

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 2003**



The Moravian Union (Incorporated)

Report of the Trustees

For the year ended 31st December 2003

Legal and administrative details: The British Province of the Moravian Church is a registered charity, no.: 251211, governed by a Provincial Synod. The Moravian Union was incorporated on 2 February 1914 as the holding body of church property, following the resolution of Synod 1913 (*Book of Order Section 33*). The Union is governed by its Memorandum and Articles of Association and is a company limited by guarantee, no.: 133708.

The Committee of Management for the year 2003 and subsequently comprised:

Mr. T.R. Cross
Rev. R.J. Hopcroft
Mrs. J.K. Morten
Rev. D.J. Newman

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

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

Moravian Union's Investment Advisors are: Laing & Cruickshank
Investment Management Limited
Broadwalk House
5 Appold Street
London EC2A 2DA

Moravian Union's Bankers are: Barclays Bank plc
Muswell Hill
223 Muswell Hill Broadway
London N10 1DD

Moravian Union's Solicitors are: Gregory, Rowcliffe & Milners
1 Bedford Row
London WC1R 4BZ

Cripps Harries Hall
Wallside House
12 Mt Ephraim Road
Tunbridge Wells
TN1 1EG

Moravian Union's Auditors are: Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

Objectives: The Moravian Union's general object is to administer the affairs of the Moravian Church, or Unitas Fratrum, in its work for the Kingdom of God, in accordance with the will of Synod.

Organisational Structure: The members of the Moravian Union are: the members for the time being of the Board of Management and other persons, not fewer than twelve in number, elected by the Provincial Synod (*Book of Order Section 9.1.a*). By Resolution 20 of the Synod 1929, it was made part of the standing order of Synod that persons from time to time appointed by it to be Investment Trustees are to be held to be thereby appointed by the Synod to be members of the Moravian Union.

The British Province of the Moravian Church is the registered charity for the activities of the Moravian Church operated by the British Province in the UK and beyond. The Moravian Union is the asset-holding body of the Church and the Trust Society for the Furtherance of the Gospel holds the operating funds for the British Mission Board.

The Provincial Synod is the ultimate decision-making body. Synod normally meets once every two years and its elected representatives, the Provincial Elders' Conference, act on behalf of Synod in the inter-synodal period.

Related parties and partner organisations: As explained above, the Provincial Board is elected by Synod and, as part of its brief, acts as the Committee of Management of the Moravian Union. Synod is the body with the power to appoint and remove members of the Committee of Management.

The Moravian Union (Incorporated)

Report of the Trustees (continued)

For the year ended 31st December 2003

Review of activities: The major sources of income are the Bates Trust, a charity whose objects are to support the work of the Moravian Church; contributions from Moravian congregations and individuals; investment income; and donations from Unitas Estates Limited, a wholly owned subsidiary company. On 31 March 2003 a total of £1,217,182 was received by way of donation in connection with the transfer of the assets and liabilities of TSFG to Moravian Union Inc.

During the year, in addition to the increase in income and balances resulting from the transfer of TSFG's investment holdings, the charity's portfolio benefited from the general recovery in investment market prices.

Unitas Estates Ltd, a wholly owned subsidiary of Moravian Union (Inc) performed according to expectations during the year ended 30 April 2003 and £150,000 paid to Moravian Union under gift aid has been included in these financial statements.

Provincial Elders' Conference has applied the funds of the Moravian Union in the following ways:

- payment of stipends of ministers and salaries of staff;
- payment and/or reimbursement of official travel costs and the provision of car loans;
- grants and/or loans to congregations for property maintenance and upgrading;
- subscriptions to ecumenical and assessments to Moravian bodies;
- training ministers;
- payment of pensions;
- a major refurbishment of Moravian Church House, the Province's administrative offices in Muswell Hill, North London;
- since April 2003, the funds of the Trust Society for the Furtherance of the Gospel have been held by the Moravian Union and applied in accordance with that body's objects, notably for the work of the Moravian Church in South Asia and Tanzania.

