

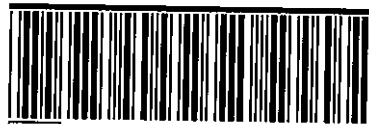
Company No. 136726
Registered Charity No. 216647

IBSA
1997

International
Bible Students
Association

I.B.S.A. House, The Ridgeway, London, England, NW7 1RN

ANNUAL REPORT AND FINANCIAL STATEMENTS
Year ended 31 August 1997



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INTERNATIONAL BIBLE STUDENTS ASSOCIATION

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Year ended 31 August 1997

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INTERNATIONAL BIBLE STUDENTS ASSOCIATION

LEGAL STATUS, OFFICERS AND ADVISERS

31 August 1997

LEGAL STATUS

The Association is an unlimited company, without share capital, incorporated in England under the Companies Acts 1908 and 1913 and is a Registered Charity.

DIRECTORS, TRUSTEES AND COUNCIL MEMBERS

M. G. Henschel *President*

J. S. Andrews *Vice-President*

S. A. Hardy *(appointed 21 November 1996)*

L. A. Swingle

J. A. Wynn

SECRETARY / TREASURER

Sydney D. Smith

REGISTERED OFFICE

I.B.S.A. House
The Ridgeway
London
England NW7 1RN

PRINCIPAL BANKERS

The Royal Bank of Scotland PLC
97 New Bond Street
London
England W1Y 0EU

AUDITORS

Evans & Co
15 The Wheatlands
Bridgnorth
Shropshire
England WV16 5BD

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

REPORT OF THE COUNCIL

Year ended 31 August 1997

The members of the Council present their report and the financial statements of the Association for the year ended 31st August 1997.

Activities

The principal activities of the Association are in the provision of facilities for the printing and distribution of Bibles and Bible based literature and in the promotion of the Christian religion by holding conventions for Christian education. The activities also include giving support to congregations of Jehovah's Witnesses and to others in connection with their spiritual and material welfare, within the charitable purposes of the Association.

Financial Results

The financial results of the year's activities are shown on pages 5 and 8 of the financial statements.

Review of Capital Developments

Capital expenditure on fixed assets has been incurred during this financial year totaling £529,892 and is analysed in note 7 on page 11 of the financial statements. This expenditure was wholly financed from the Association's current resources.

Future Plans

The policy of the Association will remain that of giving financial support to the world wide work of Watch Tower Society in the ministry work of Jehovah's Witnesses. During the coming year it is the intention to give particular support to activities in France. It is planned to achieve this by making donations to associated charities and by purchasing supplies for the branch in France.

Council Members

Mr. Stephen A. Hardy was appointed a director/trustee on 21 November 1996. The other Council members have all served throughout the financial year. The Council Members, who are directors and trustees, are now:-

J. S. Andrews S. A. Hardy M. G. Henschel L. A. Swingle J. A. Wynn

Auditors

A resolution concerning the re-appointment of Evans & Co as the Association's auditors will be considered at the annual general meeting.

By order of the Council



S. D. SMITH
Secretary and Treasurer

11 December 1997

I.B.S.A. House
The Ridgeway
London
England
NW7 1RN

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

COUNCIL MEMBER'S RESPONSIBILITIES STATEMENT

Year ended 31 August 1997

Council members' responsibilities in respect of the preparation of accounts

Company law requires the directors/trustees of a charity to prepare financial statements each financial year which give a true and fair view of its incoming resources and application of resources for the year and of the state of affairs of the charity at the end of the year. In preparing those financial statements the directors/trustees should follow best practice and:

Select suitable accounting policies and then apply them consistently;

Make judgments and estimates that are reasonable and prudent;

Take account of expenses and income relating to the period being reported on, whether or not they have been paid or received in that period; and

Prepare the accounts on a going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The council members believe that the financial statements comply with these requirements, have been prepared in accord with "Accounting by Charities" Statement of Recommended Practice and comply with the Companies Act 1985.

