

THE MORAVIAN UNION (INCORPORATED)

A company limited by guarantee
No. 133708

REPORT OF THE COMMITTEE OF MANAGEMENT
AND
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1994



Gane Jackson Scott
Chartered Accountants
Holborn Hall
100 Grays Inn Road
London WC1X 8AY.

The Moravian Union (Incorporated) was incorporated in 1914.

CHURCH HOUSE
and Registered Office

5-7 Muswell Hill,
London N10 3TJ.

GOVERNING BODY

The British Provincial Synod
of the Moravian Church

COMMITTEE OF MANAGEMENT

Rt. Rev. G.E. Birtill
Rev. F. Linyard (retired 30.9.94.)
Mr. M.R. Healey (retired 15.7.94.)
Rev. W.J. H. McOwat
Mrs. J.K. Morten (appointed 15.7.94.)
Mr. D. Woods (appointed 15.7.94.)

INVESTMENT ADVISORS

Laing & Cruickshank
Investment Management Limited
Broadwalk House,
5 Appold Street,
London EC2A 2DA.

BANKERS

Barclays Bank Plc
Muswell Hill,
223 Muswell Hill Broadway,
London N10 1DD.

SOLICITORS

Gregory, Rowcliffe & Milners,
1 Bedford Row,
London WC1R 4BZ.

AUDITORS

Gane Jackson Scott,
Chartered Accountants,
Holborn Hall,
100 Grays Inn Road,
London WC1X 8AY.

THE MORAVIAN UNION (INCORPORATED)
REPORT OF THE COMMITTEE OF MANAGEMENT

Page 2

Objectives

The objective of the Company is to administer the British Province of the Moravian Church. It achieves this objective by administering the property and funds of the British Province which are vested in the company.

Activities

There were no changes in the objectives or activities during the year nor are any changes foreseen.

Surplus

The operating surplus for the year amounted to £121,283.

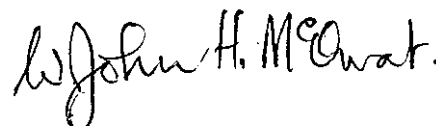
Fixed Assets

The changes in fixed assets are given in note 9. In the opinion of the Committee of Management the market value of the freehold property is in excess of cost.

Directors

The members of the Committee of Management (who are directors for the purposes of the Companies Act) are set out on page 1.

By order of the Committee of Management



REV. W.J.H. McOWAT
Secretary

STATEMENT OF THE RESPONSIBILITIES OF THE COMMITTEE OF MANAGEMENT

Company law requires the Committee of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Committee of Management is required to

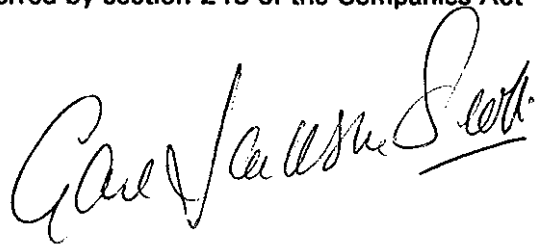
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE COMMITTEE OF MANAGEMENT
PURSUANT TO SECTION 248 OF THE COMPANIES ACT 1985**

We have examined the financial statements of the company and its subsidiary undertaking for the year ended 31st December 1994. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemption conferred by section 248 from preparing group accounts.

In our opinion, for the year ended 31st December 1994, the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.



GANE JACKSON SCOTT
Registered Auditors
Chartered Accountants
Holborn Hall
100 Gray's Inn Road
London WC1X 8AY.
11 September 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE MORAVIAN UNION (INCORPORATED)**

Page 4

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of the Committee of Management and Auditors

As described on page 3 the company's Committee of Management is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion to you.

