff Costs	-	89,757	24,290	12,628	-	126,675	128,617
Archive Staff Costs	-	41,684	-	-	-	41,684	44,023
Synod Expenses	-	1,545	-	-	-	1,545	29,957
Honoraria	-	1,000	-	-	-	1,000	2,000
Ministry	-	56,867	29,274	-	-	86,141	62,970
Youth and Children	-	21,354	-	-	-	21,354	24,633
Audit	-	-	-	34,620	-	34,620	16,982
Bank Charges	-	933	-	-	-	933	1,223
Depreciation	-	-	-	-	53,987	53,987	49,346
Books and Publications	-	12,951	-	-	-	12,951	31,414
Subscriptions & Licences	-	12,686	-	-	-	12,686	13,839
Messenger	-	21,098	-	-	-	21,098	19,889
Stationery and Postage	-	-	-	-	7,619	7,619	10,270
Premises (Cleaning, repairs, security, light, power and utilities)	2,201	-	-	-	19,804	22,005	72,433
Legal & Professional	-	-	237,276	-	2,835	240,111	132,039
Lease Costs	-	-	-	-	3,006	3,006	5,242
Computer Software Maintenance & Licences	-	-	-	-	14,392	14,392	24,777
Communications	-	-	-	-	7,062	7,062	3,623
Insurance	-	-	-	-	7,668	7,668	5,657
Other Office Costs	406	9,091	-	-	-	9,497	52,176
	500,689	1,040,659	475,989	47,248	116,373	2,180,958	1,981,660
Apportioned Support Costs (Based on staff time)	-	94,263	15,128	6,982	(116,373)	-	-
Total 2015	£500,689	£1,134,922	£491,117	£54,230	-	£2,180,958	
Total 2014	£513,663	£1,031,400	£395,300	£41,297			£1,981,660

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 31 AUGUST 2015

6. EMPLOYEE INFORMATION

	2015	2014
	£	£
Salaries – Archives	34,345	32,920
Salaries – Administrative	109,039	110,770
Social Security Costs – Archives	3,633	3,467
Social Security Costs - Administrative	11,591	11,378
Pension Costs – Archives	1,839	2,086
Pension Costs - Administrative	6,043	6,469
Staff Costs	<u>166,490</u>	<u>167,090</u>
Other Costs	<u>1,869</u>	<u>5,550</u>
	<u><u>£168,359</u></u>	<u><u>£172,640</u></u>

For the purposes of the disclosures in note 5, these costs are analysed as follows:-

Staff Costs	126,675	128,617
Archive Staff Costs	<u>41,684</u>	<u>44,023</u>
	<u><u>£168,359</u></u>	<u><u>£172,640</u></u>

No employee earned £60,000 or more during the period. The average number of staff was 4 (2014: 4).

Trustees

The Trustees are not remunerated for their services.

An amount of £17,446 (2014: £14,995) was reimbursed to 4 (2014: 5) members of the Committee of Management in respect of travel expenses incurred during the period.

7. NET INCOME FOR THE YEAR

	2015	2014
	£	£
Net income for the year is stated after charging:		
Auditors remuneration		
For audit - current year	26,100	15,000
For other services - current year	-	1,982
Depreciation	53,987	49,346
Operating lease expenditure	<u>6,098</u>	<u>5,242</u>

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2015

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 September 2014 (as restated)	2,314,566	12,771	2,327,337
Additions	576,775	426	577,201
Disposals	-	(3,884)	(3,884)
At 31 August 2015	<u>2,891,341</u>	<u>9,313</u>	<u>2,900,654</u>
Depreciation			
At 1 September 2014 (as restated)	331,197	8,072	339,269
Depreciation for the Period	51,800	2,187	53,987
Eliminated on Disposal	-	(3,884)	(3,884)
At 31 August 2015	<u>382,997</u>	<u>6,375</u>	<u>389,372</u>
Net Book Value			
At 31 August 2015	<u>£2,508,344</u>	<u>£2,938</u>	<u>£2,511,282</u>
At 31 August 2014	<u>£1,983,369</u>	<u>£4,699</u>	<u>£1,988,068</u>

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

During the financial year the estate properties, on which rental income is received, were reclassified as investment properties and valued on a desktop appraisal basis by an independent valuer. This represents a material change in accounting policy and has been disclosed as a prior year adjustment in these financial statements. As disclosed in note 22, the opening balances and comparative figures have been restated.