The council members are responsible for maintaining proper accounting records which disclose the financial position of the Association and which ensure that the financial statements comply with statutory requirements. They are also responsible for the safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

REPORT OF THE AUDITORS Year ended 31 August 1997

Report of the auditors to the members of the
International Bible Students Association

We have audited the accounts on pages 5 to 12 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of council members and auditors

The Council members, who are the trustees and directors of the Association, are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we consider 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 affairs of the Association at 31st August 1997 and of the movement of funds, including the income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Evans & Co

Registered Auditors

11 December 1997

15 The Wheatlands
Bridgnorth
Shropshire
England
WV16 5BD

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 August 1997

1996
(restated)

	General fund	Restricted fund (Note 10)	Total funds	Total funds
INCOMING RESOURCES				
Donations and contributions	6,691,208		6,691,208	5,942,633
Convention donations	529,070		529,070	591,075
Legacies	644,160		644,160	448,705
Total voluntary income	7,864,438		7,864,438	6,982,413
Rents received	5,200		5,200	7,845
Interest and dividends received	176,643	3,251	179,894	181,556
Mortgage interest received		8,161	8,161	8,691
Service charges made to Watch Tower Society	1,074,110		1,074,110	1,003,854
Total incoming resources	9,120,391	11,412	9,131,803	8,184,359
RESOURCES EXPENDED				
Direct charitable expenditure (Note 4)	6,055,411		6,055,411	6,487,063
Operating expenditure - charged to Watch Tower Society (Note 5)	994,001		994,001	1,014,398
Depreciation of fixed assets (Note 7)	465,723		465,723	652,973
Total resources expended	7,515,135	-	7,515,135	8,154,434
NET INCOMING RESOURCES	1,605,256	11,412	1,616,668	29,925
OTHER RECOGNISED GAINS				
Realised gain on sale of freehold properties	92,854		92,854	22,710
Realised gain on sale of stocks and shares	570		570	43,382
Unrealised gain on stocks and shares	21,707		21,707	
	115,131	-	115,131	66,092
NET MOVEMENT IN FUNDS	1,720,387	11,412	1,731,799	96,017
Fund balances brought forward at 1 September 1996	27,835,183	189,322	28,024,505	27,928,488
Fund balances carried forward at 31 August 1997	£ 29,555,570	£ 200,734	£ 29,756,304	£ 28,024,505

All of the Association's activities derive from continuing operations.
The notes on pages 9 to 12 form part of these accounts.

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

BALANCE SHEET
31 August 1997

1996

FIXED ASSETS

Tangible assets	(Note 7)		
Land and buildings		22,830,650	23,663,738
Fixtures and fittings		206,470	251,643
Plant and machinery		237,302	326,547
Motor vehicles		35,324	22,055
Convention equipment		52,043	55,185
		<u>23,361,789</u>	<u>24,319,168</u>
Investments			
Quoted investments		142,563	13,403
Congregation hall mortgages		123,310	155,540
		<u>265,873</u>	<u>168,943</u>
		<u>23,627,662</u>	<u>24,488,111</u>

CURRENT ASSETS

Stocks on hand		166,910	140,596
Debtors and accrued income	(Note 8)	789,432	482,940
Building society and bank deposits		5,048,027	2,439,048
Cash at bank - current accounts		17,623	331,314
Congregation contributions in transit		439,305	547,982
		<u>6,461,297</u>	<u>3,941,880</u>
CREDITORS: falling due within one year	(Note 9)	(332,655)	(405,486)
NET CURRENT ASSETS		<u>6,128,642</u>	<u>3,536,394</u>
TOTAL ASSETS LESS LIABILITIES		<u>£ 29,756,304</u>	<u>£ 28,024,505</u>

FUNDS

Unrestricted		29,555,570	27,835,183
Restricted	(Note 10)	200,734	189,322
		<u>£ 29,756,304</u>	<u>£ 28,024,505</u>

Approved by the Council

J. S. Andrews

J. S. ANDREWS
Vice-President

S. D. Smith

S. D. SMITH
Secretary and Treasurer

11 December 1997

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

CASH FLOW STATEMENT
Year ended 31 August 19971996
(restated)

