

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 PERIOD ENDED
31ST AUGUST 2004**



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The Moravian Union (Incorporated)

Report of the Trustees

For the period ended 31st August 2004

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 period ended 31 August 2004 and subsequently comprised:

Mr. T.R. Cross
Rev. R.J. Hopcroft
Mrs. J.K. Morten
Rev. D.J. Newman (resigned 26th August 2004)
Rev. J. Mullin (appointed 26th August 2004)

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:

UBS Laing & Cruickshank
Investment Management Limited
1 Curzon Street
London W1J 5UB

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.

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 period ended 31st August 2004

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. In the previous year ending 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 16 month period to 31 August 2004 and £45,000 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
- subscriptions to ecumenical and assessments to Moravian bodies;
- training ministers;
- payment of pensions;
- since April 2003, the funds of the Trust Society for the Furtherance (TSFG) of the Gospel have been held by the Moravian Union and applied in accordance with TSFG's objects, notably for the work of the Moravian Church in South Asia and Tanzania.

Accounting period: Under a uniting direction issued by the Charity Commission, in future all Moravian entities are to produce accounts under the Moravian Church banner of which the Moravian Union (Incorporated) will be a significant element. Therefore the accounting date has been changed to 31 August 2004 and the accounts relate to an 8 month period.

Reserves: The trustees believe that sufficient funds are held in general reserves to fulfil ongoing commitments such as payment of salaries. No income was received from the Bates Trust due to the change in accounting period not including the traditional payment period. 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.

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.

The Moravian Union (Incorporated)
Report of the Trustees (continued)
For the period ended 31st August 2004

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 accounting records 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).

Freehold property: 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

8th June 2005 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 period 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 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; 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 period ended 31st August 2004 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 of Management.

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 August 2004 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 10th June, 2005

Kingston Smith
Kingston Smith
Chartered Accountants
and Registered Auditors

The Moravian Union (Incorporated)
Statement of Financial Activities
(Including Income & Expenditure Account)
For the period ended 31st August 2004

		Unrestricted Funds	Restricted	Total period	Total year
		General	Designated	Funds	ended 31
		£	£	£	ended 31
				August 2004	December 2003
				£	£
Incoming Resources					
Donations and grants					
Bates Trust	3	-	-	-	454,740
Other	3	10,087	13,771	91,082	1,401,420
Unitas		66,000	-	66,000	150,000
Income from charitable activities:					
Congregation assessments		5,100	265,360	270,460	343,174
Unity income		-	-	75,245	32,578
Book Sales		3,120	-	3,120	21,409
Investment income	4	20,068	39,364	65,678	148,719
Gains on disposal of property fixed assets		-	-	-	120,500
Sundry		30,190	3,913	34,306	60,778
Total Incoming Resources		134,565	322,408	605,891	2,733,318
Resources Expended					
Cost of generating funds					
Investment management		3,087	1,190	4,579	6,192
Charitable expenditure:					
Activities in furtherance of charitable objects	5	125,837	494,657	660,442	1,008,729
Grants to congregations and projects	5	67,094	33,456	228,662	203,461
Unity expenses		-	-	48,851	70,578
Support costs	6	204,135	-	204,135	627,250
Administration of the charity	6	40,867	-	40,867	31,022
Total charitable expenditure		437,933	528,113	1,182,957	1,941,040
Total Resources Expended		441,020	529,303	1,187,536	1,947,232
Net Incoming/(Outgoing) Resources before transfers		(306,455)	(206,895)	(581,645)	786,086
Transfers - reclassification		650	(650)	-	-
		(305,805)	(207,545)	(581,645)	786,086
Realised Gains/(Losses)					
Realised investment gains/(losses)		(30,982)	(11,940)	(45,951)	14,858
Net income/(expenditure) for the year		(336,787)	(219,485)	(627,596)	800,944
Revaluation Gains					
Unrealised investment gains		1,629	628	2,415	184,163
Net Movements in Funds		(335,158)	(218,857)	(625,181)	985,107
Total Funds brought forward at 1st January 2004		2,524,431	1,235,418	4,836,922	3,851,815
Total Funds carried forward at 31st August 2004		2,189,273	1,016,561	4,211,741	4,836,922

