

THE MORAVIAN UNION (INCORPORATED)

(A company limited by guarantee)

Company Number: 00133708

Charity Number: 251211-3

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2016



THE MORAVIAN UNION (INCORPORATED)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

The Board presents the report and financial statements of the Moravian Union (Incorporated) for the year ended 31 August 2016. These have been prepared in the format required by the Statement of Recommended Practice, 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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 2016 and to date comprise:

Rev. D. R. Howarth	(Resigned 30 September 2016)
Rev. S. G. Groves	(Resigned 12 July 2016)
Rev. R.J. Hopcroft	
Mrs G. Taylor	
Miss Z. M. Ferdinand	(Appointed 11 July 2016)
Miss R. M. A. Hoey	(Appointed 6 February 2017)

The principal officers:

Rev. D. R. Howarth	Company Secretary (Resigned 30 September 2016)
Miss Z. M. Ferdinand	Company Secretary (Appointed 30 September 2016, Resigned 14 March 2017)
Miss R. M. A. Hoey	Company Secretary (Appointed 14 March 2017)
Mrs. L. Newens	Administrator
Mr G. Salt	Accountant
Miss L. Parsons	Archivist

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

Investment Advisors:	UBS Wealth Management (UK) Ltd.	Vestra Wealth LLP
	1 Curzon Street,	14 Cornhill
	London W1J 5UB	London EC3V 3NR

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 2016

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. The Provincial Elder's act on behalf of the 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 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 four members of the Moravian Church in the British Province, two serving full time and two serving part time. 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.

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
- Youth and Children's Committee
- World Mission Committee
- Church Book Committee

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2016

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, 'The essential trustee, what you need to know, what you need to do'.

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 the two full time members of the PEC.

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.

Risks are defined as those that, without appropriate mitigation, are likely to negatively impact on the Moravian Church serving its purpose of proclaiming the Gospel of Jesus Christ. The trustees recognise that it is not possible to eliminate risk entirely. We recognise that risk taking is inherent in proclaiming the Gospel. Our task is to minimise negative impacts and allow the Church to serve its purpose.

We have identified the following significant risks:

- Failure to encourage people into ordained ministry, results in further decline, resulting in the Moravian Church ceasing to exist.
- Declining congregations and failure to grow resulting in congregation closures and ultimately the Moravian Church ceasing to exist.
- Reputational damage which results in litigation and impacts on engagements with communities.
- Dependency on limited income sources.
- Shortfall for reserve
- Unforeseen shortfall on the pension funds.
- Loss of key personnel.

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.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Pensions

Following changes to legislation, the previous discretionary pension arrangements for ministers in service prior to 31 August 2010 have been replaced by a defined contribution pension scheme. This came into effect from 1 January 2016. All Ministers have been informed of their entitlement.

Other Ministers and employees employed after 31 August 2010 hold defined contribution personal pension plans and contribute at rates chosen by themselves.

In addition, the 2016 British Provincial Synod resolved that with effect from 11 July 2016 the previously discretionary pension arrangements for ministers in service prior to 31 August 2010 were no longer discretionary and were to be recognised as an obligation of the Moravian Church through The Moravian Union up to 31 December 2015. The Trustees are in the process of obtaining an actuarial valuation but it is not yet available and it is being disclosed as a contingent liability in note 19 to these financial statements.

OBJECTS AND ACTIVITIES

Principal Objectives

The Moravian Union's general objective 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 UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTS AND ACTIVITIES (Continued)

The Moravian Church's estates are significant and the majority of these titles are 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 2016

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.

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.

The Moravian Union pays grants towards 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 furthers its objects through its grant-making activities.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2016

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. The property portfolio is analysed 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. The investment properties are carried at market value.

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 income before net gains on investments for the current year amounted to £264,913 as compared to net expenditure for the preceding year of £653,952.

The movement year on year arises as a result of total income increasing from £1,527,006 to £2,024,874, primarily as a result of net gains on the disposal of functional properties, and total expenditure decreasing from £2,180,958 to £1,759,961.

The decrease in total expenditure of £420,997 primarily reflects decreased grants to congregations and projects combined with decreased legal and professional fees partly offset by increased estate management and premises costs.