NET CASH INFLOW	(Note 11)		
from operating activities		1,372,003	524,686
INVESTING ACTIVITIES			
Acquisitions of fixed assets	(Note 7)		
Land and buildings		(469,766)	(707,014)
Fixtures and fittings		(4,594)	(556)
Plant and machinery		-	(11,265)
Motor vehicles		(36,650)	(5,000)
Convention equipment		(18,882)	(13,210)
		<u>(529,892)</u>	<u>(737,045)</u>
Decrease (increase) in mortgage lending		32,230	(20,537)
		<u>(497,662)</u>	<u>(757,582)</u>
Proceeds of sale of freehold properties	1,099,854		297,000
Proceeds of sale of motor vehicles	14,548		-
Proceeds of sale of quoted investment	4,614		296,036
Income from investments	193,254		198,092
		<u>1,312,270</u>	<u>791,128</u>
Net cash inflow from investing activities		814,608	33,546
INCREASE IN CASH		2,186,611	558,232
CASH AT 31 AUGUST 1996		3,318,344	2,760,112
CASH AT 31 AUGUST 1997		<u>£5,504,955</u>	<u>£3,318,344</u>
Cash in hand and on short term deposits			
Building society and bank deposits		5,048,027	2,439,048
Cash at bank		17,623	331,314
Cash and cash in transit		439,305	547,982
		<u>£5,504,955</u>	<u>£3,318,344</u>

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 August 1997

1996

GROSS INCOME

Donations, contributions and legacies	7,864,438	6,982,413
Income from investments	193,255	198,092
Service charges to Watch Tower Society	1,074,110	1,003,854
Total income	9,131,803	8,184,359

EXPENDITURE

Direct charitable expenditure (Note 4)	6,055,411	6,487,063
Cost of service charges (Note 5)	994,001	1,014,398
Depreciation of fixed assets (Note 7)	465,723	652,973
Total expenditure	7,515,135	8,154,434
OPERATING SURPLUS FOR THE YEAR	1,616,668	29,925
GAINS ON DISPOSALS OF FIXED ASSETS		
Freehold properties	92,854	22,710
Stocks and shares	570	43,382
SURPLUS FOR THE YEAR	£1,710,092	£96,017

The summary income and expenditure account has been prepared to comply with the Companies Act 1985. The major difference between the figures shown above from those presented in the statement of financial activities (page 5) is that the unrealised gains on investments are not recognised.

All of the Associations operations are classed as continuing.

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS Year ended 31 August 1997

1. STATUS OF THE ASSOCIATION

The Association is an unlimited company without share capital, incorporated under the Companies Acts 1908 and 1913 (No.136726) and is a Registered Charity (No.216647).

The Association has close connections with Watch Tower Bible and Tract Society (Watch Tower Society) and The Kingdom Hall Trust. The branch address in Britain of Watch Tower Society and the registered office of The Kingdom Hall Trust are at the registered office of the Association. These charities all have common or related objectives.

2. ACCOUNTING POLICIES

a) The financial statements are prepared under the historical cost convention as modified by the revaluation of quoted investments.

b) Depreciation is provided on fixed assets to write off the cost over the following periods:-

	No depreciation
Land	
Freehold properties and developments	50 years
Leasehold property	15 years
Fixtures and fittings	10 years
Plant and machinery	7 years
Motor vehicles	5 years
Convention equipment	7 years

c) The Convention costs do not include a charge for depreciation of convention equipment as this is included in the overall provision for depreciation of fixed assets.

3. PERSONNEL

a) The Association has no employees but engages only voluntary workers, providing them with free board, lodging and an allowance for personal and other expenses. During the year there was an average of 269 (260 in 1996) persons engaged.

b) All personnel, including the Members of the Council, are paid on the same basis. Those engaged in the usual work of the Association are required to live in the Association's premises. The total cash allowances, expenses payments and value of board and lodging did not exceed £3,050 during the year for any one person.

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS
Year ended 31 August 1997

1996
(restated)

4. DIRECT CHARITABLE EXPENDITURE

Donation to Watch Tower Society	2,517,013	2,469,845
Literature for public distribution	3,037,658	3,388,452
Cash and goods donated to overseas branches	200,135	370,556
Convention costs	300,605	258,210
	<u>£6,055,411</u>	<u>£6,487,063</u>

5. OPERATING EXPENDITURE

Cost of services charged to Watch Tower Society

Allowances to personnel	307,904	316,852
Dining room and kitchen supplies	148,439	197,694
Accommodation expenses	31,424	45,919
Staff shop (net income)	(2,179)	(1,619)
Farm supplies	80,240	34,743
Electricity, fuel and water	197,004	206,925
Property costs and maintenance	177,175	145,891
Property rents and taxes	18,355	18,552
Professional charges	35,639	49,441
	<u>£994,001</u>	<u>£1,014,398</u>

