THE BRITISH PROVINCE OF THE UNITAS FRATRUM

operating as
THE MORAVIAN CHURCH

Charity Number: 251211

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2025

MORAVIAN CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025

The trustees of the Moravian Church present their report and the consolidated financial statements for the year ended 31 August 2025 of the charity, the Moravian Church (The British Province of the Unitas Fratrum), which consolidate the results and net assets of the Church, its Congregations, its subsidiary charitable companies (The Moravian Union (Incorporated) and Fulneck School, and Fulneck Choir House. 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). The report and statements also comply with the Charities Act 2011 and regulations made thereunder.

LEGAL AND ADMINISTRATIVE DETAILS:

The British Province of the Unitas Fratrum, generally known as the 'Moravian Church', which was established by Act of Parliament in 1749, is a registered charity, No. 251211. The Church is governed by a Book of Order as approved by Provincial Synod which consists of a biennial gathering of the provincial board, the clergy, one representative from each congregation per one hundred and fifty members and ex-officio as per the Book of Order.

The Committee of Management, who are the trustees of the charity (and directors in company law of the subsidiary charitable companies), are elected by Synod. The Book of Order (constitution) requires the Committee to act in accordance with resolutions of Synod. The Provincial Board (Committee of Management) for the year ended 31 August 2025 and subsequently comprised:

Miss R. M. A. Hoey*	
Rev. D. R. Howarth*	(Resigned 18 July 2026)
Rev M Newman*	
Rev. Dr L. Thompson	
Rev. E Quildan	(Resigned 18 July 2026)
Rev. J. Carter	
Rev. P. Cooper	(Appointed 18 July 2026)
Mrs C. Warner	(Appointed 18 July 2026)

* Responsible for the day-to-day management of the Charity's affairs.

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

Investment Advisors:
LGT Wealth Management UK LLP
14 Cornhill
London EC3V 3NR

Bankers:
CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

Each subsidiary and branch have the power to appoint their own bank. Only the main banker is disclosed above.

Solicitors:
Cripps Harries Hall
Wallside House
12 Mt. Ephraim Road
Tunbridge Wells,
Kent TN1 1EG

Auditors:
Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London EC3A 2AD

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
The Charity's constitution is defined by the Book of Order which is approved by Synod and can only be amended by Synod.

Group Structure
The Moravian Church controls a number of related organisations including:
- the Moravian Union (company number 00133708), a company limited by guarantee, which holds the assets and administers the affairs of the Church.
- Fulneck School (company number 05086581), an independent school and company limited by guarantee (in liquidation from 8 July 2025)
- 28 congregations, 2 societies and one fellowship, and;
- One house of multiple occupancy (Fulneck Choir House).

Further details of The Moravian Union are available in their statutory accounts on request.

Fulneck School
Fulneck School ceased trading on 8 July 2025 and Mr Ryan Davies of Moore Kingston Smith LLP was appointed as liquidator. The Trustees of Fulneck School and of the Moravian Church have acted throughout in accordance with their duties under the Companies Act 2006 and relevant charity law. The closure process has been conducted with a clear focus on care, compliance, and minimising disruption and harm wherever possible.

These accounts consolidate the results and net assets of all these organisations.

Procedures for the Recruitment and Appointment of Trustees
The Book of Order, Section 3.1 states that the PEC consists of six members of the Moravian Church in the British Province, two serving in a full-time stipendiary capacity and four serving in a non-stipendiary capacity, 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. Vacancies during an inter synod period shall be filled by a postal ballot election.

The Chair and Officers are appointed by the membership of the PEC from among their number. The Board convenes at least twelve times each year. Synod also elects members to the various standing and sub-committees which offer advice and support to the PEC. Each committee includes at least one Provincial Elder:

Finance and Property 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
Archives and Heritage

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 Book of Order, the Memorandum and Articles of Association of each subsidiary company, the 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'. All Trustees are provided with training opportunities through external training courses to keep abreast of changes and of their responsibilities.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Volunteers

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

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. Synod is the ultimate authority within the Church and it elects the Provincial Elders Conference (PEC) which acts 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 Church's board of trustees and meets on a monthly basis. Responsibility for the day-to-day management of the charity's affairs is delegated to the two full time members of the PEC.

Responsibility for control of the school is normally supported by an advisory Board of Governors whilst responsibility for the day-to-day affairs of each congregation is delegated to the local congregational committees.

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 significant risks and are taking steps to mitigate in the following ways:

- **Failure to encourage people into ordained ministry, results in further decline, resulting in the Moravian Church ceasing to exist:** The PEC with the support of the Church Service Committee continue to review and implement strategies to recruit people into ministry. This includes dedicated Church services and enquiry days. The Church Service Committee are currently reviewing the provision of materials for training Lay people for service and have drafted resources for publication on opportunities for services as well as an understanding of ordained ministry.
- **Declining congregations and failure to grow resulting in congregation closures and ultimately the Moravian Church ceasing to exist:** The PEC have convened the Project 32 Implementation to consider the current framework of the province and consider ways to move forward into the future. The programme of renewal and growth, Project 32, which was approved by the Synod, is being progressed in line with the programme goals, under the leadership of programme coordinator.
- **Reputational damage which results in litigation and impacts on engagements with communities:** The PEC actively considers reputational damage as part of their strategy and planning. This provides the opportunity for identifying potential problems that could affect public perception, take remedial action where necessary and dictates how we communicate and manage expectations.
- **Lack of Diversity and Inclusion:** The PEC has initiated diversity and inclusion training for staff, as part of a whole organisation strategy to promote and model diversity and inclusion and a fundamental value of the charity.
- **Dependency on limited income sources, shortfall for reserve and unforeseen shortfall on the pension funds:** The PEC continually monitors and reviews potential areas of weakness in our financial strategy and are supported by the Finance Committee who have the ability to convene emergency meetings if necessary. A Financial and Investment Risk Register is maintained.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

- **Loss of key personnel:** The PEC recognises the importance of personnel for the effective running of the organisation and is currently reviewing the framework for people management promoting a transparent and supportive environment. Losses cannot always be avoided, and the PEC must respond quickly to ensure smooth transitions.
- **Significant damage to historic buildings and archives:** The PEC work with the Estates manager and the Provincial Archivist to promote best practices for care and maintenance of historic buildings and archives.
- **Data protection, cyber security and digital systems:** The PEC recognise the importance of protecting personal and sensitive information and maintaining appropriate and secure systems for the Church's work. Policies and procedures are kept under review to maintain compliance with data protection requirements and to respond to developing cyber and digital risks. The Trustees continue to consider the Church's digital infrastructure and the training and support required by staff and those handling information on behalf of the Church.
- **Financial liabilities arising from subsidiary operations:** The closure of Fulneck School during the year has resulted in financial and operational consequences for the wider Church group. The PEC have continued to monitor these implications, including the recoverability of amounts due from the School and the potential effect upon the Group's financial position. Professional legal, financial and insolvency advice has been taken throughout the closure process. The Trustees will continue to monitor the position as the liquidation progresses.
- **Governance capacity and continuity**: The PEC recognise the risk arising from limited Board capacity and the importance of maintaining continuity and institutional knowledge. The Board continues to consider its working arrangements, delegation and use of staff and committee resources to ensure that appropriate oversight can be maintained.
- **Volunteer capacity:** The Church is dependent upon the contribution of volunteers at congregational, district and provincial levels. A declining pool of volunteers can place additional pressure upon those who continue to serve and may affect the Church's capacity to sustain aspects of its work. The PEC continue to consider ways of supporting and developing voluntary participation across the Province.

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. The move recognised the historic pension obligation of The Moravian Union up to 31 December 2015. The most recent actuarial valuation of the pension liability was completed on 19 March 2026 and calculated the liability to be £3,014,504 as at 31 August 2024 compared to a liability of £2,946,467 as at 31 August 2025. 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.

OBJECTS AND ACTIVITIES

Principal Objectives

The Church's objective is to administer the affairs of the Moravian Church in its work for the Kingdom of God, in accordance with the will of Synod.

Activities

The parent charity's main activities consist of:

(i) Ensuring a supply of ministers to congregations.
(ii) Providing congregations with advice on complying with best practice under child protection regulations in the conduct of their work with young people.
(iii) Advice to congregations on financial and administrative matters.
(iv) Bishops, who are elected by Synod, but who are nonetheless employees of the Moravian Church, provide pastoral and spiritual guidance to congregations.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

OBJECTS AND ACTIVITIES (Continued)

Activities (Continued)

(v) Administering the assets of the Church through its subsidiary company, The Moravian Union.
(vi) Maintaining archives which relate to congregations of the Church and the British Province.
(vii) By working with Fulneck School's advisory Board of Governors and with the professionals employed in the school, maintaining and further developing the standards of academic excellence and pastoral care offered.