This year gains on investments (realised and unrealised in aggregate) of £1,006,799 have arisen in comparison to gains of £1,115,722 last year. The gains in both years being primarily the result of the increase in value of investment properties of £675,000 in the current year and £1,070,572 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. In addition, the investment portfolios show net gains of £331,299 this year compared to a net loss of £45,150 for the preceding year.

These factors combined to give rise to an increase in the charitable company's total funds this year of £1,271,712 in comparison to an increase of £461,770 in the preceding year. As a result of the year's operations, and after fund transfers, the general fund has decreased by £45,026, designated funds have increased by £730,667 and restricted funds have increased by £586,071. The Balance Sheet indicates that the company's net current assets, the principal measure of short to medium term solvency, amounted to £818,784 at the year end and this continues to imply a reasonable margin of solvency.

THE MORAVIAN UNION (INCORPORATED)

REPORT OF THE TRUSTEES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF FINANCIAL POSITION (Continued)

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 £331,299 or 7.7% 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 £16,927,678 and net rental income is £53,407.

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 £905k and this represented approximately 6 month's total expenditure.

TANGIBLE FIXED ASSETS

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

THE MORAVIAN UNION (INCORPORATED)**REPORT OF THE TRUSTEES (Continued)****FOR THE YEAR ENDED 31 AUGUST 2016****STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the Directors of the Moravian Union for the purposes of company law) are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charitable Company will continue to operate.

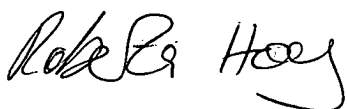
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charitable Company 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 Charitable 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 Charitable Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Provincial Elders' Conference on 29 March 2017



Miss R. M. A. Hoey
Company Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS
THE MORAVIAN UNION (INCORPORATED)
FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of The Moravian Union (Incorporated) for the year ended 31 August 2016 which comprise the Statement of Financial Activities, (including Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Report of the Trustees 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 2016 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

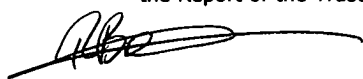
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



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

29 March 2017

THE MORAVIAN UNION (INCORPORATED)**STATEMENT OF FINANCIAL ACTIVITIES**
(Including an Income and Expenditure Account)**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Year Ended 31 August 2016 £	Year Ended 31 August 2015 £
INCOME AND ENDOWMENTS FROM						
Donations and Legacies	2	448,845	-	182,274	631,119	587,975
Investments	3	669,116	74,056	76,602	819,774	771,574
		1,117,961	74,056	258,876	1,450,893	1,359,549
Charitable Activities	4	127,725	10,367	10,618	148,710	167,457
Other	8	84,335	-	340,936	425,271	-
Total Income		1,330,021	84,423	610,430	2,024,874	1,527,006
EXPENDITURE ON						
Raising Funds						
Investment Management Costs		(599,237)	(3,121)	(23,785)	(626,143)	(500,689)
Charitable activities		(513,882)	(252,286)	(367,650)	(1,133,818)	(1,680,269)
Total Expenditure	5	(1,113,119)	(255,407)	(391,435)	(1,759,961)	(2,180,958)
Net Gains/(Losses) on Investments	9 & 10	24,776	695,700	286,323	1,006,799	1,115,722
Net income for the year	7	241,678	524,716	505,318	1,271,712	461,770
Transfers between Funds	15 & 16	(286,704)	205,951	80,753	-	-
NET MOVEMENT IN FUNDS		(45,026)	730,667	586,071	1,271,712	461,770
Total Funds Brought Forward	15 & 16	949,629	17,956,708	4,403,356	23,309,693	22,847,923
Total Funds Carried Forward	15 & 16	£904,603	£18,687,375	£4,989,427	£24,581,405	£23,309,693

All recognised gains and losses are reflected through the Statement of Financial Activities. All activities reflected above represent continuing activities.

The notes form part of these financial statements.

