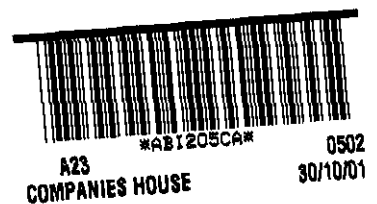


THE MORAVIAN UNION (INCORPORATED)
(A company limited by guarantee)

Company Number: 133708
Charity Number: 251211

**REPORT OF THE
COMMITTEE OF MANAGEMENT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2000**



The Moravian Union (Incorporated)

Legal and Administrative Information

The Moravian Union (Incorporated), a company limited by guarantee (No. 133708), was established in 1914 to act as trustee of the property of and to administer the British Province of the Moravian Church within the British Isles. The British Province of the Moravian Church or Unitas Fratrum is a registered charity (No. 251211), governed by a Provincial Synod. A sister company, the Trust Society for the Furtherance of the Gospel, acts in a similar capacity in relation to the Province's missionary work overseas.

The company is governed by its Memorandum and Articles of Association. The Committee of Management, who are the directors in company law and trustees of the company's charitable activities, are appointed by Synod. The Articles of Association require the Committee to act in accordance with resolutions of Synod.

Church House and
Registered Office

5-7 Muswell Hill
London N10 3TJ

Governing Body of the Church

The British Provincial Synod
of the Moravian Church

Committee of Management

Rev. W.J.H. McOwat (resigned 14.7.00)
Mrs. J.K. Morten
Mr. D. Woods
Rev. D.J. Newman
Rev. R.J. Hopcroft (appointed 14.7.00)

Company Secretary

Rev. D.J. Newman (appointed 14.7.00)
Mrs. J.K. Morten

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

Kingston Smith
Chartered Accountants
Devonshire House
60 Goswell Road
London EC1M 7AD

The Moravian Union (Incorporated)

Report of the Committee of Management

Objectives

The objective of the company is to administer the British Province of the Moravian Church, which is a registered charity No. 251211. It achieves this objective by administering the property and funds of the British Province which are vested in the company.

Activities

The company receives assessments from congregations, dividends and interest from its investments, significant grants under the terms of the Bates Trusts for the Moravians (registered charities No. 234212 and 234214) and income from other sources, and applies the income in paying stipends to ministers, pensions to retired ministers, providing ministerial training, assisting congregations and generally administering the affairs of the Church.

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

Resources

Net incoming resources from operations for the year amounted to £29,842 (1999 - £24,361) and the total of other recognised gains amounted to £90,453 (1999 - gains of £232,998). At the end of the year total funds stood at £4,844,187 (1999 - £4,723,892).

The company's assets, on a fund by fund basis, are available and adequate to fulfil its charitable obligations.

Fixed Assets

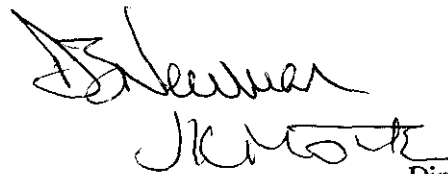
As explained in note 2 to the accounts, properties in use by congregations are not included in the balance sheet. In the opinion of the Committee of Management the market value of the freehold property is in excess of cost.

Investments are pooled in accordance with a scheme agreed with the Charity Commissioners and all investments held have been acquired in accordance with the powers available to the trustees.

Directors

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

Signed On Behalf of the Committee of Management



Director and Trustee

5-7 Muswell Hill
London N10 3TJ

29 October 2001

The Moravian Union (Incorporated)

Statement of 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 profit or loss of the company for that period.

In preparing those financial statements, the Committee of Management are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The Committee of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Independent Auditors' Report to the Members of The Moravian Union (Incorporated)

We have audited the financial statements of The Moravian Union (Incorporated) for the year ended 31st December 2000 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the note of Historical Cost Profits and Losses, the Balance Sheet and the related notes.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and the accounting policies set out therein.

Respective Responsibilities of Trustees and Auditors

As described in the Statement of Committee of Management's Responsibilities, the charity's Committee of Management are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Committee of Management's Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read the Committee of Management's Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board.