9. INVESTMENT PROPERTIES

	2015 £	2014 £
Market Value		
At 1 September 2014 (as restated)	15,043,899	13,844,166
Amounts Capitalised	137,707	122,850
Revaluation Gains/(Losses)	1,070,572	1,076,883
At 31 August 2015	<u>£16,252,178</u>	<u>£15,043,899</u>

As disclosed in note 8 above, the Charity's estate properties were valued on 3 July 2015 by an independent valuer, SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors. The valuation was a desktop appraisal of market value based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. This represents a material change in accounting policy and has been disclosed as a prior year adjustment. As disclosed in note 22, the opening balances and comparative figures have been restated. Investment property valuations as at 31 August 2014 and 31 August 2013 are based on the current year valuation adjusted by the Halifax Seasonally Adjusted Regional House Price Quarterly Indices published by the Lloyds Banking Group.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2015****10. OTHER INVESTMENTS****Listed Investments at Market Value**

	2015	2014
	£	£
At 1 September 2014	4,445,121	4,182,893
Additions	1,816,013	1,724,209
Disposal Proceeds	(1,986,648)	(1,701,325)
Realised Gains	81,064	95,606
Unrealised Gains	(35,914)	143,738
At 31 August 2015	<u>£4,319,636</u>	<u>£4,445,121</u>
Listed Investments at Cost - At 31 August	<u>£3,932,421</u>	<u>£3,984,589</u>

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

The following holding represented more than 5% of the total portfolio at 31 August 2015.

	Market Value	
	2015	2014
	£	£
The Charities Property Fund	<u>£616,161</u>	<u>£559,329</u>

11. DEBTORS

	2015	2014
	£	£
Due from congregations, schools and other loans	37,857	65,207
Due from parent organisation	13,135	537,532
Other Debtors	52,019	54,675
Prepayments and accrued income	270,914	243,845
Agents Balances	31,216	87,723
Rent Due	34,626	32,374
	<u>£439,767</u>	<u>£1,021,356</u>

Included above are debtors amounting to £20,055 (2014: £41,250) receivable after more than one year representing loans to two congregations.

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 31 AUGUST 2015

12. **BANK AND CASH**

	2015	2014
	£	£
<i>Deposits</i>		
Euro Account	-	33,749
UBS	48,788	121,536
VESTRA	15,086	1,279
	<u>£63,874</u>	<u>£156,564</u>
<i>Cash at bank and in hand</i>		
Current Account	63,919	385,201
Cash in hand	500	500
	<u>£64,419</u>	<u>£385,701</u>

13. **CREDITORS : Amounts falling due within one year**

	2015	2014
	£	£
Congregations, schools and related organisations	264,161	135,519
Social Security and other taxes	7,136	1,896
Other Creditors	26,836	26,521
Accruals and Deferred Income	44,056	29,438
Rent received in advance	15,561	15,085
	<u>£357,750</u>	<u>£208,459</u>

14. **ANALYSIS OF NET ASSETS BETWEEN THE FUND BALANCES**

	General	Designated	Restricted	Total as at 31 August 2015
	£	£	£	£
Fixed Assets	2,938	2,508,344	-	2,511,282
Cash and Investments	391,655	16,522,189	3,786,263	20,700,107
Other Net Assets	555,036	(1,073,825)	617,093	98,304
	<u>£949,629</u>	<u>£17,956,708</u>	<u>£4,403,356</u>	<u>£23,309,693</u>
Unrealised Gains/(Losses) included above	<u>£29,309</u>	<u>£14,669,035</u>	<u>£333,722</u>	<u>£15,032,066</u>

