

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2003
for
WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN



WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

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for the Year Ended 31 August 2003

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WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

Company Information
for the Year Ended 31 August 2003

TRUSTEES:	Ronald Drage – Chairman Jack Dowson Peter Ellis Bevan Vigo
SECRETARY:	T P Cruse
REGISTERED OFFICE:	IBSA House The Ridgeway London NW7 1RN
AUDITORS:	Calcutt Matthews, Chartered Accountants 2 nd Floor Cardine House 30 North Street Ashford Kent TN24 8JR
PRINCIPAL BANKERS:	Barclays Bank plc PO Box 12820 London N20 0WE

Report of the Trustees
for the Year Ended 31 August 2003

The Board of Trustees present their report and the financial statements of the Society for the year ended 31st August 2003. The financial statements have been prepared in accordance with current statutory requirements and the charitable company's Memorandum and Articles of Association dated October 25, 1999 and the Statement of Recommended Practice - Accounting and Reporting by Charities.

Objects and Activities

The objects of the Society, contained in its memorandum, the governing document of the charity, are to advance the Christian religion as practiced by the body of Christian persons known as Jehovah's Witnesses by:

- a. preaching the gospel of God's Kingdom under Christ Jesus unto all nations as a witness to the name, word and supremacy of the almighty God, JEHOVAH;
- b. producing and distributing Bibles and other religious literature in any medium and educating the public in respect thereof;
- c. promoting religious worship;
- d. promoting Christian missionary work;
- e. advancing religious education;
- f. maintaining one or more religious orders or communities of special ministers of Jehovah's Witnesses;

This is accomplished by supporting congregations of Jehovah's Witnesses and others in connection with their spiritual and material welfare, in Britain and abroad, within the charitable purposes of the Society; by the printing and distribution of Bibles and Bible based literature, by making donations primarily in developing countries to local associations of Jehovah's Witnesses and administering the work of Jehovah's Witnesses in Britain.

Governance

The Trustees of the Society also have key managerial roles at the charity headquarters. They meet at least four times each year, and are in regular contact from day to day. Trustees are elected annually, by a simple majority of the members present at the AGM.

Internal Controls

These controls ensure that the monthly financial reports accurately represent all transactions; provide reasonable assurance that finances are being used for their intended purpose, verify that proper controls and procedures are in place, and adhered to, so that the figures are recorded accurately and the accounts are in balance.

The internal audit programme has been achieved. The internal auditor (who is a certified accountant) and his assistant, both drawn from the volunteer work force, have a set agenda to work pursue throughout the year, and reported in writing to the trustees in October 2003. Approved recommendations were implemented.

Reserves Policy

The Society has a consistent income base through Gift Aid. In addition, the primary activity is the manufacture and distribution of Bible based religious literature on behalf of International Bible Students Association, the cost of which is passed on. Based on this income, we can plan confidently with relatively small reserves. The established policy is to ensure that we have on hand in liquid funds at least 3 months working expenditure. At the year-end, the liquid assets on hand were roughly equivalent to 7 months of expenditure.

Investment Policy

In harmony with paragraphs 4.18 and 4.19 of the Memorandum and Articles, which give power to invest funds in any lawful manner having full regard to the suitability of the investments and the need for diversification. Investments are selected with consideration for our Christian principles. The objective is to preserve capital and achieve a real return of 4% greater than the rate of inflation. This was achieved.

Relationship with Connected Charities

The Society works closely with International Bible Students Association, which permits Watch Tower Society to use its facilities for the Society's charitable activities and provides accommodation for volunteers. International Bible Students Association makes a monthly service and maintenance charge to the Society for the facilities it uses and for providing accommodation for volunteers connected with the Society's activities. The Society passes to International Bible Students Association the cost incurred in printing and distributing the Bible-based religious literature manufactured and delivered to destinations on its behalf and all other overhead costs.