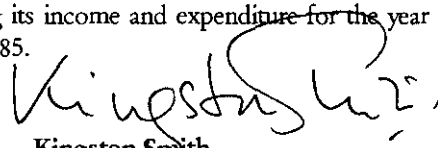
An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 charitable company's affairs as at 31st December 2000 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House
60 Goswell Road
London EC1M 7AD


Kingston Smith
Chartered Accountants
and Registered Auditors

29th October 2001

The Moravian Union (Incorporated)
Statement of Financial Activities
For the year ended 31st December 2000

	Note	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2000	Total 1999
		General	Designated				
		£	£	£	£	£	£
Incoming Resources							
Congregation assessments	6	19,655	296,957	-	-	316,612	310,848
Investment income	7	35,931	96,919	6,382	463	139,695	140,044
Interest receivable		19,471	2,437	10,669	-	32,577	39,139
Rent	8	5,109	14,620	536	-	20,265	16,761
Bates Trusts		368,433	5,826	13,123	-	387,382	200,167
Legacies		-	-	16,312	-	16,312	2,464
TSFG (inc) - Share of expenses		39,343	-	13,123	-	52,466	35,272
Sundry		3,757	6,139	1,905	-	11,801	10,716
Unity income		-	-	19,578	-	19,578	23,346
Capital grant		-	-	-	-	-	50,000
		<u>491,699</u>	<u>422,898</u>	<u>81,628</u>	<u>463</u>	<u>996,688</u>	<u>828,757</u>
Less: Due to congregations and schools		<u>(26,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,891)</u>	<u>(26,450)</u>
Total Incoming Resources		<u>464,808</u>	<u>422,898</u>	<u>81,628</u>	<u>463</u>	<u>969,797</u>	<u>802,307</u>
Resources Expended							
Direct charitable expenditure:							
Ministry		-	335,181	-	-	335,181	332,696
Ministerial training		-	13,634	-	-	13,634	12,870
Pensions		-	138,146	-	-	138,146	130,162
Education and child allowance		22,078	-	-	-	22,078	12,009
Choir houses		-	8,317	-	-	8,317	25,956
Grants to congregations and projects		39,545	-	15,200	26	54,771	29,718
Unity expenses		-	-	22,712	-	22,712	15,897
Archives		-	-	31,078	-	31,078	15,802
Youth and Children		31,913	-	-	-	31,913	23,295
Administration		270,736	-	-	-	270,736	179,541
Brokers charges		567	-	2,661	8,161	11,389	-
	3	<u>364,839</u>	<u>495,278</u>	<u>71,651</u>	<u>8,187</u>	<u>939,955</u>	<u>777,946</u>
Net Incoming/(Outgoing) Resources		<u>99,969</u>	<u>(72,380)</u>	<u>9,977</u>	<u>(7,724)</u>	<u>29,842</u>	<u>24,361</u>
Gains/(Losses) on Investments and Property:							
Realised investment losses		(1,973)	-	(9,264)	(28,415)	(39,652)	(71,237)
Realised property gains		-	-	150,484	-	150,484	-
Unrealised investment (losses)/gains		<u>(17,343)</u>	<u>-</u>	<u>(3,036)</u>	<u>-</u>	<u>(20,379)</u>	<u>304,235</u>
		<u>(19,316)</u>	<u>-</u>	<u>138,184</u>	<u>(28,415)</u>	<u>90,453</u>	<u>232,998</u>
Net Movements in Funds		<u>80,653</u>	<u>(72,380)</u>	<u>148,161</u>	<u>(36,139)</u>	<u>120,295</u>	<u>257,359</u>
Fund balances brought forward at 1st January 2000		<u>940,588</u>	<u>89,725</u>	<u>1,043,274</u>	<u>2,650,305</u>	<u>4,723,892</u>	<u>4,466,533</u>
Fund balances carried forward at 31st December 2000		<u>1,021,241</u>	<u>17,345</u>	<u>1,191,435</u>	<u>2,614,166</u>	<u>4,844,187</u>	<u>4,723,892</u>

All funds are unrestricted other than those noted as being restricted.