THE MORAVIAN UNION (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

15. RESTRICTED FUNDS

	Opening Balances £	Incoming Resources £	Resources Expended £	Realised Inv. Gains £	Unrealised Inv. Gains £	Unrealised Reval. Gains £	Transfer s Between Reserves £	Closing Balances £
Evangelical	53,056	1,383	(24,545)	906	(410)	-	-	30,390
Ministers Emoluments	2,343,367	32,023	(29,724)	43,948	(19,098)	-	-	2,370,516
Education	322,268	18,661	(277,944)	4,511	(2,044)	-	-	65,452
Overseas	286,112	1,836	(1,836)	4,912	(2,226)	-	-	288,798
Property	977,671	48,204	(35,983)	15,288	(6,927)	-	6,386	1,004,639
Relief of Poverty	2,618	63	(63)	46	(20)	-	-	2,644
Other	627,829	172,458	(159,771)	734	(333)	-	-	640,917
	<u>£4,612,921</u>	<u>£274,628</u>	<u>£(529,866)</u>	<u>£70,345</u>	<u>£(31,058)</u>	<u>£-</u>	<u>£6,386</u>	<u>£4,403,356</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, and investments.

16. DESIGNATED FUNDS

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

	Opening Balance £	Incoming Resources £	Resources Expended £	Realised Inv. Gains £	Unrealised Inv. Gains £	Unrealised Reval. Gains £	Transfers Between Reserves £	Closing Balances £
Ministers Emoluments	-	63,366	(250,906)	608	(276)	-	187,208	-
Overseas	20,230	-	-	-	-	-	(20,230)	-
Property	1,609,152	3,053	(2,980)	4,209	(1,907)	-	-	1,611,527
Investment Property – Cost	1,469,620	-	-	-	-	-	137,707	1,607,327
Investment Property - Revaluation	13,574,279	-	-	-	-	1,070,572	-	14,644,851
Other	1,681	11	(11)	29	(13)	-	-	1,697
Mission Renewal	92,869	-	(1,563)	-	-	-	-	91,306
	<u>£16,767,831</u>	<u>£66,430</u>	<u>£(255,460)</u>	<u>£4,846</u>	<u>£(2,196)</u>	<u>£1,070,572</u>	<u>£304,685</u>	<u>£17,956,708</u>

Each category consists of numerous designated funds which are represented by a proportion of the Charity's fixed assets, cash and investments and other assets 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 31 AUGUST 2015

17. PENSION COSTS

Provided sufficient funds are available, the Moravian Union provides discretionary pensions to retired ministers in service prior to 31 August 2010 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.

With effect from 31 December 2015 the discretionary scheme for ministers will be discontinued to be replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the discretionary scheme will be calculated and index linked to retirement.

Other employees hold personal pension plans and contribute at rates chosen by themselves. The Moravian Union contributes 5.5% of pensionable salaries to each plan. The employer's contribution in the year was £7,882 (2014: £8,551).

18. FUTURE FINANCIAL COMMITMENTS**Operating Leases**

At 31 August 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2016 in respect of office equipment.

	2015	2014
	£	£
Operating Leases which expire within		
Less than one year	-	-
Two to five years	6,099	6,099
	<u>£6,099</u>	<u>£6,099</u>

19. CONTINGENT LIABILITIES

In the preceding year the Moravian Union identified as a contingent liability the class action brought in the Canadian Courts in respect of alleged abuse committed by a teacher at a school in Canada, the school at one time being supported financially by the Moravian Church. The class action has been successfully defended. However, this has cost the Moravian Union over £300,000 over the two years in which it was being defended. Unfortunately this money is now no longer available to be spent for missionary purposes.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2015****20. 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/(paid) the following amounts (to)/ from related parties during the period :

	2015	2014
	£	£
Assessments received from Fulneck School	6,300	6,150
Assessments received from Ockbrook School	6,300	6,150
Interest on loan to Ockbrook School	-	666
Interest on loans to Congregations	736	937
Assessments received from Congregations	75,275	78,848
Mrs E M Bates Trust	409,138	395,390
Grant to Moravian Church	(250,000)	(250,000)
London Association in Aid of Moravian Missions	<u>45,000</u>	<u>41,000</u>

At 31 August 2015, the following balances were outstanding

	2015	2014
	£	£
Due from Mrs E M Bates Trust	209,138	215,390
Due from Moravian Church	13,135	537,532
Due from Ockbrook School	-	21,258
Due from Congregations	24,466	31,949
Due to Congregations	(134,842)	(113,670)
Due from Fulneck Choir House	<u>8,000</u>	<u>12,000</u>

21. 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)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

22. PRIOR YEAR ADJUSTMENT: RESTATEMENT OF COMPARATIVE FIGURES

The Trustees have reviewed the Charity's freehold property portfolio and are of the opinion that it includes both functional properties (eg Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties'), which are maintained to generate rental income.