THE MORAVIAN UNION (INCORPORATED)**BALANCE SHEET****AT 31 AUGUST 2016**

		2016	2015
	Notes	£	£
FIXED ASSETS			
Tangible Assets	8	2,359,981	2,511,282
Investment Property	9	16,927,678	16,252,178
Investments	10	4,474,962	4,319,636
Total fixed assets		<u>23,762,621</u>	<u>23,083,096</u>
CURRENT ASSETS			
Stock		19,003	16,287
Debtors	11	697,680	439,767
Investments	12	63,207	63,874
Cash and Bank	12	259,607	64,419
Total current assets		<u>1,039,497</u>	<u>584,347</u>
Creditors: Amounts falling due within one year			
	13	<u>(220,713)</u>	<u>(357,750)</u>
NET CURRENT ASSETS		818,784	226,597
NET ASSETS		<u>£24,581,405</u>	<u>£23,309,693</u>
The funds of the charity:			
Restricted Funds	15	4,989,427	4,403,356
Unrestricted Funds			
General		904,603	949,629
Designated – Investment Property Revaluation Reserve	16	15,320,351	14,644,851
Designated – Other Reserves	16	3,367,024	3,311,857
TOTAL CHARITY FUNDS		<u>£24,581,405</u>	<u>£23,309,693</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes form part of these financial statements.

Approved by the Trustees on 29 March 2017
and signed on their behalf

G. Taylor

Director and Trustee

R. M. A Hoey

Director and Trustee

Company Number: 00133708
Charity Number: 251211-3

THE MORAVIAN UNION (INCORPORATED)**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2016**

	2016 £	2015 £
Net Cash provided by Operating Activities	(1,320,821)	(641,273)
Cash flows from Investing Activities:		
Investment income	819,774	771,574
Purchase of Property, Plant and Equipment	(3,076)	(577,201)
Proceeds from the sale of Property, Plant and Equipment	522,671	-
Additions to investment properties	-	(137,707)
Purchase of investments	(1,355,154)	(1,816,013)
Proceeds from sale of investments	1,531,127	1,986,648
Net Cash provided by (used in) investing activities	1,515,342	(544,273)
Net Change in Cash and Cash Equivalents	194,521	(413,972)
Cash and Cash Equivalents at the Beginning of the Year	128,293	542,265
Cash and Cash Equivalents at the End of the Year	£322,814	£128,293

RECONCILIATION OF SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Surplus for the year	1,271,712	461,770
Investment income	(819,774)	(771,574)
Depreciation	56,977	53,987
(Gains) on disposal of properties	(425,571)	-
(Gains) on investment assets	(1,006,799)	(1,115,722)
(Increase) in Stock	(2,716)	(614)
(Increase)/Decrease in Trade and Other Debtors	(257,913)	581,589
Increase/(Decrease) in Trade and Other Creditors	(137,037)	149,291
	£(1,320,821)	£(641,273)

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2016****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 and investment properties 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' and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The charitable company is a public benefit entity under FRS 102.

The following accounting policies have been applied in preparing the financial statements.

Income Recognition

Income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised when a legal or constructive obligation to make a payment arises, it is probable that a transfer of economic benefits will be required and it can be measured reliably. Expenditure is charged on an accruals basis. 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 are included within support costs and include the costs of administering the charity as a legal entity and include costs of trustees meetings, audit fees and other statutory costs.

Tangible Fixed Assets

Up until 31 August 2014, all freehold property was disclosed at cost less accumulated depreciation. In the previous 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.

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 2016****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 previous 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. The market value of the properties is 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 are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities. The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within certain sectors or sub sectors.

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.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2016****1. ACCOUNTING POLICIES (Continued)****Pensions**

The Moravian Union pays 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. These payments were discretionary but, as a result of a resolution passed at the 2016 British Provincial Synod, they are now recognised as an obligation of the Moravian Church through The Moravian Union. As explained in note 19 to these financial statements a contingent liability has been disclosed whilst an actuarial valuation of the liability is obtained.