Strategies

To promote these activities the parent charity:
(i) Organises the training of both ordained and lay preachers.
(ii) Has developed and made available to congregations a procedures manual to regulate their work with young people. The Church also actively works with "APCS" to protect the interests of young people.
(iii) Provides advice to congregations on the principles of sound administration again through bulletins and publications.
(iv) The Church's investment assets, which are held by its subsidiary company, are administered with the assistance of professional fund managers. The Church's land and buildings (which are held by its subsidiary The Moravian Union) are administered through the services of a Chartered Surveyor with a view in both instances to maximising the returns available to the Church within the constraints imposed by the Church's charitable mission.
(v) The Church, through its subsidiary company employs a full-time archivist who spends a portion of her time advising congregations on how to maintain their archives.

Principal Objectives for the year ended 31 August 2025

The trustees determined the following principal objectives for the year ended 31 August 2025:

- To continue to offer training for ministry or lay preaching to all who wish to be trained provided the trustees are satisfied about their suitability.
- To ensure that all congregations are encouraged to adopt best practice in connection with their work with children and young people.
- To continue to administer the Church's assets in a way which is appropriate to the Church's charitable mission and to maximise returns for the benefit of the Church subject to these constraints.
- To continue to promote good practice in the archiving of the Church's and Congregations' records by promoting communication between the archivist employed at Church House and individual Congregations.
- To continue to support work in its partner Province of the Moravian Church in Western Tanzania (MCWT) and also the work in South Asia, the responsibility for the latter being given to the British Province by Unity Synod.
- To continue to support national and local ecumenical bodies and to try and develop ways of working more closely with other denominations.
- To ensure the financial stabilisation of Fulneck School.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

ACHIEVEMENTS AND PERFORMANCE

How our activities deliver public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year. The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit both to our congregations and the public in general.

Review of the year

We continue to focus on the essentials of our existence, which are to be found in the Ground of the Unity (Church Order of the Unitas Fratrum), and to try and achieve a proper balance between these essentials of being a church and the challenges of governance in a context characterised by numerical decline and financial uncertainty. We remain confident that we can serve God effectively in the province despite the limitations of being a small church. We continue to look for more effective ways of engaging in mission.

During the year the Trustees continued to develop the Province's strategic approach to renewal, resilience and growth. Project 32 remained the principal programme through which this work was taken forward, building upon the earlier work of the Future Directions and Sustainability Taskforce.

Project 32 has encouraged congregations to consider intentionally their spiritual health, mission and opportunities for renewal and growth. The Holy Habits learning and study programme formed part of this work and most congregations completed the Natural Church Development (NCD) survey. The results have helped congregations identify areas for development and have also informed priorities for the Province as a whole. Renewal and growth remain central to the Church's planning for the future.

Ministry

The provision and deployment of ministry remain significant strategic priorities for the Province. Declining membership and changing patterns of congregational life mean that the present model of ministry cannot necessarily be sustained in every context. The Trustees have therefore continued to consider how ordained and lay ministry can best be developed and deployed to support the mission of congregations and the wider Church.

Alongside the recruitment and formation of ordained ministers, the Province continues to encourage members to develop their gifts for worship, leadership and service. The Worship Leaders Training Programme has now supported three cohorts through its basic programme. During the year the emphasis was placed upon developing capacity and mentorship for those already trained, with a small number of worship leaders undertaking advanced study at Northern College.

The Provincial Board also continued to review support and pastoral care arrangements for ministers. The Continuing Education Policy remains available to support ministers and paid lay workers undertaking appropriate further education and development.

Young people and children's work

Recognising the importance of ministry among children and young people, the Provincial Board made grants of up to £4,000 available to each district to support activities bringing young people together across congregations. Three districts took advantage of this funding during the year. The Board has also developed plans for a phased approach to strengthening coordination of children's and youth work across the districts.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

ACHIEVEMENTS AND PERFORMANCE (Continued)

Fulneck School

Following a detailed and careful strategic review of Fulneck School, the Trustees of Fulneck School concluded in early 2025 that the school could not viably continue. Only 238 students started the Autumn term in the 2024/25 academic year, against a budget of 264 students. Indicative cash flow modelling indicated that the school would become insolvent in August 2025 following the end of the academic year, and the Trustees sought immediate legal and insolvency advice to explore options and obtain advice on their duties as charity trustees and directors under the Companies Act 2006. Further analysis and modelling indicated a further decline to 217 students by September 2025, and 272 pupils (a 25% increase) or a 39% fee rise would be required to break event. There are several factors involved in the overall decline in student numbers, but the loss of financial reliefs, including VAT on fees, business rate relief, and increased employer NI contributions further weakened the school's financial position

This decision was not taken lightly, with trustees considering all available and viable options to ensure the school could continue. However, after careful consideration and no offers materialising, the difficult decision to plan to close the school was taken February 2025, and preparations began for an orderly closure at the end of the 2024/25 academic year. The intended closure was publicly announced to staff, parents, and the wider community on 24 March 2025.

The Trustees have taken all steps to ensure that loss to creditors is minimised and that the interests of all stakeholders, including staff, students, and the wider community, are protected. A detailed communications plan, developed in consultation with a professional agency, has guided open and transparent engagement with all affected parties. Formal consultation with employees and Trade Union representatives commenced following the announcement. The Trustees have engaged legal, financial, and insolvency advisors throughout, to ensure that all legal procedures are properly followed and that creditor claims are managed independently and fairly.

Fulneck School ceased trading on 8 July 2025 and Mr Ryan Davies of Moore Kingston Smith LLP was appointed as liquidator. The Trustees of Fulneck School and of the Moravian Church have acted throughout in accordance with their duties under the Companies Act 2006 and relevant charity law. The closure process has been conducted with a clear focus on care, compliance, and minimising disruption and harm wherever possible.

At the year end, amounts advanced to Fulneck School are subject to the liquidation process. The Moravian Union is an unsecured creditor and the prospect of full recovery is considered low. Financial support to the School had been provided incrementally in response to its cash-flow requirements and in the context of attempts to secure its future. The Trustees continue to monitor the financial consequences of the closure for the wider Church group.

Choir House

The Choir House at Fulneck, which is licensed as a house in multiple occupation, (HMO), sharing a common entrance hall, provides a number of comfortable, self-contained apartments. As a set of Grades 1 and 2 listed buildings, maintenance and upgrading works are expensive and have to be overseen by listed building specialists.

The Trustees are grateful to the work of Br Ian Haggas as the administrator.

Finances

In common with many other denominations with a reducing membership, the Moravian Church is finding it a challenge to renew and grow beyond a maintenance level of operation. The per capita financial contribution being asked of members is increasing, even with delimiting efforts. We therefore commend congregations that find ways to increase their income in this difficult situation.

The Trustees are, therefore, extremely sensitive to the need to ensure careful, fiduciary oversight of our investments.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

ACHIEVEMENTS AND PERFORMANCE (Continued)

In May 2025 UBS advised that Moravian Union account with the institutions would be closed, as UBS would no longer be servicing accounts below £10 million. After a meeting with the bank, the Trustees decided that the portfolio, which was previous managed by UBS Wealth Management UK, has been transferred to LGT Wealth LLP.

We continue the structure of oversight, in which a small group comprising the Provincial Treasurer along with the Chairman and two members of the Finance Committee, meet with the investment manager to monitor performance. A further meeting with LGT reinforced that the investment policies, to ensure our monies are invested to meet the ethical and moral values we espouse. The Provincial Board has therefore reviewed and reaffirmed the Ethical Investment Policy which will be continuously reviewed and monitored and will help guide our investment strategy.

An area in which we took action was in regard to the pension commitment to workers. The current arrangement, which is consistent with charity regulations, in that all current and future stipendiary staff be included in a formal, contributary pension scheme. Congregations contribute 5.5% of stipend to the pension fund.

Previously the pension arrangement was one in which discretionary payments were made to retired church servants and their spouses. During the 2017 British Provincial Synod it was resolved that these payments to retirees should be recognised as an obligation and not discretionary. An amount was therefore set aside from Provincial operations to cover this obligation. This sum has continued to fall overtime, since the numbers of individuals to whom this is paid is reducing. Another formal actuarial valuation of the obligation was undertaken in May 2025 and are reflected in these financial statements.

Unity

Our partnerships with South Asia and the Moravian Church in Western Tanzania continues. At Unity Synod in 2023, South Asia was formally recognised as a Mission Province. It has held a Provincial Synod and Provincial Board has been appointed. The work is still supported by the British Province, via the British Mission Board, which is represented at the meetings of their Provincial Board.

The BMB, which was expanded following the acceptance of the general and specific principles laid down at the Synod of 2021, continues as the main instrument of overseas engagement. Members of the BMB help to share the overall workload and to widen the scope and breadth of what the BMB can accomplish. The BMB meets separately from the PEC, whilst reporting back to the Provincial Board. The BMB, with Sr Jane Carter as chair, has kept focus all aspect of the work in Tanzania and South East Asia.

Funding is being accumulated in the Mission Fund and available for the BMB to use in order to bolster Mission work throughout the Unity and beyond. This is helping the BMB to becoming more responsive and proactive in the way it responds to both emergencies and emerging projects around the world. From time-to-time different organisations and congregations make contributions to overseas missions and these are routed through the BMB.