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

The Moravian Union (Incorporated)
Historical Cost Profits and Losses
For the period ended 31st August 2004

	Total period ended 31 August 2004 £	Total year ended 31 December 2003 £
Net movements in funds as disclosed in the Statement of Financial Activities	(625,181)	985,107
Unrealised (gains)/losses on revaluation of investments	(2,415)	(184,163)
Investment gains/(losses) recognised in prior periods and realised in the current period	<u>93,477</u>	<u>(62,428)</u>
Surplus on the historical cost accounting basis	<u><u>(534,119)</u></u>	<u><u>738,516</u></u>

The Moravian Union (Incorporated)
Balance Sheet at 31st August 2004

	Note	31 August 2004 £	31 August 2004 £	31 December 2003 £	31 December 2003 £
Fixed Assets					
Tangible	8		167,940		765,271
Investment in subsidiary	9		14,177		14,177
Other investments	10		<u>3,517,332</u>		<u>3,082,185</u>
			3,699,449		3,861,633
Current Assets					
Debtors	11	354,019		751,092	
Stock on hand		12,326		5,473	
Bank deposits	12	210,882		148,635	
Cash at bank and in hand	12	<u>171,968</u>		<u>219,830</u>	
		749,195		1,125,030	
Creditors: Amounts falling due within one year	13	<u>(236,903)</u>		<u>(149,741)</u>	
Net Current Assets			<u>512,292</u>		<u>975,289</u>
Total Net Assets			<u>4,211,741</u>		<u>4,836,922</u>
Restricted Funds	14		1,005,907		1,077,073
Unrestricted Funds:					
Designated Funds	14	1,016,561		1,235,418	
General	14	<u>2,189,273</u>		<u>2,524,431</u>	
			3,205,834		3,759,849
Total Funds			<u>4,211,741</u>		<u>4,836,922</u>

Approved by the Committee of Management on 8 June 2005
and signed on its behalf


J.K. Morten

R. J. Hopcroft

Director and Trustee



The Moravian Union (Incorporated)

Notes to the Financial Statements

For the period ended 31st August 2004

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 reporting date has been changed from 31 December to 31 August in line with other Moravian organisations. This is to enable accounts to be prepared for all Moravian entities under a single uniting direction issued by the Charity Commission in April 2005.

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

Freehold property is shown at cost less depreciation. Office furniture and equipment is capitalised, only where material, and depreciated 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

For the period ended 31st August 2004 (Continued)

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.

Other income includes the following donations:

	Period ended 31 August 2004 £	Year ended 31 December 2003 £
TSFG (see below)	-	1,217,182
LAMM	-	40,000
Income from congregations, individuals, companies and church bodies	<u>91,082</u>	<u>144,238</u>
	<u><u>91,082</u></u>	<u><u>1,401,420</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

	Period ended 31 August 2004 £	Year ended 31 December 2003 £
Quoted securities	58,067	112,053
Interest receivable	1,907	15,614
Rents	<u>5,704</u>	<u>21,052</u>
	<u><u>65,678</u></u>	<u><u>148,719</u></u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the period ended 31st August 2004 (Continued)

5 Charitable expenditure - Activities in furtherance of charitable objects

	Unrestricted Funds		Restricted Funds	Total period ended 31 August 2004	Total year ended 31 December 2003
	General	Designated			
	£	£	£	£	£
Ministry	86,972	278,140	2,272	367,384	555,197
Ministerial training	-	21,861	-	21,861	40,492
Pensions	-	147,759	-	147,759	181,107
Education and child allowance	16,002	-	-	16,002	22,949
Resettlement and retirement grants	3,850	-	-	3,850	17,688
Removal costs	-	-	-	-	9,269
Choir houses	-	-	-	-	12,989
Moravian Messenger	-	13,503	-	13,503	17,382
Bookroom expenses	1,284	-	-	1,284	20,047
Subscriptions	-	9,527	-	9,527	3,292
Archives	-	-	37,676	37,676	33,402
Youth and Children	11,532	19,702	-	31,234	36,033
Other congregation costs	6,198	4,164	-	10,362	58,882
	<u>125,838</u>	<u>494,656</u>	<u>39,948</u>	<u>660,442</u>	<u>1,008,729</u>