Amendment to objects: As part of the ongoing restructuring of the British Province of the Moravian Church, an Extraordinary meeting of the Moravian Union was held in December 03 at which it was agreed that the objects of the union should be extended to embrace those of the Trust Society for the Furtherance of the Gospel (TSFG). This change has taken place with the sanction of the Charity Commission and TSFG funds are earmarked for their original purpose.

Reserves: The trustees believe that sufficient funds are held in general reserves to fulfil ongoing commitments such as payment of salaries. The level of reserves increased during 2003 because of the transfer of assets from TSFG. However, income from the Bates Trust has fallen in recent years due to changing investment performance, and the trustees are mindful of the effect this has on the reserves of the Moravian Union. The trustees are currently reviewing their financial commitments to ensure that adequate but not excessive reserves are held in suitable forms to meet these commitments.

The trustees have designated an amount equivalent to the net balance sheet value of property assets to be reserved to recognise the nature of these assets. Other designated funds relate to specific project and administrative costs identified by the trustees. Restricted funds are those received for a specific purpose which have not been fully expended.

The Moravian Union (Incorporated)
Report of the Trustees (continued)
For the year ended 31st December 2003

Other policies: All loans to congregations and other institutions are for fixed periods after which the interest charged is reviewed. The members of the British Province of the Moravian Church are assessed on a per capita basis to raise the money needed for the payment of ministers' stipends.

The investment policy is determined in consultation with the Finance Committee, which makes its recommendations to the Board of Management, the Provincial Elders' Conference. The present investment objective is to achieve a balanced return in the wider range and income in the narrower range of the investment portfolio.

Pensions: Provided sufficient funds are available, the Union provides voluntary pensions to ministers under rules established by Synod. The assets used to fund these pensions 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.

Risk: The Trustees have identified many of the significant risks to the Moravian Union and its assets and are in the process of formalising a risk register and procedures to mitigate the major risks where possible.

Assets held as custodian: The Moravian Union holds the Unity Fund on behalf of the world-wide Moravian Church. This fund receives assessments from each Province of the Moravian Unity and pays the official expenses of the President of the Unity Board, for meetings of that body and for the costs of the Unity Synod which is held every seven years. In addition, the Unity Board decides on any other payments from this Fund. These funds are clearly identifiable within the accounts and are reportable to Unity Synod along with statements of any arrears of payment. In the inter-synodal period, each Province receives an annual statement of account and a statement of arrears.

The Moravian Union also holds a number of small funds for the benefit of specific congregations and schools. The income from these funds is paid over to the beneficiaries.

Accounts: the accounts accompanying this report have been prepared in compliance with the requirements of the Companies Act 1985, the company's Articles of Association and, except in respect of the consolidation of Unitas Estates Ltd, with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2000). In the opinion of the trustees, the freehold property has a market value considerably in excess of the depreciated historical cost at which it is included in the balance sheet.

Approved by the Committee of Management
on 21 July 2004 and signed on its behalf.



J K Morten
Trustee

The Moravian Union (Incorporated)

Statement of Responsibilities of the Committee of Management

The Committee of Management is required 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 incoming resources and application of resources, including the net income and expenditure of the company for that year.

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; 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 is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable it to ensure that the financial statements comply with the Companies Act 1985. It is 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 2003 which comprise the Statement of Financial Activities, (including the Income and Expenditure Account), 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.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the Committee of Management (whose members are also the directors of the Moravian Union (Incorporated) for the purposes of company law) for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Responsibilities of the Committee

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 other information contained in the Report of the Trustees and consider whether it is consistent with the audited financial statements. We 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 2003 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

Date: 20th October, 2004

Kingston Smith
Kingston Smith
Chartered Accountants
and Registered Auditors

The Moravian Union (Incorporated)
Statement of Financial Activities
(Including Income & Expenditure Account)
For the year ended 31st December 2003