We continue to offer an administration grant, albeit it at a reduced level, to the Jamaica Province to help with the purchase Textbooks from the Bookroom. This is of mutual benefit as the Jamaican order increases our print run and reduces the unit cost of the books to everyone. Support is also given to Elim Home in South Africa and the Star Mountain Rehabilitation Centre in Ramallah, Palestine. These are viewed as important works of the Moravian Church world-wide. Individuals and groups such as the Moravian Women's Association, the Men's Fellowship and the YPMA give money to many other projects. We are constantly touched by the generosity of such gifts.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

Ecumenical

As a province, we continue to play as full a role as possible in the national and four-nation bodies, with representation on Churches Together in England, the Irish Council of Churches, and Churches Together in Britain & Ireland. We now have three Provincial Ecumenical Officers – Br Philip Cooper, Sr Lorraine Shorten and Br Michael Newman – appointed by the Provincial Board to represent the Moravian Church at a National level and we are grateful for their work. Sr Sarah Groves is currently serving as President of the Irish Council of Churches, after which she will remain in the presidium as Immediate Past President.

Br Cooper attends Church of England Synods as an ecumenical representative, and a working group continues to explore closer unity with the Church of Ireland following the Armagh Agreement. Br Newman is a governor at Northern College, a United Reformed Church theological education centre.

Most congregations play their part in the local ecumenical scene, both formally and informally. Three of our congregations are local ecumenical partnerships – Hall Green, Harlesden and Blackbird Leys.

Br Livingstone Thompson is a Trustee of Christian Aid Ireland, in which role he also sits a member of the Income, Finance, Risk and Audit (IFRA) committee, for Christian Aid Ireland in both jurisdictions on the island.

Conclusion

The British Province continues to face significant challenges arising from declining membership, changing patterns of church participation and increasing financial and organisational pressures. These challenges require the Trustees to make careful decisions about the use of the Church's financial, property and human resources.

At the same time, the purpose of the Church is not simply institutional survival. Our calling remains to proclaim the Gospel of Jesus Christ, nurture Christian discipleship and serve the communities in which our congregations are placed. Project 32 and the wider work of renewal and growth are intended to help the Province respond faithfully and realistically to this calling.

The Trustees remain grateful for the commitment of ministers, staff and the many volunteers whose service sustains congregational, district and provincial life. Their contribution enables the Moravian Church to continue its ministry in these islands and its partnerships within the worldwide Unity.

The Trustees present this report as a fair reflection of the work, opportunities and challenges of the Province during the year.

REVIEW OF FINANCIAL POSITION

The Statement of Financial Activities summarises the movements in all the Group's funds during the year.

This indicates that the Group recorded a net increase in funds for the year of £3,385,545, compared to an increase of £351,760 in the preceding year. During both the current and preceding financial years there have been a number of significant events and transactions that have distorted the performance for the year as the Church continues its restructuring exercise to secure its financial viability going forward and achieve maximum return on its investments. A significant exercise has been the closure of Fulneck School with the related costs more than offset by the revaluation of the properties formerly occupied by the School at peppercorn rent.

The Group's total income has decreased by £827,061 to £7,679,473 whereas total expenditure has increased by £1,113,774 to £9,340,638. This reflects the ongoing restructuring exercise being carried out and outlined above.

Total net assets of the Group amount to £35,207,904 and are represented by the Group's fixed assets. At the year end the Balance Sheet on page 15 discloses net current assets of £1,184,220 compared to £635,987 at the preceding year end. The financial position of the Group remains strong, having an investment portfolio in stocks and shares of £2,816,616 as well as an unrestricted property portfolio held for investment purposes of £31,702,092.

The Trustees review the group and individual entities reserves policies on an annual basis taking account of the total net assets of each entity and the group as a whole, proposed activities for the forthcoming year and their funding requirements.

MORAVIAN CHURCH
REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

REVIEW OF FINANCIAL POSITION (Continued)

Investment Policy and Objectives

Our investment policy is developed in consultation with the Finance and Property Committee, which makes 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 specific commodities and prioritise those with reasonable environmental sensitivity.

The movement in market value of investments this year, both realised and unrealised, amounts to a gain of £1824,246. Given the Charity's ethical investment stance, its income requirements and the current economic climate, 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 Moravian Union. The current market value of investment properties has been estimated at £31,702,092 and net rental income is £14,893 compared to the preceding financial year with net rental income of £184,502. Net rental income will fluctuate year on year depending on the level of maintenance work required on the estate's properties.

Fundraising Policy

The Charity does not use fundraising services, consultants or external professional fundraisers to undertake its fundraising activities and no data is shared with or sold to any external agencies.

The Charity does not undertake Direct Mail and does not approach or pressure vulnerable people to support its work. A complaints procedure is in place and the Charity adheres to the Fundraising Code of practice issued by the Fundraising Regulator.

FUTURE PLANS

During the forthcoming year the Trustees aim to continue to discharge their current responsibilities effectively and efficiently within the constraints of resources both financial and human. The Trustees continue to review the structure of administration to ensure that we are operating as efficiently as is possible given the above constraints.

Furthermore, the Church, with a view to simplifying its record keeping and financial reporting requirements, will continue to review its trust ledgers in order to gain Charity Commission consent to the merger of a number of the smaller funds.

During the year ending 31 August 2026, the Trustees intend to:

- continue the implementation of the Province's strategic priorities and Project 32 programme for renewal and growth;
- continue to develop ordained and lay ministry and provide appropriate training and support;
- strengthen work with children and young people across the Province;
- support congregations in mission, stewardship and responsible administration;
- continue to manage the Church's financial and property assets in accordance with its charitable purposes and long-term needs;
- manage the implications of the closure and liquidation of Fulneck School;
- continue the review and rationalisation of historic trust funds where appropriate;
- support the Province's partnerships within the worldwide Moravian Unity, particularly in Western Tanzania and South Asia;
- maintain and develop the Province's contribution to ecumenical relationships; and
- continue to review the administrative and organisational arrangements of the Province to ensure that its resources are used effectively.

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 Charity'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. Ignoring the costs associated with Fulneck School which is now closed, this equates to general reserves of £4,156,258. At the current year-end, unrestricted reserves (excluding those earmarked for designated purposes) amounted to a deficit of £975,617, as a result of the costs to the Group associated with the closure of Fulneck School. The Trustees are looking at ways to return reserves to the required level through, amongst other measures, careful control of expenditure and the disposal of properties no longer of use to the charity.

The current economic climate has continued to have a significant impact on the activities, income generation and expenditure of the Group. The Trustees have considered this when assessing the Charity's ability to continue as a going concern and the level of reserves it will require. As explained in note 1 to these financial statements, the Trustees are of the opinion that the reserves available to the Charity are sufficient to ensure that the Charity continues for the foreseeable future.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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".

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the incoming resources and application of resources for that period. In preparing those 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Parent Charity and the Group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Parent Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees

Miss R. M. A. Hoey
Chair

Rev M. Newman
Treasurer

Date: 30 October 2026

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH

OPINION

We have audited the financial statements of The British Province of the Unitas Fratrum operating as Moravian Church for the year ended 31 August 2025, which comprise the Consolidated Statement of Financial Activities, the Group and the Parent Charity's Balance Sheet, the Cashflow Statement and the related notes, including a summary of significant accounting policies. 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the parent charity and the group's affairs as at 31 August 2025, and of the group's incoming resources and application of resources, 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 Charities Act 2011.

This report is made solely to the Trustees in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to the Trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees for our audit work, for this report, or for the opinions we have formed.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE BRITISH PROVINCE OF THE UNITAS FRATRUM OPERATING AS MORAVIAN CHURCH

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for preparing the Report of the Trustees and the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under Section 144(1) of the Charities Act 2011 and report in accordance with regulations made under that Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Date: 30 October 2026

Knox Cropper LLP is eligible to act as an auditor of the Charity in terms of section 1212 of the Companies Act 2006.