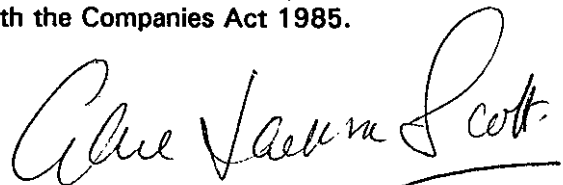
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Committee of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1994 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GANE JACKSON SCOTT
Registered Auditors
Chartered Accountants
Holborn Hall
100 Grays Inn Road
London WC1X 8AY

11 September 1995

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994**

INCOME	Notes	1994		1993	
		£	£	£	£
Congregation assessment	5		221,625		210,049
Investment income	6		99,545		101,058
Interest receivable			26,266		24,392
Rent	7		19,092		20,253
Bates Trusts			216,195		202,924
Legacies			14,834		27,324
Sundry			46,938		36,874
			<u>644,495</u>		<u>622,874</u>
Less: income due to congregations and schools			(32,590)		(59,401)
			<u>611,905</u>		<u>563,473</u>
DIRECT EXPENDITURE					
Ministry		209,200		203,691	
Ministerial training		12,208		23,587	
Pensions		83,934		60,107	
Education and child allowance		6,705		13,133	
Choir Houses		19,611		28,413	
Grants to congregations and projects		12,844		54,857	
Administration		<u>146,120</u>		<u>115,324</u>	
			490,622		499,112
OPERATING SURPLUS FOR THE YEAR			<u><u>121,283</u></u>		<u><u>64,361</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		1994		1993	
		£	£	£	£
Operating surplus for the year			121,283		64,361
Capital grant from related organisation to pension fund			500,000		-
Net Gains on Investments		192,874		17,501	
Gains attributable to related organisations		<u>(73,414)</u>		<u>(4,111)</u>	
			119,460		13,390
			<u><u>740,743</u></u>		<u><u>77,751</u></u>

None of the Company's activities were acquired or discontinued during the above two financial years.

The income and expenditure account and statement of gains should be read in conjunction with the reconciliation and analysis of movement on funds for the year shown in note 11.

The attached notes form part of these financial statements.

**BALANCE SHEET
AS AT 31ST DECEMBER 1994**

FIXED ASSETS	Notes	1994		1993	
		£	£	£	£
Tangible	8(a)		85,226		85,226
Investment in subsidiary	8(b)		14,177		14,177
Other Investments	8(c)		1,466,184		1,218,340
			<u>1,565,587</u>		<u>1,317,743</u>
CURRENT ASSETS					
Debtors	9	814,723		749,877	
Bank deposits		351,850		289,349	
Cash at bank & in hand		38,183		26,375	
		<u>1,204,756</u>		<u>1,065,601</u>	
CREDITORS:					
amounts falling due within one year	10	57,237		410,981	
NET CURRENT ASSETS			<u>1,147,519</u>		<u>654,620</u>
			<u>2,713,106</u>		<u>1,972,363</u>
PERMANENT FUNDS					
Permanent Funds	11		145,409		132,401
Designated Funds - capital	11		2,079,038		1,355,647
- revenue	11		154,531		161,038
Revenue funds - congregation	11	316,616		312,542	
- general	11	<u>17,512</u>		<u>10,735</u>	
			<u>334,128</u>		<u>323,277</u>
			<u>2,713,106</u>		<u>1,972,363</u>

The Balance Sheet should be read in conjunction with the reconciliation and analysis of movement of funds and analysis of fund balances between the net assets shown in note 11.

Approved by the Committee of Management on

1st September 1995

G. E. Birtill

RT. REV. G.E. BIRTILL

W. J. H. McOWAT

REV. W.J.H. McOWAT

The attached notes form part of these financial statements.

**NOTES TO THE ACCOUNTS
AS AT 31ST DECEMBER 1994**

1. STATUS

The Union was incorporated under the Companies Acts 1908 and 1913 as an Association limited by guarantee and not having a share capital.

In the event of the Union being wound up, the liability of each member shall not exceed £1.

2. ACCOUNTING POLICIES**(a) Basis of preparation**

The Financial Statements have been prepared under the historical cost convention.

The British province of the Moravian Church is a registered charity, so the Financial Statements are presented in accordance with the Statement of Recommended Practice No. 2: "Accounting by Charities". Accordingly, the presentation of income and expenditure in the financial statements has been adapted from that prescribed by the Companies Act 1985 to reflect the special nature of the company's activities.

(b) Income Recognition

Income is recognised on an accruals basis except for investment income which is dealt with on a receipts basis.

(c) Expenditure

Expenditure is charged on an accruals basis. All expenditure is treated as direct expenditure, since administration is an objective of the Union.