Report of the Trustees
for the Year Ended 31 August 2003

Risk Assessment

The major risks to which the charity is exposed have been reviewed, with particular focus on events that would seriously impede the operations of the charity. Strategies and safeguards are in place to reduce, as far as possible, the impact of those risks. The risk register has been reviewed by the trustees who are satisfied that the risk strategy is sound.

Review of the year and financial development

The financial result of the year's activities is shown on page 6. Donations received were lower than in the previous year but legacy income was sharply up on the previous year. There was also a modest rise in investment income reflecting the generally more optimistic view of the financial markets in the past year.

Direct charitable expenditure through the year was £10,436,646 approximately 60% of the previous year. The reason for this reduction is a programme of capital expenditure as explained below. Donations of cash and goods to overseas charities, primarily in the developing world, to further the objects of Jehovah's Witnesses totaled £2,041,068. Financial support was given to full time volunteer ministers in Britain in the sum of £791,629. The cost of manufacturing and distributing Bibles and Bible study aids was £5,288,752.

Support costs for the charity remain at the same level as for the previous 12 months.

In the previous financial year the trustees signed a contract for the purchase of a high speed MAN Roland Lithoman Offset Press. During the current financial year, the printery in which the press is now located was remodeled. Capital expenditure on the press and ancillary machinery was £2,599,630. The Press commenced operation, for trial purposes in October 2003 with production commencing November 2003. Currently the printery is producing approximately 11 million magazines per month. During the year there has been a 12% increase in magazine production with a total of over 165 million printed in 22 languages and dispatched to 57 countries, mainly Africa. The increase in printing has resulted in the need for additional volunteers to assist the charity and during the year the trustees have worked closely with the trustees of International Bible Students Association who have obtained additional residential property to house volunteers. The Trustees agreed to assist with the purchase of the residential property by making an interest free loan to IBSA of £3,600,000. This is secured by promissory note on the property.

Since the financial year ending 31 August 2003, it has been necessary to re-assess the available space in the printery, primarily because of the lack of storage space for the paper reels. Currently there is space only to store approximately one week's paper requirement on site. A warehouse approximately 5 miles from the main printery has been purchased by IBSA and they will remodel it and make it available to Watch Tower. This will solve the current space shortage being experienced.

It is anticipated that the demand for Bibles and Bible based literature will increase. With the new press equipment which has the capacity for producing 90,000 magazines per hour we are well placed to keep up with the demand. The Trustees would like to thank the growing number of volunteers for their hard work and assistance in coping with the difficult task of installing and commissioning new printing equipment while at the same time keeping up with the schedule of printing of magazines and Bible based literature which increased during the year.

Volunteers

As noted in the Review of the Year, the work of the charity has increased, and endeavoring to keep up with the demands for Bible based magazines and literature along with other material support to overseas charities, while installing, and commissioning new printing equipment has not been easy. There has been wholehearted support from the volunteer workforce that has unstintingly given time, skills and energies to ensure that the charitable work of the Society continues uninterrupted. We gratefully acknowledge their invaluable support and look forward to this continuing for the coming year.

Statement of Trustees' responsibilities

Company law requires the trustees (who are also directors) to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company (elsewhere referred to as "the charity") and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to

WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

Report of the Trustees

for the Year Ended 31 August 2003

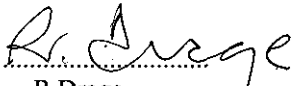
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in its activities.

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

Auditors

The auditors, Calcutt Matthews, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


- R Drage

Dated: 20th May 2004

Report of the Independent Auditors
for the Year Ended 31 August 2003

Independent Auditors report to the members of the Watchtower Bible and Tract Society ('Society')

We have audited the financial statements of the Society for the year ended 31st August 2003, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustees of the Society and the independent auditors

The trustees' responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act and section of the Companies Act 1985. 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 in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for the audit.

We read other information contained in the Trustees Annual Report, 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 for opinion

We conduct 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 judgments 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 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 the charity's affairs as at 31 August 2003 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993, Companies Act 1985 and the Charitable trust deed.