MORAVIAN CHURCH
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total 2025	Total 2024
		£	£	£	£	£
Income and endowments from:						
Donations and Legacies	2	634,095	6,850	661,057	1,302,002	1,291,698
Other Trading Activities	3	-	-	129,716	129,716	113,346
Investments	4	1,127,717	20,576	437,137	1,585,430	1,317,168
		1,761,812	27,426	1,227,910	3,017,148	2,722,212
Charitable activities	5	39,728	1,850	4,402,125	4,443,703	4,558,022
Other	6	218,622	-	-	218,162	1,226,300
Total Income		2,020,162	29,276	5,630,035	7,679,473	8,506,534
Expenditure on:						
Raising Funds						
Fundraising trading: cost of goods sold and other costs	7	-	-	(157,975)	(157,975)	(158,576)
Investment management costs	7	(1,076,711)	(1,745)	(58,154)	(1,136,610)	(763,328)
		(1,076,711)	(1,745)	(216,129)	(1,294,585)	(921,904)
Charitable Activities	7	(874,440)	(945,214)	(6,226,399)	(8,046,053)	(7,304,960)
Total Expenditure		(1,951,151)	(946,959)	(6,442,528)	(9,340,638)	(8,226,864)
Net Gains/(Losses) on investment assets	10, 11	76,528	4,745,073	95,674	4,917,275	253,488
Net income/(expenditure)		145,539	3,827,390	(716,819)	3,256,110	533,158
Other Recognised Gains/(Losses)						
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	19	-	129,335	-	129,335	(181,398)
Transfers between reserves	17	(2,538,953)	1,055,185	1,483,768	-	-
NET MOVEMENT IN FUNDS		(2,393,414)	5,011,910	766,949	3,385,445	351,760
Reconciliation of Funds:						
Total Funds Brought Forward	17	1,417,797	26,155,671	4,248,983	31,822,451	31,470,691
TOTAL FUNDS CARRIED FORWARD		£(975,617)	£31,167,587	£5,015,933	£35,207,904	£31,822,451

All gains and losses arising in the year have been included in the Statement of Financial Activities. During the year the charitable group ceased the educational activities of Fulneck School. Income of £4,269,068 and expenditure of £5,150,307 relating to the discontinued activity are included within the Statement of Financial Activities. The net expenditure of the discontinued activity was £881,239. The remaining activities relate to continuing operations.

As a result of its activities for the year the parent charity, The Moravian Church, disclosed a net decrease in funds of £2,527. Its total net assets at the year end stood at £1,144,961.

The notes form part of these financial statements.

MORAVIAN CHURCH
CONSOLIDATED BALANCE SHEET
AT 31 AUGUST 2025

	Notes	Group 2025	Group 2024	Parent 2025	Parent 2024
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	9	2,315,892	4,224,404	339,833	347,556
Investment Property	10	31,702,092	26,969,063	-	-
Investments	11	2,816,616	3,487,159	117,067	141,172
		36,834,600	34,680,626	456,900	488,728
CURRENT ASSETS					
Stock	12	19,340	33,076	-	-
Debtors	13	261,363	679,115	49,814	124,377
Cash at Bank and in Hand		1,582,440	1,925,408	938,951	943,842
		1,863,143	2,637,599	988,765	1,068,219
LIABILITIES					
Creditors: Amounts falling due within one year	14	(678,923)	(2,001,612)	(300,704)	(409,459)
NET CURRENT ASSETS		1,184,220	635,987	688,061	658,760
TOTAL ASSETS LESS CURRENT LIABILITIES		38,018,820	35,316,613	1,144,961	1,147,488
CREDITORS: Amounts falling due after more than one year	15	(48,071)	(479,658)	-	-
Defined Benefit Pension Liability	19	(2,762,845)	(3,014,504)	-	-
TOTAL NET ASSETS		£35,207,904	£31,822,451	£1,144,961	£1,147,488
The Funds of the Charity:					
Restricted Funds	17	5,015,933	4,248,983	1,109,465	1,115,139
Unrestricted Funds					
General	17	(975,617)	1,417,797	-	-
Designated Fund – Defined Benefit Pension Liability	17	(2,762,845)	(3,014,504)	-	-
Designated	17	33,930,432	29,170,175	35,497	32,349
		30,191,970	27,573,468	35,497	32,349
TOTAL FUNDS		£35,207,904	£31,822,451	£1,144,961	£1,147,488

Approved by the Trustees on 30 October 2026 and signed on their behalf by



Rev M. Newman



Miss R. M. A. Hoey

Charity Number: 251211
The notes form part of these financial statements.

MORAVIAN CHURCH
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	2025 £	2024 £	2024 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES			(2,242,501)		512,558
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income		1,585,430		1,317,168	
Payments to acquire tangible fixed assets	9	(3,384)		(3,155)	
Proceeds on disposal of tangible fixed assets		-		372,617	
Proceeds on disposal of investment property assets	10	-		154,482	
Purchase of fixed asset investments	11	(3,746,299)		(989,417)	
Proceeds of sale of fixed asset investments	11	4,601,086		615,889	
			2,436,833		1,467,584
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(173,566)		(194,532)	
Movement on Loans		(363,744)		(164,079)	
			(537,310)		(358,611)
CHANGE IN CASH AND CASH EQUIVALENTS			(342,978)		596,415
Cash and Cash Equivalents at the beginning of the reporting period			1,925,408		1,328,993
Cash and Cash Equivalents at the end of the reporting period			£1,582,440		£1,925,408

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH OUTFLOW

	2025 £	2024 £
Net Movement in funds for the year	3,385,445	351,760
Investment Income	(1,585,430)	(1,317,168)
Interest Paid	173,562	194,528
Depreciation	102,762	213,690
(Gains)/Losses on disposal of property fixed assets	1,809,134	(51,322)
(Gains)/Losses on disposal of other fixed assets	-	-
(Gains)/Losses on investment assets	(4,917,273)	(47,830)
Investment asset impairment	-	(105,658)
(Increase)/Decrease in Stock	13,736	14,476
(Increase)/Decrease in Debtors	417,752	(93,139)
Increase/(Decrease) in Creditors	(1,390,529)	260,068
Movement on Defined Benefit Pension Liability	(251,659)	68,037
	£(2,242,501)	£ (512,558)

NET DEBT RECONCILIATION

	01/09/2024 £	Cashflow £	31/08/2025 £
Cash at Bank and in Hand	1,925,408	(342,968)	1,582,440
Loans repayable within one year	(108,536)	49,853	(58,683)
Loans repayable outside one year	(361,962)	313,891	(48,071)
	£1,346,969	£20,776	£1,475,686

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the provisions of the Charities Act 2011, 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), FRS 102 and the Charities Act 2011. 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 FRS 102.

The financial statements consolidate the incoming resources and resources expended, assets and liabilities of the following entities:

Moravian Church and its Congregations (The Parent)
The Moravian Union (Incorporated)
Fulneck School (until 8 July 2025)
Fulneck Choir House

The presentation currency of the financial statements is Pound Sterling (£).

Going Concern

The trustees consider that there are no material uncertainties about the Group's ability to continue as a going concern. The Group is continuing a financial restructuring exercise with the closure and placing of Fulneck School in Liquidation (see note 22). The properties used by Fulneck School have reverted to the Moravian Unionas investment properties. In forming this opinion, they have considered the impact of the ongoing financial restructuring exercise on both its income and expenditure for at least a period of twelve months from the date of approval of these financial statements. The Charity's reserves, including the investment properties revaluation reserve, and plans in place are sufficient to ensure that it remains a going concern for the foreseeable future.

Income Recognition

All 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.

Donations and Legacies

Income from donations and legacies 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.

School Fees

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the schools.

Rental Income

Rents receivable are included on an accruals basis.

Investment Income

Investment income is recognised when received by the investment managers.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

1. **ACCOUNTING POLICIES (Continued)**

Income Recognition (Continued)

Other Income
Other income is generally recognised on an accruals basis.

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. All expenditure heads in the SOFA include both direct costs and apportioned overhead costs. Overhead costs are apportioned on the basis of employee time.

Charitable activities represent the direct costs of carrying out the charity's aims, together with allocated support costs which are apportioned to the different expenditure heads on the basis of staff time. Governance costs are the costs of meeting the charity's regulatory obligations and are included within support costs.

Stock
Stock is valued at the lower of cost and net realisable value.

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 Trust 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.

Investment Property
Investment properties are valued at market value at the balance sheet date. The market values of the properties are reviewed annually and for the current year, investment properties were independently valued in March 2026 by John Forrester, Chartered Surveyors & Land Agents. The valuation was a desktop-based exercise and not a Red Book valuation. However, the valuation did follow the guidance of the RICS Valuation Professional Standards (Global & UK edition 2021). In addition, reports and valuations were commissioned from Savills for the Ockbrook School and Fulneck School estates as at 31 August 2025. These valuations were RICS compliant.

Leases
Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease. Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated over the life of the lease with payments to the lessor being apportioned between capital which writes down the outstanding obligation and interest which is charged to the Statement of Financial Activities over the period of the lease on a straight-line basis.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

1. **ACCOUNTING POLICIES (Continued)**

Tangible Fixed Assets
All freehold property is analysed between functional properties (e.g. Churches, Church Halls, Manses and Church House) and investment properties (the 'estates properties') which are maintained to generate rental income. The functional properties are 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 on a straight-line basis at 1% pa for the structure and 2.5% pa for the roof. 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.

Depreciation of fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

	Moravian Union	*Fulneck School*
Freehold land and buildings	1%-2.5%	N/A
Leasehold land and buildings	N/A	2%
Furniture and equipment	25-33.3%	10-15%
Computer equipment	N/A	33.3%
Motor vehicles	N/A	25%
Leased Assets	Over the life of the lease	

Taxation
For all charitable activities, the Church enjoys exemption from corporation tax under the Corporation Taxes Act 2010. The charity is not registered for Value Added Tax (VAT) and expenditure includes irrecoverable VAT where incurred.

Advance Fees Scheme
Where the school offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract, the amounts received are invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from school fee income and any excess accrued is treated as additional school income.