(d) Tangible Fixed Assets

(i) No depreciation is provided on freehold land and buildings.

(ii) Office furniture etc. is written off in the year of purchase.

(e) Investment in subsidiary

The Committee of Management has taken advantage of the provisions of S248 Companies Act 1985 and have not prepared group financial statements.

(f) Congregations

The assets, liabilities and Revenue Accounts of individual Congregations are not incorporated in the Financial Statements, nor has the value of the content of the Archives been included.

(g) Other investments

The book value of other investments comprises

(i) Assets held prior to 16th July 1923 are valued at the market value at that date.

(ii) For subsequent additions either

- costs, or
- estimated market value at date of transfer if acquired other than by purchase.

Realised profits and losses on investments are dealt with in the Statement of Total Recognised Gains and Losses. Unrealised losses are dealt with in the Statement of Total Recognised Gains and Losses where the diminution in value is considered to be permanent.

NOTES TO THE ACCOUNTS (continued)
AS AT 31ST DECEMBER 1994

3. EXPENDITURE			1994	1993
(as required by Companies Act 1985)			£	£
Committee of management remuneration				
- as directors			-	-
- other services			30,078	28,641
Auditors remuneration			<u>6,451</u>	<u>6,263</u>
4. MINISTERS AND CHURCH HOUSE STAFF				
(as required by Schedule 4, Companies Act 1985)				
	1994		1993	
	£	No.	£	No.
Ministers stipends	197,229	15	195,726	17
Administration	<u>28,282</u>	<u>5</u>	<u>27,098</u>	<u>5</u>
	<u>225,511</u>	<u>20</u>	<u>222,824</u>	<u>22</u>
Salaries	205,222		202,957	
Social Security costs	<u>20,289</u>		<u>19,867</u>	
	<u>225,511</u>		<u>222,824</u>	
5. ASSESSMENTS			1994	1993
			£	£
Youth work			360	360
Ministers stipends			187,257	180,442
National Insurance			9,733	8,976
Administration			<u>24,275</u>	<u>20,271</u>
			<u>221,625</u>	<u>210,049</u>
6. INVESTMENT INCOME			1994	1993
			£	£
Quoted securities			97,741	97,783
Unquoted securities			<u>1,804</u>	<u>3,275</u>
			<u>99,545</u>	<u>101,058</u>

NOTES TO THE ACCOUNTS (continued)
AS AT 31ST DECEMBER 1994

7. RENT	1994	1993
	£	£
Choir Houses	13,229	14,012
Offices	3,423	3,422
Manses	2,440	2,819
	<u>19,092</u>	<u>20,253</u>

8. FIXED ASSETS

(a) Tangible Fixed Assets	£	£
Freehold property at cost		
At 1st January 1994 and at 31st December 1994	<u>85,226</u>	<u>85,226</u>

In the opinion of the Committee of Management, the market value of freehold property is in excess of cost.

A loan of £50,000 from Bates Trusts to Fulneck Boys School is secured by a mortgage over the property at 5-7 Muswell Hill, N.10. At 31st December 1994, £11,667 of this loan remained outstanding.

(b) Investment in subsidiary	1994	1993
	£	£
Shares in Unitas Estates Co. Ltd. at valuation in 1962	<u>14,177</u>	<u>14,177</u>

The investment is 5,671 shares of £10 each, representing 99% of the issued share capital. The company is incorporated in England for the purpose of Estate Management.

The capital and reserves of the company at 30th April 1994 was £242,718. The profit for the financial year ended 30th April 1994 was £39,167. Under the equity method of valuation the investment in the subsidiary would be £242,248.