In preceding years all properties were carried at historic cost and depreciated over 50 years on a straight line basis, after adjusting for the value of the land and their estimated residual value. However, as investment properties, the estates properties should be carried at market value and revalued on an annual basis. This is a material change in accounting policy and must be treated as a prior year adjustment which requires restatement of the comparative figures as at 1 September 2013 and 31 August 2014 and during the year ended 31 August 2014. The restatement is summarised below:

	As originally reported Dr/(Cr) £	Prior year adjustment Dr/(Cr) £	As restated Dr/(Cr) £
As at 1 September 2013			
Reserves			
General Fund	(1,080,086)	(254,921)	(1,335,007)
Designated funds - Property b/fwd	(3,578,004)	1,346,770	(2,231,234)
Designated funds – Investment Property			
Cost b/fwd	-	(1,346,770)	(1,346,770)
Designated funds – Investment Property			
Revaluation Reserve b/fwd	-	(12,497,396)	(12,497,396)
Net Assets			
Fixed Asset Properties at Cost	3,661,336	(1,346,770)	2,314,566
Fixed Asset Properties Accumulated			
Depreciation	(539,825)	254,921	(284,904)
Investment Property at Market Value	-	13,844,166	13,844,166
As at 31 August 2014			
Reserves			
General Fund	(1,190,779)	(276,392)	(1,467,171)
Designated funds - Property b/fwd	(3,078,771)	1,469,620	(1,609,151)
Designated funds – Investment Property	-	(1,469,620)	(1,469,620)
Cost			
Designated funds – Investment Property			
Revaluation Reserve	-	(13,574,279)	(13,574,279)
Net Assets			
Fixed Asset Properties at Cost	3,784,186	(1,469,620)	2,314,566
Fixed Asset Properties Accumulated			
Depreciation	(607,587)	276,392	(331,195)
Investment Property at Market Value	-	15,043,899	15,043,899
SOFA			
Support Costs – Property Depreciation	70,817	(21,471)	49,346
Investment Property at Market Value	-	(1,076,883)	(1,076,883)
Increase in net movement in funds for			
period ended 31 August 2014		<u>£(1,098,354)</u>	

THE MORAVIAN UNION (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

22. PRIOR YEAR ADJUSTMENT: RESTATEMENT OF COMPARATIVE FIGURES (Continued)

The adjustments for restatement of comparatives reflect,

- a. The market value of the estates properties at 1 September 2013 and 31 August 2014 and the change in value during the year ended 31 August 2014. The estates properties were independently valued at market value by desktop appraisal on 3 July 2015 by SHP Valuers Ltd, a firm of Chartered Surveyors registered with the Royal Institute of Chartered Surveyors (RICS), based on information on the condition of the properties supplied by the Charity's estate manager, John Forrester Ltd. The value of the properties at that date was estimated at £16,195,000. To obtain reasonable estimates of the market value of these properties at 31 August 2014 and at 1 September 2013, the valuation was adjusted using the Halifax Seasonally Adjusted Regional House Price Quarterly Indices published by the Lloyds Banking Group, after taking into account capital additions during the current and preceding year. The valuations at these dates were £15,043,899 and £13,844,166, respectively.
- b. The recognition of investment properties as designated funds split between cost and revaluation reserve at 1 September 2013 and 31 August 2014.
- c. The reversal of accumulated depreciation on investment properties at 1 September 2013 and 31 August 2014.
- d. Adjustment to the Statement of Financial Activities (SOFA) for the year ended 31 August 2014 for depreciation originally charged on estates properties and the change in market value of the estates properties.