Financing costs include amounts accrued in accordance with the terms of the Advance Fees contracts.

Fund Accounting
Funds held by the charitable group are either: -

- Unrestricted general funds – these are funds which can be used for any purpose which is in accordance with the charity's objectives and at the discretion of the Trustees.

- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for a specific future purpose or project. All sums applied to the purchase of property are classified as designated funds.

- Restricted funds – these are funds that can only be used for a particular purpose within the objects of the charity. Restrictions arise when specified by either the donor or by way of indication when certain funds are raised.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

1. **ACCOUNTING POLICIES (Continued)**

Pensions
The different entities of the Moravian Church run a variety of pension schemes. Further details of each scheme are shown in Note 19.

As explained in note 19 to these financial statements, The Moravian Union has recognised discretionary pensions payable to retired ministers as an obligation. This liability is valued by The Moravian Union's actuaries (BWCI). The Trustees review the reasonability of assumptions underlying the most recent valuation annually and consider whether a new valuation is required. If a new valuation is not considered necessary, adjustment should be made to unwind the discount applied to the most recent valuation by one year. The Trustees consider that the assumptions underlying the previous valuation, as at 31 August 2024, have now changed significantly and an actuarial valuation was commissioned and completed providing a valuation as at 31 August 2025. Movements during the year are disclosed in note 19 to these financial statements.

With effect from 31 December 2015 the discretionary scheme for active members was discontinued and replaced by a defined contribution scheme. The charitable company's liability under this scheme is limited to paying contributions as they arise and these costs are recognised in the accounts when the contributions fall due.

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.

Staff employed at Fulneck School participate in the Opt Pensions, AVIVA SMART. Contributions to defined contribution pension schemes are charged to the statement of financial activities in the year in which they become payable. The school had withdrawn from the TPS Scheme with effect from 31 August 2023.

Short-term debtors and creditors
Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event to make payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

1. **ACCOUNTING POLICIES (Continued)**

Key Judgements and Estimates

(i) Financial instrument classification
The classification of financial instruments, both assets and liabilities, as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes the type of investment or loan and its return. The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

Concessionary loans received are initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

(ii) Useful lives of functional properties
The remaining useful lives of depreciable properties are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

(iii) Recognition and valuation of investment properties
The classification of The Moravian Union's properties between functional and investment purposes requires judgement of the use of those properties. Management annually reviews the usage of properties and their classification is amended when necessary.

The market value of properties classified as investments is annually reviewed by management and, based on the condition of those properties, the value is adjusted using a recognised market indices.

(iv) Valuation of retired ministers' defined benefit pension liability
The assumptions underlying the pension scheme actuarial valuation are reviewed annually by the trustees. If they consider that the principal actuarial assumptions have not changed significantly the liability at the year-end should be adjusted by unwinding the discount by one year. If they consider that changes in the principal actuarial assumptions will have a material impact on the value of the liability then an actuarial valuation will be commissioned. It is intended that an actuarial valuation will be carried out at least every five years to realign the liability. As detailed above under Pensions the most recent actuarial valuation was carried out as at 31 August 2025 and is detailed in note 19.

(v) Doubtful debt provision
The recoverability of outstanding debtor balances is reviewed by senior management on an annual basis. When recoverability is considered doubtful, a provision is made against the balance.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

2. DONATIONS AND LEGACIES

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	2025	2024
	£	£	£	£	£
Mrs E M Bates Trust	366,661	6,850	-	373,511	422,846
Grants	-	-	85,863	85,863	57,499
Donations and Legacies	207,434	-	575,194	782,628	751,353
The London Mission in Aid of Moravian Mission	60,000	-	-	60,000	60,000
	£634,095	£6,850	£661,057	£1,302,002	£1,291,698

3. OTHER TRADING ACTIVITIES

Fundraising events	-	-	129,716	129,716	113,346
	£-	£-	£129,716	£129,716	£113,346

4. INVESTMENT INCOME

Quoted Securities	56,232	20,576	153,182	229,990	175,836
Rents Receivable	1,070,112	-	272,482	1,342,594	1,135,971
Bank Interest	1,373	-	11,473	12,846	5,361
	£1,127,717	£20,576	£437,137	£1,585,430	£1,317,168

5. INCOME FROM CHARITABLE ACTIVITIES

School Fees					
Fulneck School	-	-	4,087,677	4,087,677	4,222,559
Congregational Activities	-	-	226,744	226,744	186,662
Unity Income	-	-	-	-	10,989
Book Sales	18,302	-	335	18,637	19,530
Other Activities	21,426	1,850	87,369	110,645	118,282
	£39,728	£1,850	£4,402,125	£4,443,703	£4,558,022

6. OTHER INCOME

Gain on disposal of fixed assets	218,622	-	-	218,622	1,226,300
	£218,622	£-	£	£218,622	£1,226,300

7. EXPENDITURE

	Costs of Raising Funds		Charitable Activities					
	Fundraising Trading Activities and other costs	Investment Management Costs	Education Costs	Ministry and Congregations		Support Costs	Total 2025	Total 2024
				Domestic	Overseas			
	£	£	£	£	£	£	£	£
Fulneck School General Education Costs*	-	-	2,043,140	-	-	-	2,043,140	644,415
Congregation Fundraising Activities	80,613	-	-	-	-	-	80,613	61,810
Ministry	-	-	-	636,229	-	-	636,229	630,301
Grants and Projects	-	-	-	139,567	114,746	-	254,313	204,582
Burial Ground Costs	-	-	-	3,542	-	-	3,542	5,663
Estate Management Costs	-	1,119,025	-	-	-	-	1,119,025	745,495
Staff Costs	24,589	-	2,126,232	310,609	34,632	423,403	2,919,465	3,523,584
Ministers Travel	-	-	-	36,436	-	-	36,436	35,139
Ministerial Training	-	-	-	41,398	-	-	41,398	36,853
Other Ministerial Costs	-	-	-	71,085	-	-	71,085	32,851
Archive Costs	-	-	-	63,080	-	-	63,080	57,384
Brokers Fees	-	17,585	-	-	-	-	17,585	17,833
Honorariums	1,000	-	-	17,251	-	-	18,251	17,196
Provision for Doubtful Debts	-	-	-	(79,027)	-	-	(79,027)	-
Youth and Children	-	-	-	37,332	-	-	37,332	35,537
Audit	-	-	-	11,000	-	29,860	40,860	65,420
Bank Charges	9,002	-	-	2,960	-	-	11,962	14,995
Interest	482	-	-	-	-	173,080	173,562	194,528
Depreciation	-	-	59,214	7,723	-	35,824	102,761	213,690
Book Purchases	-	-	-	11,685	-	-	11,685	14,840
Subscriptions and Licences	-	-	-	20,673	-	-	20,673	20,512
Messenger	-	-	-	25,887	-	-	25,887	25,440
Stationery and Postage	-	-	-	7,605	-	16,215	23,820	28,022
Premises (cleaning, repairs, security, light, power and utilities)	42,289	-	335,467	530,069	-	156,074	1,063,899	1,214,180
Legal & Professional	-	-	-	261,672	-	66,320	327,992	72,647
Computer Software Maintenance & Licences	-	-	-	-	-	72,680	72,680	102,277
Communications	-	-	-	-	-	2,380	2,380	3,179
Insurance	-	-	56,446	78,004	-	9,294	143,744	153,884
Ministers Removal Costs	-	-	-	14,862	-	-	14,862	3,906
Other Congregations Costs	-	-	-	7,428	-	-	7,428	38,999
Other Office Costs	-	-	-	32,911	-	1,065	33,976	11,702
	157,975	1,136,610	4,620,499	2,289,981	149,378	986,195	9,340,638	8,226,864
Apportioned Support Costs (based) on staff time)	-	-	529,808	397,057	59,330	(986,195)	-	-
Total 2025	£157,975	£1,136,610	£5,150,307	£2,687,038	£208,708	£-	£9,340,638	£8,226,864
Total 2024	£158,576	£763,328	£4,419,507	£2,669,577	£215,876	£-		£8,226,864

All grants are made to charitable institutions and are to help fund the ministry and congregations. They range in value from £200 to £50,000.

*Fulneck School General Education costs include the value of net assets transferred out of the Group when the School was placed in Administration. See note 22 for details.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

8. STAFF COSTS

	Moravian Church	Moravian Union	Fulneck School	2025 Total	2024 Total
	£	£	£	£	£
Gross Pay	445,876	285,132	2,208,106	2,939,114	3,478,705
Social Security Costs	21,713	34,802	213,396	269,911	302,607
Pension Costs	57,857	16,198	135,155	209,210	314,372
	525,446	336,132	2,556,657	3,418,235	4,095,684
Other staff costs	13,972	6,509	-	20,481	3,105
	£539,418	£342,641	£2,556,657	£3,438,716	£4,095,684
Included in Note 7 as follows:					
Staff Costs	83,248	279,561	2,556,657	2,919,466	3,523,584
Archive Costs	-	63,080	-	63,080	57,318
Ministry	432,895	-	-	432,895	420,222
Ministerial Training	-	-	-	-	-
Youth and Children	23,275	-	-	23,275	97,665
	£539,418	£342,641	£2,556,657	£3,438,716	£4,098,789
Average Staff Numbers:	No.	No.	No.	No.	No.
Teaching	-	-	68	68	63
Ministers	13	-	-	13	13
Other	3	6	27	36	37
	16	6	95	117	113
Between £70,001 - £80,000	-	-	1	1	1
Between £80,001 - £90,000	-	-	-	-	-
Between £90,001 - £100,000	-	-	-	-	-
Between £100,001 - £110,000	-	-	-	-	-

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 Church are considered to be the members of the Provincial Elders' Conference, who are also the trustees. The Trustees are not remunerated for their services as such. However, the regulations and practice of Synod allows serving ministers and Church House staff to be elected to the Provincial Elders' Conference and to continue to receive their stipends/salaries. During the period the following emoluments (including benefits) were paid.