Calcutt Matthews

Calcutt Matthews, Chartered Accountants
2nd Floor
Cardine House
30 North Street
Ashford
Kent TN24 8JR

21st May 2004

WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

**Statement Of Financial Activities (Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2003**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2003 £	Total funds 2002 £
Incoming resources					
Donations	2	7,097,428	1,840,930	8,938,358	9,084,122
Legacies		1,442,344	457,699	1,900,043	298,724
<i>Activities in furtherance of the charity's objectives:</i>					
Income from literature	3	8,445,539	-	8,445,539	9,946,833
<i>Investment income</i>					
Interest and dividends receivable		996,474	65,051	1,061,525	1,023,257
Total incoming resources		17,981,785	2,363,680	20,345,465	20,352,936
Resources expended					
<i>Cost of activities in furtherance of charity's objectives:</i>					
Cost of literature	3	5,288,752	-	5,288,752	8,528,878
Ministry costs		247,415	544,214	791,629	885,186
Donations	4	4,356,265	-	4,356,265	7,760,727
<i>Support Costs:</i>					
Charges from a connected charity for residential provision and other facilities	1	2,592,634	-	2,592,634	2,666,902
Management and administration		651,437	92,909	744,346	853,389
Total resources expended	5	13,136,503	637,123	13,773,626	20,695,082
NET INCOMING RESOURCES		4,845,282	1,726,557	6,571,839	(342,146)
Net gains on investments		315,691	-	315,691	358,455
NET MOVEMENT IN FUNDS		5,160,973	1,726,557	6,887,530	16,309
Total funds at 1 st September 2002		13,552,686	8,702,295	22,254,981	22,238,672
Total funds at 31st August 2003		18,713,659	10,428,852	29,142,511	22,254,981

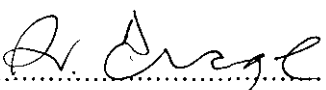
All of the above results are derived from continuing activities. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus the gains on investments and was £6,887,530 (2002: £16,309)

WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

Balance Sheet
31 August 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	6		7,428,910		4,123,210
Investments	7		<u>9,437,650</u>		<u>5,837,650</u>
			16,866,560		9,960,860
CURRENT ASSETS					
Stocks	8	727,952		1,073,235	
Debtors	9	6,631,268		7,943,150	
Investments	10	25,422,045		26,015,263	
Cash in hand		<u>262,521</u>		<u>221,032</u>	
		33,043,786		35,252,680	
CREDITORS					
Amounts falling due within one year	11	<u>11,104,131</u>		<u>18,660,566</u>	
NET CURRENT ASSETS					
			<u>21,939,655</u>		<u>16,592,114</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			38,806,215		26,552,974
CREDITORS					
Amounts falling due after more than one year	12		<u>9,663,704</u>		<u>4,297,993</u>
			<u>£29,142,511</u>		<u>£22,254,981</u>
FUNDS					
Unrestricted funds	13		18,713,659		13,552,686
Restricted funds	13		<u>10,428,852</u>		<u>8,702,295</u>
			<u>£29,142,511</u>		<u>£22,254,981</u>

ON BEHALF OF THE TRUSTEES:


.....

R. Drage


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P. Ellis

20th May 2004

The notes form part of these financial statements

WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

Cash Flow Statement
for the Year Ended 31 August 2003

	Notes	2003	2002
		£	£
Net cash inflow from operating activities	17	35,696	7,276,858
Returns on investments and servicing of finance	18	3,142,927	(781,515)
Capital expenditure and investment	18	(3,137,134)	(6,313,039)
Increase in cash in the period		<u>£41,489</u>	<u>£182,304</u>

Increase in cash in the period	41,489	182,304
Cash at 1st September 2002	221,032	38,728
Cash at 31 August 2003	<u>262,521</u>	<u>£221,032</u>

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000, the Companies Act 1985 and applicable accounting standards.