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

South Asia	73,003
Tanzania	59,000
Jamaica	10,000

6 Support and administration costs

	Period ended 31 August 2004	Year ended 31 December 2003
	£	£
Support costs		
Church House staff	88,959	145,472
Premises	28,629	22,565
Refurbishment Church House	-	251,818
Depreciation	5,680	10,517
Equipment - operating lease rentals	6,180	5,934
Communications	2,850	9,197
Legal fees and commission	41,615	57,748
Compensation	-	36,585
Stationery	4,345	8,282
Interest paid	2,230	-
Insurance	4,657	8,570
Computer software	4,813	11,328
Other office costs	6,749	14,080
Bad & doubtful debts	14,281	17,142
Stock movement	(6,853)	28,012
	<u>204,135</u>	<u>627,250</u>
Administration		
Synod expenses	19,683	1,454
Auditors' remuneration		
- for audit services	7,350	7,000
- for accountancy, other services and additional costs for prior years	13,834	22,568
	<u>40,867</u>	<u>31,022</u>

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the period ended 31st August 2004 (Continued)

7 Employee information

	Period ended 31 August 2004	Period ended 31 August 2004	Year ended 31 December 2003	Year ended 31 December 2003
	£	No.	£	No.
Ministers	234,354	19	353,849	19
Other	190,014	15	204,623	16
	<u>424,368</u>	<u>34</u>	<u>558,472</u>	<u>35</u>
Salaries	390,534		509,668	
Social security costs	33,835		48,804	
	<u>424,369</u>		<u>558,472</u>	

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

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 period the following emoluments (including benefits) were paid:

	Period ended 31 August 2004	Year ended 31 December 2003
	£	£
Rev. R.J. Hopcroft for ministry	11,000	16,080
Mrs. J.K. Morten for administration	14,333	21,015
Rev. D.J. Newman for ministry	11,000	16,080
	<u>36,333</u>	<u>53,175</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:

	31 August 2004	31 December 2003
Rev. R.J. Hopcroft	4,084	5,018
Mrs. J.K. Morten	5,012	5,944
Rev. D.J. Newman	3,986	4,896
	<u>13,082</u>	<u>15,858</u>

An amount of £8,113 (2003 - £12,457) was reimbursed to four (2003 - four) members of the Committee of Management in respect of travel expenses incurred during the period.

8 Tangible Fixed Assets

	Freehold property	Fixtures, Fittings & Equipment	Total
	£	£	£
Cost			
At 1st January 2004	771,963	8,669	780,632
Additions at cost	10,704	1,882	12,586
Transfer to investment properties	(614,906)	-	(614,906)
At 31 August 2004	<u>167,761</u>	<u>10,551</u>	<u>178,312</u>
Depreciation			
At 1st January 2004	12,564	2,797	15,361
Depreciation for the period	3,593	2,085	5,678
Transfer to investment properties	(10,667)	-	(10,667)
At 31 August 2004	<u>5,490</u>	<u>4,882</u>	<u>10,372</u>
Net book value			
At 31 August 2004	<u>162,271</u>	<u>5,669</u>	<u>167,940</u>
At 1 January 2004	<u>759,399</u>	<u>5,872</u>	<u>765,271</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.

Following a review of Freehold property during the period it was deemed that a number of properties were now to be used as investment properties. The directors considered that their holding value as at 1 January 2004 and at 31 August 2004 gave a fair representation for their current value at these dates.