		Unrestricted Funds General	Designated	Restricted Funds	Total 2003	Total 2002
		£	£	£	£	£
Incoming Resources						
Donations and grants						
Bates Trust	3	454,740	-	-	454,740	659,247
Other	3	996,348	150,183	375,389	1,521,920	-
Unitas		150,000	-	-	150,000	120,000
Income from charitable activities:						
Congregation assessments		23,526	319,648	-	343,174	326,516
Unity income		-	-	32,578	32,578	25,155
Book Sales		21,409	-	-	21,409	-
Investment income	4	28,501	107,639	12,579	148,719	151,042
TSFG (inc) - share of expenses		-	-	-	-	18,572
Sundry		58,775	1,003	1,000	60,778	17,731
Total Incoming Resources		1,733,299	578,473	421,546	2,733,318	1,318,263
Resources Expended						
Cost of generating funds						
Investment management		4,339	424	1,429	6,192	5,428
Charitable expenditure:						
Activities in furtherance of charitable objects	5	436,373	533,954	38,402	1,008,729	790,000
Grants to congregations and projects	5	33,219	13,525	156,717	203,461	38,595
Unity expenses		-	-	70,578	70,578	103,511
Support costs	6	626,995	255	-	627,250	264,074
Administration of the charity	6	31,022	-	-	31,022	41,241
Total charitable expenditure		1,127,609	547,734	265,697	1,941,040	1,237,421
Total Resources Expended		1,131,948	548,158	267,126	1,947,232	1,242,849
Net Incoming Resources before transfers						
		601,351	30,315	154,420	786,086	75,414
Transfers - reclassification		(21,303)	-	21,303	-	-
		580,048	30,315	175,723	786,086	75,414
Realised Gains/(Losses)						
Realised investment gains/(losses)		10,413	1,017	3,428	14,858	(253,688)
Realised property gains		-	-	-	-	95,000
Net income/(expenditure) for the year		590,461	31,332	179,151	800,944	(83,274)
Revaluation Gains/(Losses)						
Unrealised investment gains/(losses)		140,259	10,048	33,856	184,163	(267,570)
Net Movements in Funds		730,720	41,380	213,007	985,107	(350,844)
Total Funds brought forward at 1st January 2003		1,793,711	1,194,038	864,066	3,851,815	4,202,659
Total Funds carried forward at 31st December 2003		2,524,431	1,235,418	1,077,073	4,836,922	3,851,815

All recognised gains and losses in each of the two financial years are included above.

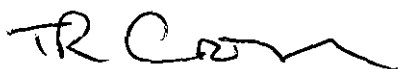
The Moravian Union (Incorporated)
Historical Cost Profits and Losses
For the year ended 31st December 2003

	2003	2002
	£	£
Net movements in funds as disclosed in the Statement of Financial Activities	985,107	(350,844)
Unrealised (gains)/losses on revaluation of investments	(184,163)	267,570
Investment gains/(losses) recognised in prior periods and realised in the current period	<u>(62,428)</u>	<u>134,654</u>
Surplus on the historical cost accounting basis	<u><u>738,516</u></u>	<u><u>51,380</u></u>

The Moravian Union (Incorporated)
Balance Sheet at 31st December 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed Assets					
Tangible	8		765,271		443,113
Investment in subsidiary	9		14,177		14,177
Other investments	10		<u>3,082,185</u>		<u>2,539,685</u>
			3,861,633		2,996,975
Current Assets					
Debtors	11	751,092		649,030	
Stock on hand		5,473		-	
Bank deposits		148,635		200,160	
Cash at bank and in hand		<u>219,830</u>		<u>163,455</u>	
		1,125,030		1,012,645	
Creditors: Amounts falling due within one year	12	<u>149,741</u>		<u>157,805</u>	
Net Current Assets			<u>975,289</u>		<u>854,840</u>
Total Net Assets			<u><u>4,836,922</u></u>		<u><u>3,851,815</u></u>
 Restricted Funds	13		1,077,073		864,066
Unrestricted Funds:					
Designated Funds	13	1,235,418		1,194,038	
General	13	<u>2,524,431</u>		<u>1,793,711</u>	
			<u>3,759,849</u>		<u>2,987,749</u>
Total Funds			<u><u>4,836,922</u></u>		<u><u>3,851,815</u></u>

Approved by the Committee of Management on *21 July 2004*
and signed on its behalf



T. R. Cross



R. J. Hopcroft

Director and Trustee

The Moravian Union (Incorporated)

Notes to the Financial Statements

For the year ended 31st December 2003

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, the Companies Act 1985 and in accordance with relevant accounting standards. The following accounting policies, which are unchanged from the previous year, have been applied in preparing the financial statements.