The Moravian Union contributes at the rate of 7% 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.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, including its debtors and creditors. These are initially recognised at transaction value and subsequently valued at their settlement value.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2016****2. DONATIONS AND LEGACIES**

	Unrestricted Funds		Restricted Funds	Total 2016	Total 2015
	General	Designated			
	£	£	£	£	£
Mrs E M Bates Trust	432,069	-	-	432,069	409,138
Donations and Legacies	16,776	-	130,274	147,050	133,837
London Association in Aid of Moravian Missions	-	-	52,000	52,000	45,000
	£448,845	£-	£182,274	£631,119	£587,975

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 2016	Total 2015
	General	Designated			
	£	£	£	£	£
Interest receivable	3,396	-	41	3,437	1,122
Dividends receivable	17,733	73,086	76,561	167,380	169,809
Rents receivable	647,987	970	-	648,957	600,643
	£669,116	£74,056	£76,602	£819,774	£771,574

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	Total 2016	Total 2015
	General	Designated			
	£	£	£	£	£
Unity & Congregational Activities					
Congregation assessments	90,926	-	-	90,926	88,375
Unity Income	-	-	-	-	33,457
	90,926	-	-	90,926	121,832
Book Sales	21,106	-	3,482	24,588	21,140
Sundry Income	11,738	10,367	7,136	29,241	18,065
Youth and Children (Summer Camp) Income	3,955	-	-	3,955	6,420
	£127,725	£10,367	£10,618	£148,710	£167,457

THE MORAVIAN UNION (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2016

5. TOTAL EXPENDITURE

	Raising Funds (Inv. Mgt)	Charitable Activities Ministry & Congregations		Support Costs	Total 2016	Total 2015
	£	Domestic £	Overseas £	£	£	£
Investment Management Costs	26,640	-	-	-	26,640	29,574
Grants to Congregations and Projects	-	141,328	208,093	-	349,421	708,045
Estate Management Costs	595,550	-	-	-	595,550	467,556
Burial Ground Costs	825	-	-	-	825	952
Pensions to former Ministers	-	253,480	-	-	253,480	248,797
Staff Costs	-	97,519	24,494	12,702	134,715	126,675
Archive Staff Costs	-	42,224	-	-	42,224	41,684
Synod Expenses	-	19,432	-	-	19,432	1,545
Honoraria	-	1,250	-	-	1,250	1,000
Ministry	-	38,522	35,186	-	73,708	86,141
Provision for doubtful debts	-	7,237	-	-	7,237	-
Youth and Children	-	7,380	-	-	7,380	21,354
Audit	-	-	-	19,680	19,680	34,620
Bank Charges	-	745	-	-	745	933
Depreciation	-	-	-	56,977	56,977	53,987
Books and Publications	-	15,409	-	-	15,409	12,951
Subscriptions & Licences	-	16,857	-	-	16,857	12,686
Messenger	-	21,099	-	-	21,099	21,098
Stationery and Postage	-	-	-	6,202	6,202	7,619
Premises (Cleaning, repairs, security, light, power and utilities)	3,128	-	-	28,149	31,277	22,005
Legal & Professional	-	-	-	44,242	44,242	240,111
Lease Costs	-	-	-	7,038	7,038	3,006
Computer Software Maintenance & Licences	-	-	-	16,207	16,207	14,392
Communications	-	-	-	4,712	4,712	7,062
Insurance	-	-	-	3,490	3,490	7,668
Other Office Costs	-	3,307	-	857	4,164	9,497
	626,143	665,789	267,773	200,256	1,759,961	2,180,958
Apportioned Support Costs (Based on staff time)	-	174,223	26,033	(200,256)	-	-
Total 2016	£626,143	£840,012	£293,806	£-	£1,759,961	
Total 2015	£500,689	£1,181,652	£498,617			£2,180,958

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 2016****6. STAFF COSTS**

	2016	2015
	£	£
Salaries – Archives	34,182	34,345
Salaries – Administrative	119,983	113,039
Social Security Costs – Archives	3,598	3,633
Social Security Costs – Administrative	8,870	7,591
Pension Costs – Archives	1,913	1,839
Pension Costs – Administrative	5,862	6,043
Staff Costs	174,408	166,490
Other Costs	2,531	1,869
	<u>£176,939</u>	<u>£168,359</u>

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

Staff Costs	134,715	126,675
Archive Staff Costs	42,224	41,684
	<u>£176,939</u>	<u>£168,359</u>

No employee earned £60,000 or more during the period. The average number of staff was 4 (2015: 4).