(c) Other investments

	Cost/Book Value				Market Value	
	1.1.94	Additions	Disposals	31.12.94	31.12.94	31.12.93
	£	£	£	£	£	£
Quoted securities	1,204,531	895,151	(641,138)	1,458,544	1,529,718	1,626,517
Unquoted	13,809	-	(6,169)	7,640	36,925	71,243
	<u>1,218,340</u>	<u>895,151</u>	<u>(647,307)</u>	<u>1,466,184</u>	<u>1,566,643</u>	<u>1,697,760</u>

NOTES TO THE ACCOUNTS (continued)
AS AT 31ST DECEMBER 1994

9. DEBTORS	1994	1993
	£	£
Receivable from Bates Trusts	201,966	189,724
Loans to congregations and schools and car loans	357,853	341,407
Other debtors	254,904	218,746
	<u>814,723</u>	<u>749,877</u>
 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	 1994	 1993
	£	£
Social Security and other taxes	8,305	6,621
Congregations, schools and related organisations	36,541	382,530
Other creditors	3,124	14,018
Accruals	9,267	7,812
	<u>57,237</u>	<u>410,981</u>

THE MORAVIAN UNION (INCORPORATED)
NOTES TO THE ACCOUNTS (continued) - AS AT 31ST DECEMBER 1994

11. RECONCILIATION AND ANALYSIS OF MOVEMENT ON FUNDS

	Permanent Funds		Designated Capital Funds				Designated Revenue		Revenue Funds		Total
	Provincial & other	Congregations	Provincial & other		Congregations	Provincial & other		Congregations	General		
			Pension	Other		Pension	Other				
	£	£	£	£	£	£	£	£	£	£	
Income (excl. legacies)	3,780	8,182	91,429	89,323	9,905	40,000	353,635		4,847	28,560	629,661
Due to congregations etc	(266)	(8,096)	-	(17,049)	(5,773)	-	-	-	-	(1,406)	(32,590)
Expenditure	(683)	-	-	(2,396)	-	(83,935)	(380,501)		(9,762)	(13,345)	(490,622)
Transfers	2,831	86	91,429	69,878	4,132	(43,935)	(26,866)		(4,915)	13,809	106,449
	(2,831)	(86)	(41,429)	(17,773)	(4,132)	45,074	19,220		8,989	(7,032)	-
Legacies	-	-	50,000	52,105	-	1,139	(7,646)		4,074	6,777	106,449
Surplus for year	-	200	-	13,634	1,000	-	-		-	-	14,834
Grant	-	-	50,000	65,739	1,000	1,139	(7,646)		4,074	6,777	121,283
Gains	2,779	10,029	50,787	44,293	11,572	-	-		-	-	500,000
	2,779	10,229	600,787	110,032	12,572	1,139	(7,646)		4,074	6,777	740,743
Brought forward	71,598	60,803	295,559	919,455	140,633	58,024	103,014		312,542	10,735	1,972,363
Carried forward	74,377	71,032	896,346	1,029,487	153,205	59,163	95,368				
		145,409		2,079,038		154,531			316,616	17,512	2,713,106

ANALYSIS OF NET ASSETS BETWEEN THE FUND BALANCES

Fixed Assets	31,056	-	-	-	-	-	54,170		-	-	85,226
Subsidiary	-	-	-	14,177	-	-	-		-	-	14,177
Investments	-	-	-	-	-	-	1,466,184		-	-	1,466,184
Bank deposits	-	-	-	-	-	-	351,850		-	-	351,850
Other net assets	-	-	-	-	-	-	795,669		-	-	795,669
Inter fund loans	43,321	71,032	71,032	1,015,310	153,205	59,163	(2,572,505)		316,616	17,512	-
	74,377	71,032	896,346	1,029,487	153,205	59,163	95,368		316,616	17,512	2,713,106

NOTES TO THE ACCOUNTS (continued)
AS AT 31ST DECEMBER 1994

11. (continued)

The designated funds are too numerous to list but can be summarised as follows:-

	£
Principal Provincial Trust Funds	1,107,214
Congregation Trust	153,206
Principal and Other Trusts	292,376
Central Boarding Schools Department	8,864
Guarantee and General Fund	146,250
Reserve against depreciation of shares in the Unitas Estates Co. Ltd.	5,802
Special Funds for Unity and other purposes	83,433
Other special funds	837
Contingency Reserve	281,056
	<u>2,079,038</u>

The Pension Fund income is applied in providing voluntary pensions and other benefits to retired Ministers.

12. RELATED ORGANISATIONS

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

Trust Society for the Furtherance of the Gospel (Incorporated)
Moravian Mission Agency Limited
Fulneck Boys School
Fulneck Girls School
Ockbrook Girls School
Congregations in Great Britain and Northern Ireland