6. AUDITORS REMUNERATION

Professional charges include auditors remuneration of	<u>£2,750</u>	<u>£2,400</u>
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INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS
Year ended 31 August 1997

7. FIXED ASSETS	Land and buildings	Fixtures and fittings	Plant and machinery	Motor vehicles	Convention equipment	TOTAL
Cost or valuation						
At 31 Aug 1996	25,393,581	497,218	960,780	71,125	145,484	27,068,188
Additions	469,766	4,594	-	36,650	18,882	529,892
Disposals and w/o	(1,180,500)	(4,852)	(290,249)	(39,300)	(28,251)	(1,543,152)
At 31 Aug 1997	£24,682,847	£496,960	£670,531	£68,475	£136,115	£26,054,928
Depreciation						
At 31 Aug 1996	1,729,843	245,575	634,233	49,070	90,299	2,365,337
Charge for the year	295,854	49,767	89,245	8,833	22,024	465,723
Disposals and w/o	(173,500)	(4,852)	(290,249)	(24,752)	(28,251)	(521,604)
At 31 Aug 1997	£1,852,197	£290,490	£433,229	£33,151	£84,072	£2,693,139
Book values						
At 31 Aug 1996	£23,663,738	£251,643	£326,547	£22,055	£55,185	£24,319,168
At 31 Aug 1997	£22,830,650	£206,470	£237,302	£35,324	£52,043	£23,361,789

The net book values of land and buildings comprise freehold properties at £22,456,160 and leasehold property, with a right to purchase, at £264,490. The Association's interests in land and buildings situated in Britain has been valued, at current market values, at £25,415,000.

8. DEBTORS AND ACCRUED INCOME

1996

Service charges receivable	85,974	64,851
Income Tax reclaimable	37,349	45,801
Value Added Tax reclaimable	-	1,493
Convention donations receivable	11,451	15,319
Legacies receivable	611,298	338,893
Bank interest receivable	31,058	7,675
Convention stadium rent paid in advance	5,000	2,919
Sundry amounts receivable	7,302	5,989
	£789,432	£482,940

9. CREDITORS amounts falling due within one year

1996

General suppliers	41,152	72,457
Building improvement suppliers	-	90,183
District convention expenses	29,532	27,263
Due to Watch Tower Society for literature	220,192	196,773
V.A.T. payable	14,499	-
Accrued expenses	26,305	17,835
Unsecured loan notes	975	975
	£332,655	£405,486

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS

Year ended 31 August 1997

10. RESTRICTED FUND

1996

A bequest had been made to the Association for the benefit of congregations in Scotland. To enable many congregations to benefit on a continuing basis the fund has been used to finance, on mortgage, Kingdom Halls owned by Scottish congregations with the balance being invested with the general funds. The movement of the fund during the year was as follows:-

Opening balance		189,322	178,970
Mortgage interest received		8,161	8,691
Investment income received		3,251	1,661
		<u> </u>	<u> </u>
Closing balance	(Page 5)	£200,734	£189,322
		<u> </u>	<u> </u>
Employment of fund at 31 August 1997			
Congregation mortgages		123,310	155,540
Funds retained for future use		77,424	33,782
		<u> </u>	<u> </u>
Accumulated value of funds, as above		£200,734	£189,322
		<u> </u>	<u> </u>

11. CASH FLOW STATEMENT

(Page 7)

1996

(restated)

Reconciliation of operating surplus
with net cash inflow from operating activities

Net incoming resources	(Page 4)		
and operating surplus	(Page 8)	1,616,668	29,925
Items not involving the movement of cash			
Depreciation of fixed assets		465,723	652,973
Funds utilised by the increase of stocks on hand		(26,314)	(6,268)
Funds available from decrease (increase) in debtors		(306,492)	3,783
Funds available from increase (decrease) in creditors		(72,831)	47,027
Donation received of quoted investments		(111,496)	(4,662)
Income from investments			
Rents received		(5,200)	(7,845)
Interest and dividends		(179,894)	(181,556)
Mortgage interest received		(8,161)	(8,691)
		<u> </u>	<u> </u>
Net cash inflow from operating activities	(Page 7)	£1,372,003	£524,686
		<u> </u>	<u> </u>

12. CAPITAL COMMITMENTS

Commitments have been made, without incurring contractual obligations at the balance sheet date, for the enhancement of facilities for headquarters staff, estimated to amount to:

£ 40,000

-