The Key Management Personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any trustee of the Charity. Key Management Personnel of the Moravian Union are considered to be the members of the Provincial Elders' Conference, who are also the trustees.

Trustees' Remuneration and Benefits

The Trustees are not remunerated for their services.

An amount of £16,684 (2015: £17,446) was reimbursed to 4 (2015: 4) members of the Committee of Management in respect of travel expenses incurred during the period.

7. NET INCOME FOR THE YEAR

	2016	2015
	£	£
Net income for the year is stated after charging:		
Auditors remuneration		
For audit	19,680	26,100
For other services	-	-
Depreciation	56,977	53,987
Operating lease expenditure	<u>7,038</u>	<u>6,098</u>

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2016****8. TANGIBLE FIXED ASSETS**

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 September 2015	2,891,341	9,313	2,900,654
Additions	-	3,076	3,076
Disposals	(125,000)	-	(125,000)
At 31 August 2016	<u>2,766,341</u>	<u>12,389</u>	<u>2,778,730</u>
Depreciation			
At 1 September 2015	382,997	6,375	389,372
Depreciation for the Period	55,327	1,650	56,977
Eliminated on Disposal	(27,600)	-	(27,600)
At 31 August 2016	<u>410,724</u>	<u>8,025</u>	<u>418,749</u>
Net Book Value			
At 31 August 2016	<u>£2,355,617</u>	<u>£4,364</u>	<u>£2,359,981</u>
At 31 August 2015	<u>£2,508,344</u>	<u>£2,938</u>	<u>£2,511,282</u>

The Moravian Union is custodian trustee of other properties occupied by congregations, which are not reflected in these accounts. During the current year three of these properties were sold generating net proceeds of £362,736 in aggregate. These proceeds are included within other income on the Statement of Financial Activities.

9. INVESTMENT PROPERTIES

	2016 £	2015 £
Market Value		
At 1 September 2015	16,252,178	15,043,899
Amounts Capitalised	-	137,707
Revaluation Gains/(Losses)	675,500	1,070,572
At 31 August 2016	<u>£16,927,678</u>	<u>£16,252,178</u>

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. Investment property valuations as at 31 August 2016 are based on the 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 2016****10. OTHER INVESTMENTS****Listed Investments at Market Value**

	2016	2015
	£	£
At 1 September 2015	4,319,636	4,445,121
Additions	1,355,154	1,816,013
Disposal Proceeds	(1,531,127)	(1,986,648)
Realised Gains/(Losses)	(25,162)	81,064
Unrealised Gains/(Losses)	356,461	(35,914)
	<u>£4,474,962</u>	<u>£4,319,636</u>
At 31 August 2016		
Listed Investments at Cost - At 31 August	<u>£3,740,145</u>	<u>£3,932,421</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 2016.

	Market Value	
	2016	2015
	£	£
The Charities Property Fund	<u>£634,077</u>	<u>£616,161</u>

11. DEBTORS

	2016	2015
	£	£
Due from congregations, schools and other loans	222,918	37,857
Due from parent organisation	23,278	13,135
Other Debtors	77,819	52,019
Prepayments and accrued income	313,913	270,914
Agents Balances	37,662	31,216
Rent Due	22,090	34,626
	<u>£697,680</u>	<u>£439,767</u>

Included above are debtors amounting to £202,804 (2015: £20,055) receivable after more than one year representing loans to two congregations, two individuals and 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 31 AUGUST 2016****12. BANK AND CASH**

	2016	2015
	£	£
<i>Deposits</i>		
UBS	28,544	48,788
VESTRA	34,663	15,086
	<u>£63,207</u>	<u>£63,874</u>
<i>Cash at bank and in hand</i>		
Current Account	259,107	63,919
Cash in hand	500	500
	<u>£259,607</u>	<u>£64,419</u>

13. CREDITORS : Amounts falling due within one year

	2016	2015
	£	£
Congregations, schools and related organisations	132,824	264,161
Social Security and other taxes	7,263	7,136
Other Creditors	7,531	26,836
Accruals and Deferred Income	53,221	44,056
Rent received in advance	19,874	15,561
	<u>£220,713</u>	<u>£357,750</u>