The Moravian Union (Incorporated)
Income and Expenditure Account
For the year ended 31st December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Income					
Congregation assessments	6		316,612		310,848
Investment income	7		139,695		140,044
Interest receivable			32,577		39,139
Rent	8		20,265		16,761
Bates Trusts - for revenue purposes			387,382		200,167
Legacies			16,312		2,464
TSFG (Inc.) share of joint expenses			52,466		35,272
Sundry			11,801		10,716
Unity income			<u>19,578</u>		<u>23,346</u>
			996,688		778,757
Less: Income due to congregation and schools			<u>(26,891)</u>		<u>(26,450)</u>
			969,797		752,307
Direct Expenditure (Page 4)			<u>(939,955)</u>		<u>(777,946)</u>
Operating Surplus/(Deficit) for the Year			29,842		(25,639)
Realised Gains/(Losses)					
On sale of investments			(39,652)		(71,237)
On sale of property			<u>150,484</u>		<u>-</u>
Surplus/(Deficit) for the Year			<u><u>140,674</u></u>		<u><u>(96,876)</u></u>

Statement of Total Recognised Gains and Losses

	2000 £	1999 £
Surplus/(deficit) for the year	140,674	(96,876)
New Endowment Funds received	-	50,000
Unrealised gain/(loss) on revaluation of investments	<u>(20,379)</u>	<u>304,235</u>
Net movements in funds (page 4)	<u><u>120,295</u></u>	<u><u>257,359</u></u>

Historical Cost Profits and Losses

	2000 £	1999 £
Surplus/(deficit) for the year as above	140,674	(96,876)
Investment gains recognised in prior periods and realised in the current period	<u>58,421</u>	<u>158,482</u>
Historical cost surplus	<u><u>199,095</u></u>	<u><u>61,606</u></u>

None of the company's activities were acquired or discontinued during the above two financial years.
The attached notes form part of these financial statements.

The Moravian Union (Incorporated)
Balance Sheet at 31st December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible	9		36,193		36,193
Investment in subsidiary	10		14,177		14,177
Other investments	11		<u>3,440,984</u>		<u>3,251,890</u>
			3,491,354		3,302,260
Current Assets					
Debtors	12	898,122		769,684	
Bank deposits		517,436		731,918	
Cash at bank and in hand		<u>51,167</u>		<u>9,791</u>	
		1,466,725		1,511,393	
Creditors: Amounts falling due within one year	13	<u>113,892</u>		<u>89,761</u>	
Net Current Assets			<u>1,352,833</u>		<u>1,421,632</u>
			<u>4,844,187</u>		<u>4,723,892</u>
Endowment Funds	14		2,614,166		2,650,305
Restricted Funds	14		1,191,435		1,043,274
Unrestricted Funds:					
Designated Funds	14	17,345		89,725	
General	14	<u>1,021,241</u>		<u>940,588</u>	
			<u>1,038,586</u>		<u>1,030,313</u>
			<u>4,844,187</u>		<u>4,723,892</u>

Approved by the Committee of Management on 29 October 2001
and signed on its behalf

Director and Trustee

The attached notes form part of these financial statements.

The Moravian Union (Incorporated)

Notes to the Financial Statements

For the year ended 31st December 2000

1 Status

The Union was incorporated under the Companies Acts 1908 and 1913 as a company 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

Basis of Preparation

The financial statements have been prepared under the historical cost convention, except investments which are shown at market value as described below, and in accordance with relevant accounting standards.

The British province of the Moravian Church is a registered charity no. 251211, so the financial statements are presented in accordance with the Statement of Recommended Practice (1995), "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.

Income Recognition

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

Expenditure

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

Tangible Fixed Assets

Properties in use by congregations are not included in the balance sheet, although legal title may be vested in the Union, as the congregations have the beneficial use thereof. No depreciation is provided on freehold land or buildings since this would not be material and the directors are of the opinion that the market value is very considerable in excess of the accruing value. Office furniture and equipment is capitalised only where material.

Consolidation

The Committee of Management has taken advantage of the provisions of s248 Companies Act 1985 and have not prepared group financial statements.

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.

Proceeds of disposal of congregational property are included in gains on property in the Statement of Financial Activities and amounts passed to congregations are included in grants.

Investments

Investment in Subsidiary is shown at market value in 1962 (see note 10). Other investments are included at their market value at the balance sheet date in accordance with the Statement of Recommended Practice (1995): "Accounting by Charities".