	2025	2024
	£	£
Rev. D. R. Howarth	38,976	37,466
Miss R. M. A. Hoey	44,272	38,679
	£83,248	£76,145

An amount of £19,589 (2024: £20,291) was reimbursed to the Trustees for travel expenses incurred during the period.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

9. TANGIBLE FIXED ASSETS

GROUP	Land and Buildings £	Furniture, Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
Brought Forward	6,664,398	1,408,837	20,460	8,093,695
Additions	-	3,384	-	3,384
Disposals	(3,799,462)	(1,384,877)	-	(5,184,339)
At 31 August 2025	2,864,936	27,344	20,460	2,912,740
Depreciation				
Brought Forward	2,488,308	1,362,913	18,070	3,869,291
Charge for period	100,844	1,070	848	102,762
Depreciation on disposals	(2,035,517)	(1,339,688)	-	(3,375,205)
At 31 August 2025	553,635	24,295	18,918	596,848
Net Book Value				
At 31 August 2025	£2,311,301	£3,049	£1,542	£2,315,892
At 31 August 2024	£4,176,090	£45,924	£2,390	£4,224,404
PARENT				
Cost				
Brought Forward	386,172	21,413	-	407,585
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2025	386,172	21,413	-	407,585
Depreciation				
Brought Forward	38,616	21,413	-	60,029
Charge for period	7,723	-	-	7,726
Depreciation on disposals	-	-	-	-
At 31 August 2025	46,339	21,413	-	67,752
Net Book Value				
At 31 August 2025	£339,833	£-	£-	£339,833
At 31 August 2024	£347,556	£-	£-	£347,556

Part of the above Land and Buildings are subject to Mortgages – see Note 15. Certain properties used by congregations are not reflected on the balance sheet, although legal title is vested in the Moravian Union, as they were acquired a significant number of years ago and no record of their cost is available. These are functional properties used for charitable purposes.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

10. INVESTMENT PROPERTIES

	2025	2024
	£	£
Market Value		
At 1 September 2024	26,969,063	27,143,814
Impairment	-	-
Disposal Proceeds	-	(154,482)
Realised gain on disposal	-	-
Unrealised Revaluation Gains/(Losses)	4,733,029	(20,269)
At 31 August 2025	£31,702,092	£26,969,063

The Charity's estate properties, excluding the Ockbrook School and Fulneck School estates, were independently valued in March 2026 by John Forrester, Chartered Surveyors & Land Agents. The valuation was a desktop based exercise and not a Red Book valuation. However, the valuation did follow the guidance of the RICS Valuation Professional Standards (Global & UK edition 2021).

Separate reports and valuations were commissioned from Savills for Ockbrook School and Fulneck School estates as at 31 August 2025. These valuations were RICS compliant. Fulneck School entered administration in July 2025 and whereas the estate properties were previously occupied at a peppercorn rent by the School they became available for rent or sale and their values increased significantly. Consequently, the Fulneck School estate has been revalued to fair value at £3,500,000.

11. INVESTMENTS

	Group		Parent	
LISTED INVESTMENTS	**Total 2025**	**Total 2024**	**Total 2025**	**Total 2024**
	£	£	£	
Carrying Value at Beginning of year	3,487,159	2,939,874	141,172	192,898
Additions	3,746,299	989,417	-	-
Disposal Proceeds	(4,601,086)	(715,889)	(14,999)	(65,030)
Realised Gains/(Losses)	187,561	47,830	(193)	(1,251)
Unrealised Gains/(Losses)	(3,317)	225,927	(8,912)	14,555
Carrying Value at 31 August	£2,816,616	£3,487,159	£117,068	£141,172

The following investments individually represented more than 5% of the total market value of the portfolio:

Rathbone Unit Trust Mgt Ltd; Rathbone Ethical Bond I Acc	£157,000	-
Schroder Unit Trust Mgt Ltd; Global Sustainable Value Equity units	£178,094	-
UK Sovereign Govt. Bonds,		-
4.25% 31/07/2034	£160,182	-
4.5% 31/03/2035	£166,961	
The Charities Property Fund	£307,529	£300,269

12. STOCK

Group	**2025**	**2024**
	£	£
Moravian Union	19,340	19,476
Schools Stocks	-	13,600
	£19,340	£33,076

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

13. DEBTORS

	Group		Parent	
	2025	2024	2025	2024
	£	£	£	£
Trade Debtors	-	165,455	-	-
Amounts due from related Organisations	2,380	2,292	30,348	104,911
Other Debtors	119,595	152,438	19,466	19,466
Prepayments and Accrued Income	45,129	276,356	-	-
Agents Balances	36,703	33,965	-	-
Rent Due	57,556	48,609	-	-
	£261,363	£679,115	£49,814	£124,377

14. CREDITORS: Amounts falling due in less than one year

	Group		Parent	
	2025	2024	2025	2024
	£	£	£	£
Loans and Overdrafts Bank Loans	4,438	52,654	4,438	9,755
Trade Creditors	-	136,620	-	-
Amounts due to related Organisations	-	-	147,700	215,746
Other Creditors	217,629	416,148	1,584	1,584
Social Security and other Taxes	19,919	123,138	-	-
Accruals and Deferred Income	352,238	365,163	146,982	182,374
Fees in advance	30,454	852,007	-	-
Hire Purchase Contract	-	-	-	-
Bates Trust Loan	54,245	55,882	-	-
	£678,923	£2,001,612	£300,704	£409,459

Deferred Income consists of rent and School fees in advance.

	Group		Parent	
	2025	2024	2025	2024
	£	£	£	£
Balance brought forward	852,007	925,237	-	-
Rent and School Fees received in advance	30,454	852,007	-	-
Released to revenue during the year	(852,007)	(925,237)	-	-
Balance carried forward	£30,454	£852,007	£-	£-

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

15. CREDITORS: Amounts falling due in more than one year

Group		1 – 2 years	2 – 5 years	More than 5 years	2025
		£	£	£	£
Bank Loans	- Fulneck School	-	-	-	-
	- Moravian Union	-	-	-	-
		-	-	-	-
Bates Trust Loan		48,071	-	-	48,071
Other Creditors		-	-	-	-
		£48,071	£-	£-	£48,071

Group		1 – 2 years	2 – 5 years	More than 5 years	2024
		£	£	£	£
Bank Loans	- Fulneck School	17,208	35,062	9,124	61,394
	- Moravian Union	42,000	126,000	32,877	200,877
		59,208	161,062	42,001	262,271
Bates Trust Loan		51,708	47,983	-	99,691
Other Creditors		117,696	-	-	117,696
		£228,612	£209,045	£42,001	£479,658

When Ockbrook School went into administration in 2021, The Moravian Union as guarantor assumed responsibility for the liability in respect of Ockbrook School's outstanding bank loan balances. The outstanding loans are secured against Moravian Union property. After reviewing future costs in respect of the loan, the Trustees opted for early repayment and the outstanding balance was settled on 28 April 2025.

Fulneck School had one bank loan (2019), secured against the Fulneck School property which is owned by the Moravian Union. On the winding up of Fulneck School, this liability was settled by the Moravian Union.