14. ANALYSIS OF NET ASSETS BETWEEN THE FUND BALANCES

	General	Designated	Restricted	Total as at 31 August 2016
	£	£	£	£
Fixed Assets	4,364	2,355,617	-	2,359,981
Cash and Investments	596,297	17,205,491	3,923,666	21,725,454
Other Net Assets	303,942	(873,733)	1,065,761	495,970
	<u>£904,603</u>	<u>£18,687,375</u>	<u>£4,989,427</u>	<u>£24,581,405</u>
Unrealised Gains/(Losses) included above	<u>£55,979</u>	<u>£15,366,298</u>	<u>£641,750</u>	<u>£16,064,027</u>

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2016

15. RESTRICTED FUNDS

	Opening Balances	Incoming Resources	Resources Expended	Realised Inv. Gains/ (Losses)	Unrealised Inv. Gains/ (Losses)	Unrealised Reval. Gains/ (Losses)	Transfers Between Reserves	Closing Balances
	£	£	£	£	£	£	£	£
Evangelical	30,390	45,458	(24,219)	(511)	7,112	-	40,891	99,121
Ministers Emoluments	2,370,516	32,429	(48,039)	(14,067)	201,686	-	-	2,542,525
Education	65,452	9,934	(59,072)	(335)	4,661	-	79,577	100,217
Overseas	288,798	2,181	(1,687)	(1,584)	22,060	-	-	309,768
Property	1,004,639	377,701	(67,287)	(4,956)	69,006	-	2,577	1,381,680
Relief of Poverty	2,644	69	(65)	(15)	205	-	-	2,838
Other	640,917	142,658	(191,066)	(237)	3,298	-	(42,292)	553,278
	<u>£4,403,356</u>	<u>£610,430</u>	<u>£(391,435)</u>	<u>£(21,705)</u>	<u>£308,028</u>	<u>£-</u>	<u>£80,753</u>	<u>£4,989,427</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. Transfers from restricted funds represent restricted funds expenditure from prior years wrongly charged against the General Fund. Transfers to restricted funds represent funding from General Fund to eliminate restricted funds in debit.

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/ (Losses)	Unrealised Inv. Gains/ (Losses)	Unrealised Reval. Gains/ (Losses)	Transfers Between Reserves	Closing Balances
	£	£	£	£	£	£	£	£
Ministers Emoluments	-	81,518	(252,495)	(196)	2,730	-	206,778	38,335
Overseas	-	-	-	-	-	-	-	-
Property	1,611,527	2,892	(2,902)	(1,358)	18,903	-	(827)	1,628,235
Investment Property – Cost	1,607,327	-	-	-	-	-	-	1,607,327
Investment Property – Revaluation	14,644,851	-	-	-	-	675,500	-	15,320,351
Other	1,697	13	(10)	(9)	130	-	-	1,821
Mission Renewal	91,306	-	-	-	-	-	-	91,306
	<u>£17,956,708</u>	<u>£84,423</u>	<u>£(255,407)</u>	<u>£(1,563)</u>	<u>£21,763</u>	<u>£675,500</u>	<u>£205,951</u>	<u>£18,687,375</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. Transfers to designated funds represent funding from General Fund to eliminate restricted funds in debit.

THE MORAVIAN UNION (INCORPORATED)**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2016****17. PENSION COSTS**

Provided sufficient funds were available, the Moravian Union provided 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. As a result of a resolution passed at the 2016 British Provincial Synod, the Moravian Church through The Moravian Union has recognised these pensions as an obligation and, as explained in note 19 below is currently obtaining an actuarial valuation of the liability.

With effect from 31 December 2015 the discretionary scheme for ministers was discontinued and replaced by a defined contribution scheme. Benefit entitlements at 31 December 2015 under the previous scheme, which were recognised as obligations by Synod during the current year, 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 7% of pensionable salaries to each plan. The employer's contribution in the year was £7,775 (2015: £7,882).