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 (2000): 'Accounting and Reporting 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 from grants and donations is generally recognised on receipt. However, income from the Bates Trust and Unitas Estates Limited 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 organisations after the year end. Investment income is recognised when received by the investment managers. Other income is recognised on an accruals basis. Income from congregation assessments is the amount due for the year.

Expenditure

Expenditure is charged on an accruals basis. Liabilities are recognised when a legal or constructive obligation to make a payment arises as a result of a past event. Grants are recognised when approved by the Board and notified to the congregation.

Activities in furtherance of charitable objects' represents the direct costs of carrying out the charity's aims, whilst 'support costs' are the costs of general provincial administration, principally Church House. 'Administration' costs are the costs of meeting the charity's regulatory obligations.

Tangible Fixed Assets

The freehold property is shown at cost less depreciation. Office furniture and equipment is capitalised, only where material, at rates of between 25% and 33% per annum. 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.

Depreciation is not provided on freehold land. The cost of buildings less their estimated residual value is depreciated at 2% per annum straight line.

Consolidation

As permitted by s248 of the Companies Act 1985, the results of the Union's trading subsidiary, Unitas Estates Limited, are not consolidated. This represents a departure from the requirements of SORP 2000 which will be addressed with the intended restructuring of the Moravian Church group of charities in 2004/05. Donations from Unitas Trading Limited and the Bates Trust are reported on the accruals basis. Transactions with other related parties are included within the relevant heading on the statement of financial activities.

The Moravian Union (Incorporated)
Notes to the Financial Statements (continued)
For the year ended 31st December 2003

2 Accounting Policies (continued)

Stock

Stocks which represent goods for resale are valued at the lower of cost or net realisable value.

Congregations

The assets, liabilities and revenue accounts of individual congregations and schools are not incorporated in the financial statements, on the grounds that individual congregations and schools are functionally independent of the Moravian Union (Incorporated).

Investments

Investment in the Subsidiary is shown at market value in 1962 (see note 9). Other investments are included at their market value at the balance sheet date. Gains and losses on disposal are calculated by reference to the market value at the beginning of the year or cost if acquired later.

Operating Leases

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

Taxation

As a charity, the company enjoys the exemptions from corporation tax under s.505 Income and Corporation Taxes Act 1988. The company is not registered for Value Added Tax and expenditure includes irrecoverable VAT where incurred.

3 Bates Trust and other income sources

The charity is the principal beneficiary of the income of the Bates Trust, an endowed charity established for the benefit of the Moravian Church.

	2003	2002
	£	£
Other income includes the following donations:		
TSFG (see below)	1,217,182	-
Gains on disposal of property fixed assets	120,500	-
LAMM	40,000	-
Income from congregations, individuals, companies and church bodies	144,238	-
	<u>1,521,920</u>	<u>-</u>

The donation from TSFG represents the transfer to Moravian Union (Incorporated) of the investments and other net assets of the Trust Society for the Furtherance of the Gospel on 31 March 2003.

4 Investment Income

	2003	2002
	£	£
Quoted securities	112,053	112,734
Interest receivable	15,614	15,720
Rents	21,052	22,588
	<u>148,719</u>	<u>151,042</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements (continued)
For the year ended 31st December 2003

5 Charitable expenditure - Activities in furtherance of charitable objects

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	2003	2002
	£	£	£	£	£
Ministry	118,909	436,288	-	555,197	410,171
Ministerial training	-	40,492	-	40,492	43,828
Pensions	181,107	-	-	181,107	170,392
Education and child allowance	22,949	-	-	22,949	37,156
Resettlement and retirement grants	17,688	-	-	17,688	1,620
Removal costs	9,269	-	-	9,269	-
Choir houses	12,989	-	-	12,989	11,707
Moravian Messenger	17,382	-	-	17,382	16,907
Bookroom expenses	20,047	-	-	20,047	-
Subscriptions	-	3,292	-	3,292	-
Archives	-	-	33,402	33,402	34,055
Youth and Children	36,033	-	-	36,033	31,840
Other congregation costs	-	53,882	5,000	58,882	32,324
	<u>436,373</u>	<u>533,954</u>	<u>38,402</u>	<u>1,008,729</u>	<u>790,000</u>