During 2017 a loan of £500,000 was extended to The Moravian Union by the Mrs EM Bates Trust. The loan was to provide investment funding to The Moravian Union to undertake a major fixed asset properties repair programme. The loan is to be repaid over a period of 10 years and is secured against Flat 5 Winkley Court, a property valued at in excess of £500k. Interest is charged at 2%. The loan is considered a concessionary loan.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total 2025
	General	Designated		
	£	£	£	£
Group				
Tangible fixed assets	4,591	1,971,467	339,834	2,315,892
Investments	1,070,772	168,139	1,577,705	2,816,616
Investment Properties	-	31,702,092	-	31,702,092
Cash at bank and in hand	2,218,661	184,000	(820,221)	1,582,440
Other net assets/(liabilities)	(2,478,990)	(2,858,111)	2,127,965	(3,209,136)
	£815,034	£31,167,587	£3,225,283	£35,207,904
Parent				
Tangible fixed assets	-	-	339,833	339,833
Investments	-	-	117,067	117,067
Cash at bank and in hand	-	35,497	903,454	938,951
Other net assets/(liabilities)	-	-	(250,890)	(250,890)
	£-	£35,497	£1,109,465	£1,144,961

2024	Unrestricted Funds		Restricted Funds	Total 2024
	General	Designated		
	£	£	£	£
Group				
Tangible fixed assets	4,569	2,005,367	2,214,467	4,224,403
Investments	1,308,085	207,586	1,971,487	3,487,158
Investment Properties	-	26,969,063	-	26,969,063
Cash at bank and in hand	2,459,011	206,973	(740,576)	1,925,408
Other net assets/(liabilities)	(2,353,868)	(3,233,318)	803,605	(4,783,581)
	£1,417,797	£26,155,671	£4,248,983	£31,822,451
Parent				
Tangible fixed assets	-	-	347,556	347,556
Investments	-	-	141,172	141,172
Cash at bank and in hand	-	32,349	911,493	943,842
Other net assets/(liabilities)	-	-	(285,082)	(285,082)
	£-	£32,349	£1,115,139	£1,147,488

17. MOVEMENTS ON FUNDS

GROUP AND PARENT 2025	Opening Balance At 01/09/24	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/25
RESTRICTED	£	£	£	£	£	£	£
Moravian Union							
Evangelical	175,289	5,832	(81,937)	4,741	-	27,551	131,476
Ministers emoluments	661,368	20,299	(20,299)	19,605	-	-	680,973
Education	123,327	6,344	(70,252)	2,460	-	63,081	124,960
Overseas	380,763	1,158	(1,158)	12,735	-	-	393,498
Property	1,936,793	62,758	(66,189)	55,838	-	-	1,989,200
Relief of poverty	3,466	80	(80)	113	-	-	3,579
Other	439,519	19,317	(186,971)	9,287	-	154,373	435,525
	3,720,525	115,788	(426,886)	104,779	-	245,005	3,759,211
Moravian Church (congregations) – Parent only	1,115,139	1,343,292	(787,973)	(9,105)	-	(551,888)	1,109,465
Fulneck School	(789,523)	4,117,431	(5,184,380)	-	-	1,856,472	-
Fulneck Choir House	94,100	45,990	(43,289)	-	-	-	96,802
Comenius Foundation	108,742	7,534	-	-	-	(65,821)	50,455
	4,248,983	5,630,035	(6,442,528)	95,674	-	1,483,768	5,015,933
DESIGNATED							
Moravian Union							
Defined Benefit Pension Scheme	(3,014,504)	-	(144,065)	-	129,335	266,389	(2,762,845)
Ministers emoluments	70,986	10,967	(137)	1,511	-	-	83,328
Property	2,005,367	2,801	(1,600)	10,461	-	-	2,017,029
Investment Property – Cost	1,572,872	-	-	-	-	-	1,572,872
Investment Property – Revaluation	25,396,188	-	-	4,733,029	-	-	30,129,218
Other	2,219	7	(7)	72	-	-	2,293
Mission Renewal	90,193	-	-	-	-	-	90,193
	26,123,321	13,775	(145,809)	4,745,073	129,335	266,389	31,132,089
Moravian Church and Congregations – Parent only	32,350	15,501	(801,150)	-	-	788,796	35,498
	26,155,671	29,276	(946,959)	4,745,073	129,335	1,055,185	31,167,587
GENERAL							
Moravian Union	1,417,797	2,019,668	(1,939,540)	76,528	-	(2,550,070)	(975,617)
Moravian Church – Parent only	-	494	(11,611)	-	-	11,117	-
	1,417,797	2,020,162	(1,951,151)	76,528	-	(2,538,953)	(975,617)
	£31,822,451	£7,679,473	£(9,340,638)	£4,917,725	£129,335	£-	£35,207,904

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church. During the current year Fulneck School passed into liquidation and its net liabilities transferred out of the Group.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year.

17. MOVEMENTS ON FUNDS (Continued)

GROUP AND PARENT 2024	Opening Balance At 01/09/23	Incoming Resources	Resources Expended	Investment Gains/(Losses)	Actuarial Gains/(Losses) on Defined Pension Benefit	Transfers	Closing Balance At 31/08/24
RESTRICTED	£	£	£	£	£	£	£
Moravian Union							
Evangelical	167,047	5,958	(5,958)	8,242	-	-	175,289
Ministers emoluments	640,029	18,870	(23,870)	26,339	-	-	661,368
Education	117,310	9,896	(7,180)	3,301	-	-	123,327
Overseas	363,676	1,170	(1,170)	17,087	-	-	380,763
Property	1,841,915	123,757	(104,308)	75,429	-	-	1,936,793
Relief of poverty	3,314	75	(75)	152	-	-	3,466
Other	431,094	38,358	(151,713)	12,463	-	109,317	439,519
	3,564,385	198,084	(294,274)	143,013	-	109,317	3,720,525
Moravian Church (congregations) – Parent only	1,079,796	1,267,577	(692,438)	13,303	-	(553,099)	1,115,139
Fulneck School (Restated)	(651,966)	4,328,885	(4,473,559)	-	-	7,117	(789,523)
Fulneck Choir House	93,963	42,851	(42,714)	-	-	-	94,100
Comenius Foundation	130,226	6,682	-	-	-	(28,166)	108,742
	4,216,404	5,844,079	(5,502,985)	156,316	-	(464,831)	4,248,983
DESIGNATED							
Moravian Union							
Defined Benefit Pension Scheme	(2,946,467)	-	(151,946)	-	(181,398)	265,307	(3,014,504)
Ministers emoluments	59,320	9,779	(139)	2,027	-	(2)	70,986
Property	1,965,244	3,481	(1,328)	14,040	-	23,930	2,005,367
Investment Property – Cost	1,567,207	-	-	-	-	5,665	1,572,872
Investment Property – Revaluation	25,208,930	-	-	(20,269)	-	207,527	25,396,188
Other	2,127	7	(7)	92	-	-	2,219
Mission Renewal	90,193	-	-	-	-	-	90,193
	25,946,554	13,267	(153,420)	(4,110)	(181,398)	502,427	26,123,321
Moravian Church and Congregations – Parent only	30,725	11,676	(725,303)	-	-	715,252	32,350
	25,977,279	24,943	(878,723)	(4,110)	(181,398)	1,217,679	26,155,671
GENERAL							
Moravian Union	1,277,008	2,637,017	(1,827,339)	101,282	-	(770,171)	1,417,797
Moravian Church – Parent only	-	494	(17,817)	-	-	17,323	-
	1,277,008	2,637,511	(1,845,156)	101,282	-	(752,848	1,417,797
	£31,470,691	£8,506,534	£(8,226,864)	£253,488	£(181,398)	£-	£31,822,451

The Restricted Funds of the Moravian Church represent the funds of the congregations of the Moravian Church. The Restricted Funds of the Moravian Union are numerous and many are of some antiquity. The other Restricted Funds represent the assets and liabilities of other organisations which are considered to be wholly restricted within the consolidated accounts of the Moravian Church. Transfers from restricted funds relate to adjustments for transactions between Group entities and closed congregations. On closure of a congregation its outstanding reserves can be used for the general purposes of the Moravian Church.

The numerous Designated Funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees. The Defined Benefit Pension Scheme Fund represents the liability of the Moravian Church for discretionary past service benefits payable to retired ministers. The transfer to the fund relates to the reduction in the liability as a result of pensions paid during the year. The transfer from the Investment Property Revaluation Reserve reflects bank loans outstanding secured against The Grange and The Mount investment properties.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

17. MOVEMENTS ON FUNDS (Continued)

The broad purposes of the main restricted and designated funds of the group are as follows:

Restricted funds,

Evangelical – to further the religious objectives of the Moravian Church;
Ministers emoluments – to support the payment of ministers' stipends and related costs;
Education – towards educational purposes;
Overseas – to fund overseas provinces missionary work;
Property – congregations funds from sale of functional property restricted for future property use by the congregation;
Relief of Poverty – to fund grants and support for the relief of poverty; and
Other – this is made up of numerous small restricted donations to fund specific activities at congregations.

Designated funds,

Defined Benefit Pension Scheme Fund - represents the value of the unfunded deficit on the scheme (Note 18(i)). The transfer to this fund reflects pensions paid during the year;
Ministers' emoluments – to support the payment of ministers' stipends and related costs;
Property – represents the net book value of functional properties and other funds designated for property projects at congregations but held within the Moravian Union as the Church's asset holding body. The transfer in the current year is to fund an overspend;
Investment property cost and investment property revaluation reserves – represent in aggregate the carrying value of investment properties adjusted by transfer for outstanding loans secured on those properties;
Other - this is made up of numerous small designated reserves to fund specific activities at congregations: and
Mission renewal - to fund overseas mission work.

18. OBLIGATIONS UNDER OPERATING LEASE AGREEMENTS FOR EQUIPMENT

Group	**2025**	**2024**
	£	£
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:		
Less than One Year	-	5,899
Between One and Five Years	-	41,912
After more than Five Years	-	-
	£-	£47,811

Obligations under operating leases related to Fulneck School which has closed prior to the year end.