18. FUTURE FINANCIAL COMMITMENTS**Operating Leases**

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

	2016	2015
	£	£
Operating Leases which expire within		
Less than one year	-	-
One to five years	13,722	19,821
	<u>£13,722</u>	<u>£19,821</u>

19. CONTINGENT LIABILITIES

The Moravian Church, through The Moravian Union, has provided discretionary pensions to retired ministers which were conditional upon sufficient funds being available. A resolution was passed at the 2016 British Provincial Synod, effective from 11 July 2016, removing the discretionary status from these pensions and recognising the Church's obligation to provide defined benefit pensions to retired and existing ministers who were in service prior to 31 August 2010. The liability for current ministers accrued up to 31 December 2015 after which they joined the new defined contribution pension scheme which replaced the existing arrangement.

The trustees are in the process of obtaining an actuarial valuation of the liability at the current year end. However, pending the completion of the actuary's valuation it is not possible to reliably estimate the amount of the obligation. Therefore, no provision for the obligation has been reflected in these financial statements. Pensions payable to retired ministers in the current year amounted to £253,480 (2015: £248,797). At the year end there were 33 retired ministers or their spouses receiving pensions, aged between 64 and 92; and 5 active and 3 inactive ministers entitled to an aggregate pension of £46,808 pa on their future retirement. Active ministers are expected to retire between 2017 and 2046. The liability to pay these pensions lies entirely with The Moravian Union.

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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
 Fulneck Choir House

One of the Trustees of the Moravian Union (until July 2016) 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 :

	2016	2015
	£	£
Assessments received from Fulneck School	6,350	6,300
Assessments received from Ockbrook School	6,350	6,300
Interest on loan to Ockbrook School	2,358	-
Interest on loans to Congregations	558	736
Assessments received from Congregations	77,726	75,275
Mrs E M Bates Trust	432,069	409,138
Grant to Moravian Church	(100,000)	(250,000)
London Association in Aid of Moravian Missions	<u>52,000</u>	<u>45,000</u>

At 31 August 2016, the following balances were outstanding

	2016	2015
	£	£
Due from Mrs E M Bates Trust	242,069	209,138
Due from Moravian Church	23,278	13,135
Due from Ockbrook School	190,358	-
Due from Congregations	19,744	24,466
Due to Congregations	(102,631)	(134,842)
Due from Fulneck Choir House	<u>4,000</u>	<u>8,000</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 2016

22. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds		Restricted Funds	Year Ended 31 August 2015
		General £	Designated £	£	£
INCOME AND ENDOWMENTS FROM					
Donations and Legacies	2	420,631	-	167,344	587,975
Investments	3	631,442	66,430	73,702	771,574
		1,052,073	66,430	241,046	1,359,549
Charitable Activities	4	133,875	-	33,582	167,457
Total Income		1,185,948	66,430	274,628	1,527,006
EXPENDITURE ON					
Raising Funds					
Investment Management Costs		(471,921)	(3,218)	(25,550)	(500,689)
Charitable activities		(923,711)	(252,242)	(504,316)	(1,680,269)
Total Expenditure	5	(1,395,632)	(255,460)	(529,866)	(2,180,958)
Net Gains/(Losses) on Investments	9 & 10	3,213	1,073,222	39,287	1,115,722
Net income/(expenditure) for the year	7	(206,471)	884,192	(215,951)	461,770
Transfers between Reserves		(311,071)	304,685	6,386	-
NET MOVEMENT IN FUNDS		(517,542)	1,188,877	(209,565)	461,770
Total Funds Brought Forward		1,467,171	16,767,831	4,612,921	22,847,923
Total Funds Carried Forward		£949,629	£17,956,708	£4,403,356	£23,309,693

23. FIRST YEAR ADOPTION

The accounts comply with the new accounting standard FRS 102 which came into force on 1 January 2015 and the new Charity SORP (FRS 102). In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the new Charity SORP (FRS 102), the restatement of comparative items was required. The transition has had no impact on the Charity's financial performance or financial position at the date of transition (1 September 2014) and in respect of the financial statements for the year ended 31 August 2015. Therefore no reconciliation of reserves or net income/expenditure is required.