Operating Leases

Payments for operating lease rentals are charged to the income and expenditure account over the period of the lease.

Pensions

The Union provides voluntary pensions to ministers under rules established by Synod. The pensions are funded from an Endowment Fund for the purpose. The assets are not held separately from other funds of the Union. No provision is made in these accounts for any liability to pay pensions in future periods.

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st December 2000 (Continued)

3 Expenditure				
(as required by Companies Act 1985)			2000	1999
			£	£
Committee of Management remuneration:				
As directors			Nil	Nil
Other services			34,452	33,018
Auditors' remuneration			9,025	7,373
Operating lease rentals			<u>5,792</u>	<u>5,072</u>
4 Bates Trust				
Income from the Bates Trust was applied in 2000 as follows:			2000	
			£	
Gracehill and its dependencies			674	
Provincial administration			137,436	
Ministerial training			537	
Archives			13,123	
Pensions			5,289	
Ministers children			21,478	
Youth & childrens office			31,697	
Contingencies account			<u>177,148</u>	
			<u>387,382</u>	
5 Ministers and Church House Staff				
(as required by Companies Act 1985)				
	2000	2000	1999	1999
	£	No.	£	No.
Ministers'	300,669	18	285,697	17
Administration	<u>63,510</u>	<u>7</u>	<u>72,720</u>	<u>8</u>
	<u>364,179</u>	<u>25</u>	<u>358,417</u>	<u>25</u>
Salaries	332,566		325,567	
Social security costs	<u>31,613</u>		<u>32,850</u>	
	<u>364,179</u>		<u>358,417</u>	
An amount of £448 (1999 - £6,549) was reimbursed to three (1999 - four) members of the Board of Management in respect of travel expenses incurred in the year.				
6 Assessments			2000	1999
			£	£
For ministers' stipends			265,301	264,484
For national insurance			14,750	13,538
For administration			19,437	18,956
For travel			<u>17,124</u>	<u>13,870</u>
			<u>316,612</u>	<u>310,848</u>
7 Investment Income			2000	1999
			£	£
Quoted securities			137,055	137,964
Unquoted securities			<u>2,640</u>	<u>2,080</u>
			<u>139,695</u>	<u>140,044</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st December 2000 (Continued)

8 Rent	2000	1999
	£	£
Choir Houses	14,620	11,329
Offices	4,329	4,320
Manses	1,316	1,112
	<u>20,265</u>	<u>16,761</u>

9 Tangible Fixed Assets

	£
Freehold property at cost	
At 1st January 2000 and at 31st December 2000	<u>36,193</u>

In the opinion of the Committee of Management, the market value of freehold property is in excess of cost. The freehold property is shown at cost as it is held for direct charitable use.

Depreciation is not charged on the basis that there would be a high residual value on the written down value of the property at the end of its useful economic life and depreciation charged in each year would not materially affect the accounts.

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

10 Investment in Subsidiary	2000	1999
	£	£
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 aggregate capital and reserves of the company at 30th April 2000 was £743,380. The profit for the financial year ended 30th April 2000 was £269,146. Under the equity method of valuation the investment in the subsidiary would be £735,946.

11 Other Investments

	Market Value				Cost		
	1.1.00	Additions	Disposals	Unrealised Gains/(Losses)	31.12.00	31.12.00	31.12.99
	£	£	£	£	£	£	£
Quoted securities	3,184,507	515,546	(306,073)	(17,306)	3,376,674	2,704,147	2,436,253
Unquoted	67,383	-	-	(3,073)	64,310	7,645	7,640
	<u>3,251,890</u>	<u>515,546</u>	<u>(306,073)</u>	<u>(20,379)</u>	<u>3,440,984</u>	<u>2,711,792</u>	<u>2,443,893</u>

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

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st December 2000 (Continued)

11 Other Investments (Continued)

The market value of investments representing more than 5% of the portfolio are as follows:

	Market Value	
	2000	1999
	£	£
11.5% Treasury Stock 2001/2004	-	180,074
8.0% Treasury Stock 2002/2006	479,964	358,570
7.75% Treasury Stock 2006	219,551	218,436
6.75% Treasury Stock 2004	263,825	258,819
Amey plc ordinary 5p shares	-	172,045
British Petroleum Amoco plc ordinary 25p shares	-	184,260
Access plus plc ordinary 10p shares	176,400	168,320
Prudential plc ordinary 5p shares	-	193,980

12 Debtors

	2000	1999
	£	£
Loans to congregations and schools and car loans	310,599	323,909
Receivable from Bates Trusts	287,382	182,165
Receivable from a related organisation	75,680	39,584
Other debtors	177,020	177,778
Prepayments	28,783	14,289
Accrued income	18,658	31,959
	<u>898,122</u>	<u>769,684</u>

Included above are debtors amounting to £199,398 (1999 - £236,134) receivable after more than one year.

13 Creditors: Amounts falling due within one year

	2000	1999
	£	£
Congregations, schools and related organisations	33,577	32,343
Social security and other taxes	11,645	21,288
Other creditors	49,365	7,841
Accruals and deferred income	19,305	28,289
	<u>113,892</u>	<u>89,761</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st December 2000 (Continued)

14 Analysis of Net Assets between the Fund Balances

	Endowment	Restricted	Designated	General	Total
	£	£	£	£	£
Fixed assets	-	36,193	-	-	36,193
Subsidiary	14,177	-	-	-	14,177
Investment pool	2,419,629	788,833	-	168,054	3,376,516
Other investments	-	64,468	-	-	64,468
Bank deposits	180,360	301,941	17,345	17,790	517,436
Other net assets	-	-	-	835,397	835,397
	<u>2,614,166</u>	<u>1,191,435</u>	<u>17,345</u>	<u>1,021,241</u>	<u>4,844,187</u>
Unrealised gains included above	<u>481,991</u>	<u>213,724</u>	<u>-</u>	<u>33,477</u>	<u>729,192</u>

The charity's funds are very numerous and many are of some antiquity. Broadly: endowment funds are those funds originally settled on the company, including subsequent growth, and are expendable; restricted funds are those held subject to donor imposed restrictions on use and generally are held for the benefit of particular congregations or schools, approximately £150,000 is restricted as to capital; designated funds are set aside for a particular purpose by the Committee of Management. The above total of funds includes approximately £1.9 million to provide ministers' pensions in the future.

Sufficient resources are held in an appropriate form to allow the restricted funds to be applied to their intended purposes.

15 Other Financial Commitments

At 31st December 2000 the company was committed to making the following payments under non-cancellable operating leases in the year to 31st December 2000 in respect of office equipment.

	2000	1999
	£	£
Operating leases which expire within one year	-	3,494
Operating leases which expire within two to five years	5,257	413
Operating leases which expire after five years	<u>535</u>	<u>-</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the year ended 31st December 2000 (Continued)

16 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): (TSFG)
 Moravian Mission Agency Limited
 Fulneck School
 Ockbrook School
 Congregations in Great Britain and Northern Ireland
 Unitas Estates Company Limited

The company received the following amounts during the year:

	2000	1999
	£	£
Administration costs paid by TSFG	81,274	41,480
Grant to pension fund from TSFG	-	50,000
Assessments received from Fulneck School	2,500	2,500
Assessments received from Ockbrook School	2,000	2,000
Interest on loan to Ockbrook School	10,444	4,167
Assessments received from Congregations	312,112	306,844
Interest on loan to Unitas Estates Company Limited	-	7,899
	<u> </u>	<u> </u>

At 31st December 2000, the following balances were outstanding:

	2000	1999
	£	£
Due from TSFG	75,680	39,584
Due from Fulneck School	387	30,000
Due from Ockbrook School	194,345	229,131
Due from Congregations	59,807	101,361
	<u> </u>	<u> </u>
Due to Congregations	<u>33,577</u>	<u>32,343</u>

17 Transactions with Trustees

During the year £1,035 was paid to J. Morten in respect child allowance. A loan for the purchase of a vehicle of £5,000 was made to R. Hopcroft.

The balance of the loan to J. Newman stood at £2,061 at the year end (1999: £3,666).

The balance of the loan to R.Hopcroft stood at £4,083 at the year end (1999: nil).