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

19. PENSIONS

Moravian Union/Moravian Church
The Moravian Church through the Moravian Union operates three pension schemes,

(i) Defined benefit pension scheme

Under this scheme discretionary pensions were paid to retired ministers in service prior to 31 August 2010 in accordance with the rules established by Synod, provided sufficient funds were available. The assets used to pay these pensions are not held separately from other funds of the Charitable Company. As a result of a resolution passed at the 2016 British Provincial Synod, The Moravian Union recognises these pensions as an obligation and an actuarial valuation of the liability was obtained as at the 31 August 2025.

Employee benefit obligations for the Moravian Church in respect of the Liability

The amounts recognised in the Balance Sheet are as follows:

	31/08/2025 £	31/08/2024 £
Fair value of Liability Assets	-	-
Present value of funded obligations	(2,762,845)	(3,014,504)
Net (under)/overfunding of Liability	£(2,762,845)	£(3,014,504)
Unrecognised assets	-	-
Net Defined Benefit Liability	£(2,762,845)	£(3,014,504)

The amounts recognised in the Statement of Financial Activities are as follows:

	31/08/2025 £	31/08/2024 £
Service cost	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Settlement costs / (gains)	-	-
Net Interest on Net Defined Benefit Liability	144,065	151,946
Expense recognised in Profit or Loss	£144,065	£151,946

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

19. **PENSIONS (Continued)**

The Moravian Union contributed £266,389 to fund the payment of benefits over the year from 1 September 2024 to 31 August 2025. No contributions were made by members over the period as the Liability is an unfunded arrangement.

No contributions are expected from the Church or from members over the next year from 1 September 2025 to 31 August 2026. The liability is unfunded, and pensions are paid directly by the Moravian Union.

Changes in the present value of the Liability's Defined Benefit Obligation are as follows:

	31/08/2025	31/08/2024
	£	£
Opening Defined Benefit Obligation	3,014,504	2,946,467
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(266,389)	(265,307)
Interest on obligation	144,065	151,946
Experience losses / (gains)	76,535	73,646
Losses / (gains) from changes in assumptions	(205,870)	107,752
Closing Defined Benefit Obligation	£2,762,845	£3,014,504

The weighted average duration of the liabilities of the Liability was 8 years as at 31 August 2025.

Employee Benefit Obligations for The Moravian Union in Respect of the Liability

Changes in the fair value of the assets are as follows:

	31/08/2025	31/08/2024
	£	£
Opening fair value of Liability assets	-	-
Interest on assets	-	-
Return on assets (not included in interest)	-	-
Assets distributed on settlements	-	-
Contributions by Moravian Union	266,389	265,307
Contributions by members	-	-
Benefits paid	(266,389)	(265,307)
Administration expenses	-	-
Closing fair value of Liability assets	£-	£-

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

19. **PENSIONS (Continued)**

Principal actuarial assumptions used for the most recent FRS 102 disclosures:

	31/08/2025	31/08/2024
	% pa	% pa
Discount rate at end of year	5.80	5.00
Discount rate at start of year	5.00	5.40
Rate of increase in deferred pensions (LPI 3%)	2.50	2.60
Rate of increase in deferred pensions (LPI 4%)	2.90	3.10
Rate of increase in pensions in payment (LPI 3%)	2.50	2.60
Rate of increase in pensions in payment (LPI 4%)	2.90	3.10

Mortality Assumptions
The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female.

For a member currently aged 50 the assumptions are that if they attain age 65, they will live on average until age 88 if they are male and until age 90 if female.

(ii) Active ministers defined contribution scheme

With effect from 31 December 2015 the discretionary scheme for active 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 preceding year, have been calculated and index linked to retirement, capped at either 3% or 4%, as part of the actuarial valuation.

(iii) Other employees personal pension plans

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 £16,198 (2024: £17,312).

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

19. PENSIONS (Continued)

Opt Pensions

Fulneck School participates in a support staff pension scheme that is regulated by Opt Pensions which is an auto enrolment scheme whereby the school contributes 5% of gross earnings. The pension charge for the year includes contributions payable to Opt Pensions of £209,041 (2024: £30,846).

20. RELATED ORGANISATIONS

Two of the Moravian Church's Trustees are also Trustees of the London Association in Aid of Moravian Missions. 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. Neither organisation is considered a member of The Moravian Church group. The group received the following amounts from related parties during the period: -

	2025	2024
	£	£
Mrs E.M. Bates Trust	£366,661	£422,846
The London Mission in Aid of Moravian Missions	£70,000	£60,000
At 31 August 2025, the following balances were outstanding: -		
Due from Mrs E.M. Bates Trust	£36,666	£76,204
Due to Mrs E.M. Bates Trust	£102,316	£155,573

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

21. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds		Restricted	Total
	General	Designated	Funds	2024
	£	£	£	£
Income and endowments from:				
Donations and Legacies	479,526	6,642	805,530	1,291,698
Other Trading Activities	-	-	113,346	113,346
Investments	880,873	15,782	420,513	1,317,168
	1,360,399	22,424	1,339,389	2,722,212
Charitable activities	50,812	2,520	4,504,690	4,558,022
Other	1,226,300	-	-	1,226,300
Total income	2,637,511	24,944	5,844,079	8,506,534
Expenditure On:				
Raising Funds				
Fundraising trading: cost of goods sold and other costs	-	-	(158,576)	(158,576)
Investment management costs	(752,036)	(1,474)	(9,818)	(763,328)
	(752,036)	(1,474)	(168,394)	(921,904)
Charitable Activities	(1,093,120)	(877,249)	(5,334,591)	(7,304,960)
Total expenditure	(1,845,156)	(878,723)	(5,502,985)	(8,226,864)
Gains/(Losses) on investment Assets	101,282	(4,110)	156,316	253,488
Net income/(expenditure)	893,637	(857,889)	497,410	533,158
Actuarial Gains/(Losses) on Defined Benefit Pension Scheme	-	(181,398)	-	(181,398)
Transfers between reserves	(752,848)	1,217,679	(464,831)	-
	140,789	178,392	32,579	351,760
Total Funds Brought Forward	1,277,008	25,977,279	4,216,404	31,470,691
TOTAL FUNDS CARRIED FORWARD	£1,417,797	£26,155,671	£4,248,983	£31,822,451

MORAVIAN CHURCH
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2025

22. ASSESSMENT OF GOING CONCERN

As with many other entities, the current economic climate has had, and is likely to have in the future, a significant impact on the financial performance of the Group and the individual entities within the Group. The Trustees have reviewed the projected performance and financial position of the Group and the entities within the Group and are of the opinion that both the parent charity and its subsidiary, The Moravian Union, will remain going concerns for the foreseeable future.

The Moravian Union acted as guarantor in respect of Fulneck School's loans (see note 15). With the closure of the school on 8 July 2025, The Moravian Union settled the outstanding balances prior to the year end. The Fulneck School estate, from which the School operated, was leased at a peppercorn rent from The Moravian Union and carried in these financial statements as a functional property at depreciated cost. From the date of closure of the School the estate reverted to The Moravian Union and has been revalued to market value as an investment property (see note 10).

After considering the Charity's reserves, held primarily within The Moravian Union, which acts as the asset holding body of the Moravian Church, and future cash flow forecasts for a period well in excess of 12 months from the date of approval of these financial statements, the Trustees are confident that the assets of the Church are sufficient to meet these liabilities as they arise.

Appendix 1

MORAVIAN CHURCH
PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	2025	2024
	£	£	£	£	£
Income and endowments from:					
Donations and Legacies	-	370,000	641,184	1,011,184	1,018,685
Other Trading Activities	-	-	83,815	83,815	69,592
Investments	659	15,501	324,367	340,527	276,201
	659	385,501	1,049,366	1,436,526	1,364,478
Charitable activities	-	-	293,926	293,926	225,270
Total income	659	385,501	1,343,292	1,729,452	1,589,748
Expenditure On:					
Raising Funds					
Fundraising trading: cost of goods sold and other costs	-	-	(80,613)	(80,613)	(61,810)
Investment management costs	-	-	-	-	-
	-	-	(80,613)	(80,613)	(61,810)
Charitable Activities	(11,611)	(801,150)	(829,501)	(1,642,262)	(1,504,274)
Total expenditure	(11,611)	(801,150)	(910,114)	(1,722,875)	(1,566,084)
Gains/(losses) on investment assets	-	-	(9,105)	(9,105)	13,305
Net income/(expenditure)	(10,952)	(415,649)	424,073	(2,528)	36,969
Transfers	10,952	418,796	(429,748)	-	-
NET MOVEMENT IN FUNDS	-	3,147	(5,675)	(2,528)	36,969
Total Funds Brought Forward	-	32,350	1,115,139	1,147,489	1,110,520
TOTAL FUNDS CARRIED FORWARD	£-	£35,497	£1,109,464	£1,144,961	£1,147,489

All gains and losses arising in the year have been included in the Statement of Financial Activities and relate to continuing operations.