The principal grants made to institutions during the year were to the Moravian Church in the following areas:

	£	
South Asia	92,164	
Tanzania	71,061	(including Sikonge Hospital £6,515)
Zaire (Congo)	16,405	

6 Support and administration costs

	2003	2002
	£	£
Support costs		
Church House staff	145,472	108,648
Premises	22,565	30,853
Refurbishment Church House	251,818	-
Depreciation (£255 Restricted)	10,517	4,481
Equipment - operating lease rentals	5,934	4,690
- other	-	5,281
Communications	9,197	10,369
Legal fees and commission	57,748	32,778
Compensation	36,585	-
Stationery	8,282	8,490
Interest paid	-	3,917
Insurance	8,570	-
Computer software	11,328	37,233
Other office costs	14,080	17,334
Bad & doubtful debts	17,142	-
Stock movement	28,012	-
	<u>627,250</u>	<u>264,074</u>
Administration		
Synod expenses	1,454	15,095
Auditors' remuneration - for audit services	11,000	10,000
for other services and additional costs for prior years	18,568	16,146
	<u>31,022</u>	<u>41,241</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements (continued)
For the year ended 31st December 2003

7 Employee information	2003 £	2003 No.	2002 £	2002 No.
Ministers	288,290	19	282,027	19
Other	198,010	16	152,556	12
	<u>486,300</u>	<u>35</u>	<u>434,583</u>	<u>31</u>
Salaries	437,496		387,720	
Social security costs	<u>48,804</u>		<u>46,863</u>	
	<u>486,300</u>		<u>434,583</u>	

No employee earned £50,000 or more during the year.

Committee of Management

The Committee of Management 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 year the following emoluments (including benefits) were paid:

	2003 £	2002 £
Rev. R.J. Hopcroft for ministry	16,080	15,600
Mrs. J.K. Morten for administration	21,015	20,340
Rev. D.J. Newman for ministry	<u>16,080</u>	<u>16,640</u>
	<u>53,175</u>	<u>52,580</u>

In appropriate cases, the company makes car loans to ministers and staff. Amounts outstanding from members of the Committee of Management were as follows:

	At 31st December 2003	At 1st January 2003
Rev. R.J. Hopcroft	5,018	2,996
Mrs. J.K. Morten	5,944	3,083
Rev. D.J. Newman	<u>4,896</u>	<u>6,264</u>
	<u>15,858</u>	<u>12,343</u>

Amounts totalling £12,457 (2002 - £13,114) were reimbursed to four (2002 - five) members of the Committee of Management in respect of travel expenses incurred in the year.

As permitted by its governing document, Moravian Union (Inc) purchases trustee indemnity insurance. The cost of this insurance during the year was £1,733.

8 Tangible Fixed Assets

	Freehold property £	Fixtures, Fittings & Equipment £	Total £
Cost:			
At 1st January 2003	447,957	-	447,957
Additions	<u>324,006</u>	<u>8,669</u>	<u>332,675</u>
At 31 December 2003	<u>771,963</u>	<u>8,669</u>	<u>780,632</u>
Depreciation:			
At 1st January 2003	4,844	-	4,844
Charge for the year	<u>7,720</u>	<u>2,797</u>	<u>10,517</u>
At 31 December 2003	<u>12,564</u>	<u>2,797</u>	<u>15,361</u>
Net book value at 31st December 2003	<u>759,399</u>	<u>5,872</u>	<u>765,271</u>
Net book value at 1st January 2003	<u>443,113</u>	<u>-</u>	<u>443,113</u>

The freehold property is held for charitable use.