Fund accounting

The charity has only general funds. General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. No income is deferred. Donations are from the public, congregations and other connected charities. Entitlement to legacies is the earlier of either the charity being notified of an impending distribution or the legacy being received. Income from literature comprises the sale of literature held and printed by the charity.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they all have been allocated to activities on a basis consistent with the use of resources. Charges for residential provision and other facilities for the activities of a connected charity are made by International Bible Students Association, a connected charity on a cost basis in line with the charity's objects. These charges comprise the costs of providing, maintaining accommodation and associated support costs for the purpose of the charge referred to in the incoming resources policy above. Literature costs represent the costs of producing the literature sold in line with charitable objectives. Management and administration costs comprise legal and professional fees and depreciation of administrative equipment.

Tangible fixed assets

All expenditure on computers and all other items individually with a cost of £1,000 or more is capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Land	- Nil
Freehold Buildings	- 50 years straight line
Plant and machinery	- 3-10 years straight line
Motor vehicles	- 4 years reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Connected charities

Transactions are on an arms length and accruals basis. The charity works closely with International Bible Students Association – IBSA (charity registration number – 216647) and overseas charities used by Jehovah's Witnesses and separately registered locally.

WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

Notes to the Financial Statements
for the year ended 31st August 2003

2. DONATIONS RECEIVABLE

	2003	2002
Literature from headquarters	1,162,985	3,257,853
From individuals	2,944,674	2,004,622
From congregations	4,604,167	1,736,518
From others	<u>226,532</u>	<u>2,085,129</u>
Total donations received	<u>8,938,358</u>	<u>9,084,122</u>

3. LITERATURE ACCOUNT

	2003 £	2002 £
Value of literature and magazines donated overseas	2,253,086	3,992,458
Literature and magazines supplied to IBSA	<u>6,192,453</u>	<u>5,954,375</u>
Income from literature	<u>8,445,539</u>	<u>9,946,833</u>
Value of literature donated by HQ (and other branches)	1,162,985	3,257,853
Shipment/Production Expenses	3,782,764	4,289,942
Decrease in literature stock	<u>343,003</u>	<u>981,083</u>
Expenditure on Literature	<u>5,288,752</u>	<u>8,528,878</u>
Net income from literature	<u>3,156,787</u>	<u>1,417,955</u>

4. DONATIONS MADE

	2003 £	2002 £
IBSA – a connected charity	62,111	159,694
Overseas Administrative offices for Christian work	2,041,068	3,608,575
Literature and Magazines	<u>2,253,086</u>	<u>3,992,458</u>
	<u>£4,356,265</u>	<u>£7,760,727</u>

Donations of literature and magazines were primarily made to Africa (Ghana, Sierra Leone, Kenya, Uganda, Tanzania) and to the Windward Islands in the Caribbean.

Cash donations primarily were made on a regular basis to the administrative offices of Jehovah's Witnesses in Africa to further the charitable objects of the Society. Relief aid was sent to Sierra Leone.

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Other Costs £	Depreciation £	Total £
Cost of literature	5,151,655	137,097	5,288,752
Ministry costs	791,629	-	791,629
Donations	4,356,265	-	4,356,265
Charges from connected charity for residential provision and other facilities	2,226,473	366,161	2,592,634
Management and administration	<u>664,768</u>	<u>79,578</u>	<u>744,346</u>
	<u>13,190,790</u>	<u>582,836</u>	<u>13,773,626</u>

WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

**Notes to the Financial Statements
for the Year Ended 31 August 2003**

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST:					
At 1 September 2002	515,762	4,332,097	998,180	567,318	6,413,357
Additions	-	3,790,711	392,180	-	4,182,891
Disposals	<u>(20,000)</u>	<u>(121,464)</u>	<u>(331,076)</u>	<u>(186,697)</u>	<u>(659,237)</u>
At 31 August 2003	<u>495,762</u>	<u>8,001,344</u>	<u>1,059,284</u>	<u>380,621</u>	<u>9,937,011</u>
DEPRECIATION:					
At 1 September 2002	4,664	1,683,419	392,026	210,038	2,290,147
Charge for year	9,240	252,399	233,336	87,861	582,836
Eliminated on disposal	<u>(1,042)</u>	<u>(76,597)</u>	<u>(175,225)</u>	<u>(112,018)</u>	<u>(364,882)</u>
At 31 August 2003	<u>12,862</u>	<u>1,859,221</u>	<u>450,137</u>	<u>185,881</u>	<u>2,508,101</u>
NET BOOK VALUE:					
At 31 August 2003	<u>482,900</u>	<u>6,142,123</u>	<u>609,147</u>	<u>194,740</u>	<u>7,428,910</u>
At 31 August 2002	<u>511,098</u>	<u>2,648,678</u>	<u>606,154</u>	<u>357,280</u>	<u>4,123,210</u>

In the 2002 financial statements £904,381 was recorded as 'payments on account for machinery'. This figure has been included in the brought forward cost of plant and machinery in the note above, now that the equipment has been commissioned.

7. FIXED ASSET INVESTMENTS

	2003 £	2002 £
Loan to connected charity	<u>9,437,650</u>	<u>5,837,650</u>

The loan is to IBSA on an interest free basis secured by a promissory note.

8. STOCKS

	2003 £	2002 £
Stocks of paper, printing materials and literature	<u>727,952</u>	<u>1,073,235</u>

9. DEBTORS

	2003 £	2002 £
Trade debtors	7,001	-
Other debtors	59,999	518,468
Loans from congregations and overseas charities of Jehovah's Witnesses	5,851,782	6,594,840
Prepayments and accrued income	<u>712,486</u>	<u>829,842</u>
	<u>6,631,268</u>	<u>7,943,150</u>

Notes to the Financial Statements
for the Year Ended 31 August 2003

10. CURRENT ASSET INVESTMENTS

Notes	Cash equivalents £	Narrow range investments £	Total 2003 £	Total 2002 £
Market value brought forward at <i>1st September 2002</i>	11,278,668	14,736,595	26,015,263	20,379,549
Additions	3,674,084	4,799,389	8,473,473	10,842,132
Disposals	(8,876,503)	(505,879)	(9,382,382)	(5,564,873)
Net investment gains	-	315,691	315,691	358,455
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Market value at 31 st August 2003	6,076,249	19,345,796	25,422,045	26,015,263
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Historic cost at 31 st August 2003	6,076,249	18,758,847	24,835,096	25,941,444
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Narrow range investments comprise UK Fixed Interest Securities none of which individually comprise more than 5% of the portfolio.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade creditors	110,850	1,511,028
Other creditors	200,938	176,059
Deposits – congregations, circuits, individuals	10,274,485	16,195,952
Connected charities	-	207,071
Conditional donations	510,558	502,050
Accrued expenses	7,300	68,406
	<hr/>	<hr/>
	<u>11,104,131</u>	<u>18,660,566</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Other loans (see note 13)	4,526,462	4,297,993
Deposits - congregations	5,137,242	-
	<hr/>	<hr/>
	<u>9,663,704</u>	<u>4,297,993</u>

During the year the trustees decided to change the accounting policy for recognizing liabilities to repay Congregation deposits. Experience has shown that on average only 10 per cent of funds are withdrawn annually. Prudently, it was decided that two thirds of funds be left in creditors repayable within one year and the balance be treated as payable after more than one year. The comparative figure has not been adjusted.