The Moravian Union (Incorporated)
Notes to the Financial Statements
For the period ended 31st August 2004 (continued)

9 Investment in Subsidiary	31 August 2004	31 December 2003
	£	£
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.

10 Other Investments

	Market Value					Cost	
	1.1.04	Additions	Disposals	Unrealised gains	31.08.04	31.08.04	31.12.03
	£	£	£	£	£	£	£
Quoted securities	3,082,185	617,548	789,055	2,415	2,913,093	2,734,384	2,812,354
Investment							
Freehold properties	-	604,239	-	-	604,239	614,906	-
	<u>3,082,185</u>	<u>1,221,787</u>	<u>789,055</u>	<u>2,415</u>	<u>3,517,332</u>	<u>3,349,290</u>	<u>2,812,354</u>

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

The following holdings each represent more than 5% of the total portfolio:

	Market Value	
	31 August 2004	31 December 2003
	£	£
7.75% Treasury Stock 2006		272,598
5% Treasury Stock 2012	1,219,556	1,254,362
British Petroleum Amoco plc ordinary 25p shares	183,303	168,516

11 Debtors

	31 August 2004	31 December 2003
	£	£
Due from related organisations	265,914	306,051
Accrued donation from Bates Trust	-	76,017
Accrued donation from Unitas Estates Ltd	-	150,000
Related organisations	208	-
Other debtors	81,254	204,019
Prepayments and accrued income	<u>6,643</u>	<u>15,005</u>
	<u>354,019</u>	<u>751,092</u>

Included above are debtors amounting to £219,394 (2003 - £238,057) receivable after more than one year.

12 Bank and Cash

	31 August 2004	31 December 2003
	£	£
Deposits		
Euro account	764	6,378
Dollar account	12,574	14,842
Laing & Cruickshank	197,291	76,318
Premium account	<u>253</u>	<u>51,097</u>
	<u>210,882</u>	<u>148,635</u>
Cash at bank and in hand		
Current account	171,499	219,457
Cash in hand	<u>469</u>	<u>373</u>
	<u>171,968</u>	<u>219,830</u>

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13 Creditors: Amounts falling due within one year	31 August 2004	31 December 2003
	£	£
Congregations, schools and related organisations	147,167	67,719
Social security and other taxes	20,933	-
Other creditors	41,702	41,332
Accruals and deferred income	27,101	40,690
	<u>236,903</u>	<u>149,741</u>

14 Analysis of net assets between the fund balances	General	Designated	Restricted	Total as at 31 August 2004	Total as at 31 December 2003
	£	£	£	£	£
Fixed assets	5,669	162,271	-	167,940	765,271
Subsidiary	14,177	-	-	14,177	14,177
Cash and investments	2,039,985	854,290	1,005,907	3,900,182	3,450,650
Other net assets	129,442	-	-	129,442	606,824
	<u>2,189,273</u>	<u>1,016,561</u>	<u>1,005,907</u>	<u>4,211,741</u>	<u>4,836,922</u>
Unrealised gains included above	<u>100,313</u>	<u>13,549</u>	<u>54,180</u>	<u>168,042</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 £51,470 as at 31 August 2004 (2003: £51,664), are administered by the Moravian Union in accordance with the original trust objects.

15 Future financial commitments

Operating leases

At 31st August 2004 the company was committed to making the following payments under non-cancellable operating leases in the year to 31st August 2005 in respect of office equipment.

	Period ended 31 August 2004	Year ended 31 December 2003
	£	£
Operating leases which expire within		
Less than one year	535	-
Two to five years	7,526	8,061
	<u>8,061</u>	<u>8,061</u>

Pensions

Provided sufficient funds are available, the Company 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 Company. 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')
 Fulneck School
 Ockbrook School
 Congregations in Great Britain and Northern Ireland
 Unitas Estates Company Limited

The company received the following amounts during the period:

	Period ended 31 August 2004	Year ended 31 December 2003
	£	£
Assessments received from Fulneck School	2,550	2,550
Assessments received from Ockbrook School	2,550	2,550
Interest on loan to Ockbrook School	879	5,221
Assessments received from Congregations	270,460	343,174

At 31st August 2004, the following balances were outstanding:

	31 August 2004	31 December 2003
	£	£
Due to Unitas Estates Company Limited	(83,900)	150,000
Due to TSFG	(20,000)	(20,000)
Due from Fulneck School	8,112	12,168
Due from Ockbrook School	138,085	141,883
Due from Congregations	59,612	53,785
Due to Congregations	(15,827)	22,532