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

The Moravian Union (Incorporated)
Notes to the Financial Statements (continued)
For the year ended 31st December 2003

9 Investment in Subsidiary

	2003	2002
	£	£
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 2003 was £785,775 (2002 - £794,425). The loss for the financial year ended 30th April 2003 was £8,470 (2002 - loss £29,666). Under the equity method of valuation the investment in the subsidiary would be £777,917 (2003 - £786,303).

10 Other Investments

	Market Value					Cost	
	1.1.03	Additions	Disposals	Unrealised gains	31.12.03	31.12.03	31.12.02
	£	£	£	£	£	£	£
Quoted securities	<u>2,539,685</u>	<u>1,241,145</u>	<u>882,808</u>	<u>184,163</u>	<u>3,082,185</u>	<u>2,812,354</u>	<u>2,516,445</u>

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

	Market Value	
	2003	2002
	£	£
The following holdings each represent more than 5% of the total portfolio:		
8.0% Treasury Stock 2002/2006	-	-
7.75% Treasury Stock 2006	272,598	224,056
6.75% Treasury Stock 2004	-	265,307
5% Treasury Stock 2012	1,254,362	861,260
British Petroleum Amoco plc ordinary 25p shares	168,516	126,392

11 Debtors

	2003	2002
	£	£
Due from related organisations	306,051	478,773
Accrued donation from Bates Trust	76,017	-
Accrued donation from Unitas Estates Ltd	150,000	-
Other debtors	204,019	139,280
Prepayments and accrued income	<u>15,005</u>	<u>30,997</u>
	<u>751,092</u>	<u>649,050</u>

Included above are debtors amounting to £238,057 (2002 - £241,447) receivable after more than one year.

12 Creditors: Amounts falling due within one year

	2003	2002
	£	£
Congregations, schools and related organisations	67,719	42,323
Social security and other taxes	-	16,047
Other creditors	41,332	54,062
Accruals and deferred income	<u>40,690</u>	<u>45,373</u>
	<u>149,741</u>	<u>157,805</u>

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13 Analysis of net assets between the fund balances

	General	Designated	Restricted	Total
	£	£	£	£
Fixed assets	5,872	759,399	-	765,271
Subsidiary	14,177	-	-	14,177
Cash and investments	1,893,973	476,019	1,077,073	3,447,065
Other net assets	610,409	-	-	610,409
	<u>2,524,431</u>	<u>1,235,418</u>	<u>1,077,073</u>	<u>4,836,922</u>
Unrealised gains included above	<u>172,422</u>	<u>37,237</u>	<u>60,172</u>	<u>269,831</u>

Designated funds

The designated fund balance represented by fixed assets corresponds to the net book value of property fixed assets.

The numerous other designated funds, represented by a proportion of the charity's cash and investments, relate to a variety of specific purposes identified by the trustees.

Restricted funds

The restricted funds are numerous and many are of some antiquity. These small individual funds include fifteen separate trusts whose funds, totalling £51,664 as at 31 December 2003, are administered by the Moravian Union in accordance with the original trust objects.

14 Future financial commitments

Operating leases

At 31st December 2003 the company was committed to making the following payments under non-cancellable operating leases in the year to 31st December 2004 in respect of office equipment.

	2003	2002
	£	£
Operating leases which expire within two to five years	<u>8,061</u>	<u>5,225</u>

Pensions

Provided sufficient funds are available, The Union provides voluntary pensions to ministers under rules established by Synod. The assets used to pay these pensions 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.

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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:

	2003	2002
	£	£
Administration costs paid by TSFG	-	9,013
Assessments received from Fulneck School	2,550	2,550
Assessments received from Ockbrook School	2,550	2,550
Interest on loan to Ockbrook School	5,221	7,498
Assessments received from Congregations	338,074	321,416
	<u>338,074</u>	<u>321,416</u>

At 31st December 2003, the following balances were outstanding:

	2003	2002
	£	£
Due (to)/from TSFG	(20,000)	169,175
Due from Fulneck School	12,168	17,472
Due from Ockbrook School	141,883	147,609
Due from Congregations	53,785	28,271
	<u>22,532</u>	<u>22,962</u>

Due to Congregations