Notes to the Financial Statements
for the Year Ended 31 August 2003

13. RESERVES

	At 1 September 2002 £	Income* £	Expenditure £	Transfers £	At 31 August 2003 £
UNRESTRICTED:					
General fund	<u>13,552,686</u>	<u>18,297,476</u>	<u>13,136,503</u>	-	<u>18,713,659</u>
RESTRICTED FUNDS:					
Ministers car fund	357,280	-	162,539	-	194,741
Kingdom Hall assistance arrangement	2,287,571	353,362	169,486	-	2,471,447
The Society Kingdom Hall fund	6,007,913	1,606,765	-	-	7,614,678
Distress relief fund	3,251	32,977	35,170	-	1,058
Missionary travel fund	19,236	211,567	230,803	-	-
Eastern Europe fund	<u>27,044</u>	<u>159,009</u>	<u>39,125</u>	-	<u>146,928</u>
Total restricted funds	<u>8,702,295</u>	<u>2,363,680</u>	<u>637,123</u>	-	<u>10,428,852</u>
TOTAL FUNDS	<u>22,254,981</u>	<u>20,661,156</u>	<u>13,773,626</u>	-	<u>29,142,511</u>

*Includes net gains on investments

Ministers Car Fund

This fund was set up to fund the provision of cars for traveling ministers in the British field. The appeal was closed in 2001 and cars are now purchased by the general fund. When all funds have been spent the fund will be formally closed.

Kingdom Hall Assistance Arrangement

The Hall Upkeep and Assistance Arrangement exists to give aid where losses and damages have been suffered by congregations or individuals.

The Society Kingdom Hall Fund

The fund has been set up to advance monies to assist with the purchase of places of worship.

Distress Relief Fund

This fund exists to give support to areas experiencing distress or natural disaster.

Missionary Travel Fund

This appeal was set up to pay for the costs of bringing missionaries home.

Eastern Europe Fund

This fund was established to help contribute towards the purchase of places of worship and branch facilities in Eastern Europe.

14. ASSETS BY FUND

	Unrestricted £	Restricted £	Total £	2002 £
Tangible fixed assets	7,234,169	194,741	7,428,910	4,123,210
Loans	9,437,650	-	9,437,650	5,837,650
Net current assets	11,705,544	10,234,111	21,939,655	16,592,114
Creditors: falling due after more than one year	<u>(9,663,704)</u>	-	<u>(9,663,704)</u>	<u>(4,297,993)</u>
	<u>18,713,659</u>	<u>10,428,852</u>	<u>29,142,511</u>	<u>22,254,981</u>

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WATCH TOWER BIBLE & TRACT SOCIETY OF BRITAIN

Notes to the Financial Statements
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15. **CONTINGENT LIABILITIES**

	2003	2002
	£	£
Guarantees have been given to the Society's bankers in respect of Customs and Excise and other operating commitments in amounts totaling	<u>30,000</u>	<u>30,000</u>

16. **TRUSTEES REMUNERATION AND EXPENSES**

The trustees of the Watch Tower Bible and Tract Society of Britain receive no payments or reimbursements in their capacity as trustees. The trustees are also volunteer workers at the Society's premises, they receive personal expense allowances of £80 per month and a personal expense gift of £300 per year with free board and lodging as indeed do all volunteers..

17. **RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003	2002
	£	£
Net incoming resources	6,571,839	(342,146)
Investment income	(1,061,525)	(1,023,257)
Depreciation and surplus on disposal	424,652	551,026
Decrease in stocks	345,283	981,083
Decrease in debtors	1,311,882	1,468,959
(Decrease) / increase in creditors	<u>(7,556,435)</u>	<u>5,641,193</u>
Net cash inflow from operating activities	<u>35,696</u>	<u>7,276,858</u>

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18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT	2003	2002
	£	£
Returns on investments and servicing of finance		
Investment income	1,061,525	1,023,057
Further advance to connected charity	(3,600,000)	(1,400,000)
Gains on investments	315,691	-
Congregation deposits received	<u>5,365,711</u>	<u>(404,572)</u>
Net cash (inflow/outflow) for returns on investments and servicing of finance	<u>3,142,927</u>	<u>(781,515)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,182,891)	(1,556,296)
Sale of tangible fixed assets	452,539	150,435
Net outlay on investments	<u>593,218</u>	<u>(4,907,178)</u>
Net cash (outflow) for capital expenditure	<u>(3,137,134)</u>	<u>(6,313,039)</u>

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