

**REGISTERED COMPANY NUMBER: 00136726 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 216647**

**Report of the Trustees and  
Financial Statements for the Year Ended 31st August 2015  
for  
International Bible Students Association**

**International Bible Students Association**

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for the Year Ended 31st August 2015**

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## **International Bible Students Association**

### **Report of the Trustees for the Year Ended 31st August 2015**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

00136726 (England and Wales)

##### **Registered Charity number**

216647

##### **Registered office**

IBSA House  
The Ridgeway  
London  
NW7 1RN

##### **Trustees**

S A Hardy	- resigned 30.6.15
J S Andrews	- resigned 21.7.15
J D Dutton	
S Papps	
P S Gillies	
S J Morice	- resigned 11.3.15
K Snaith	- appointed 11.3.15
I Darby	- appointed 21.7.15
P Buttner	- appointed 21.7.15

##### **Auditors**

Calcutt Matthews Ltd  
Chartered Accountants and Statutory Auditor  
19 North Street  
Ashford  
Kent  
TN24 8LF

##### **Bankers**

Barclays Corporate North London Team  
1-2 Trinity Way  
Chingford  
London  
E4 8TD

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity was incorporated on 30th June 1914 and is governed by the Memorandum and Articles of Association of that date as amended by special resolutions on 20th April 1951, 10th January 1958, 28th November 2005, 4th January 2006 and 20th February 2014.

##### **Recruitment, appointment, induction and training of new trustees**

The Trustees of the Association who held office during the year, and at the date of this report, are set out above. These trustees have key roles at the charity's headquarters. They meet together each month and are in regular contact from day to day. The Trustees have the power to appoint or remove Trustees by a simple majority vote.

The recruitment and induction of new Trustees is arranged as follows. When necessary, the Trustees review potential candidates, on the basis set out in the Articles of Association. Their abilities and qualifications are evaluated by the Trustees.

## **International Bible Students Association**

### **Report of the Trustees for the Year Ended 31st August 2015**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

The charity is constituted as a company limited by guarantee.

The trustees organise the running of the charity through a number of departments. Each department is headed up by a trained and experienced department overseer who will make regular reports to the Trustees. Policy decisions are made solely by the Trustees. In some cases, a separate committee is given a budget, and can make decisions within the approved budget.

##### **Wider network**

Charities with similar objects exist in many countries around the world.

##### **Related parties**

The Association works closely with Watch Tower Bible and Tract Society of Britain (Watch Tower). It provided serviced facilities for Watch Tower to use in its charitable activities.

##### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The object of the Association is to promote the Christian religion as practiced by the body of Christians known as Jehovah's Witness, 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 Association. This has been achieved by:

1. The purchase and distribution of religious literature, free of charge.
2. The provision of serviced facilities for the printing of religious literature and the housing of those engaged in this and in related activities.
3. The arranging of conventions for Bible education.

##### **Significant activities**

There is an increasing demand for the religious literature we receive from Watch Tower. We have been preparing to move our headquarters to a site we have purchased near Chelmsford.

##### **Grant making**

Our grant making policy is as follows. From time to time we are asked by the Governing Body of Jehovah's Witnesses to consider helping Jehovah's Witnesses in countries where a need exists. We first consider whether the budget permits. If this is the case we then send the money to the organisation caring for Jehovah's Witnesses in that country. We thereafter obtain reports to confirm the money was properly used.

##### **Public benefit**

In addition to being a religious entity, the Trustees confirm that they have taken into consideration Charity Commission guidance on public benefit in exercising their powers and duties. This is amply demonstrated in the above report and in particular the following:

1. Bible literature we have supplied without charge to congregations of Jehovah's Witnesses in the UK, has been distributed gratis, by those congregations, to interested members of the public in their local communities, in the following quantities: 25,116,396 copies of The Watchtower and Awake!, 786,750 Bibles and Bible study aids and 24,385,119 brochures, tracts and invitations to meetings.
2. Our conventions for Bible education were widely advertised by personal invitations delivered to the public nationwide; admission is free. This year the attendance in Britain totalled 153,250.

##### **Workers**

All who care for the work of the charity are religious ministers who are members of the Worldwide Order of Special-full-time Servants of Jehovah's Witnesses.

## **International Bible Students Association**

### **Report of the Trustees for the Year Ended 31st August 2015**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

###### *Charitable activities*

###### Provision of literature for Bible education

The literature we donate to congregations of Jehovah's Witnesses plays a pivotal role in their Bible teaching activity. This activity reached out to the communities in the area covered by the congregations resulting in families and individuals receiving free instruction in their own homes. An average of over 60,000 home Bible study courses were provided each month.

###### Conventions for Bible education

These summer conventions were again well attended; the total of 153,250 was gratifying. All sessions are open to the public, and there is no charge for admission. 116,000 copies of a new book to be used in personal and congregation study, "Jesus- The Way, the Truth and the Life", 234,000 copies of a brochure, "Return to Jehovah", along with 58,000 copies of a DVD "What is True Love?" were released for immediate use in the community. These English publications were made available in up to 17 other languages.

###### Overseas aid

We had adequate funds to be able to respond to all of the requests received for charitable aid, supporting Jehovah's Witnesses. The total of £5,152,211 was sent as donations and aid overseas.

###### Promoting Christian missionary work

Certain full time ministers have been assisted with their living costs in order for them to devote their efforts to their ministry.

###### *Fundraising activities*

Because of the consistent voluntary support we enjoy from congregations of Jehovah's Witnesses, we do not engage in fundraising activities.

###### *Investment performance*

The trustees are satisfied with the results for the year, taking into account interest rates generally. Money is held in first class banks.

###### *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 and verify that proper controls and procedures are in place and adhered to, so that the figures are recorded accurately and accounts are in balance. The internal audit programme has been achieved. The internal auditor and his assistant have a set agenda to pursue through the year and reported again in writing to the Trustees in October 2015. All was found to be in order.

##### **Financial review**

###### *Reserves policy*

The Association has a reliable donation base, being primarily the resources of Jehovah's Witnesses in the 1,605 congregations of Jehovah's Witnesses in the UK. Hence, we can plan confidently with relatively small cash reserves, and we respond to the needs for funds overseas only after filling our domestic requirements.

###### *Principal funding sources*

The charity is funded by voluntary donations and legacies. Also, grants are received from Jehovah's Witnesses in other countries. £12 million was received by way of grants, through a related charity operated by Jehovah's Witnesses in Germany.

###### *Other*

During the year, the Association acquired land at Chelmsford at a cost of £16.7m, to facilitate a relocation of the headquarters buildings, and recognised the acquisition of property in Australia.

##### **Principal risks and uncertainties**

The major risks to which the charity is exposed have been formally reviewed, with particular focus on events that would seriously impede the operations of the charity. Strategic safeguards are in place to reduce, as far as possible, the impact of those risks. The risk register was updated most recently in February 2016.

## International Bible Students Association

### Report of the Trustees for the Year Ended 31st August 2015

#### STRATEGIC REPORT

##### Principal risks and uncertainties

The principal risks and uncertainties are in the following areas: Construction projects; IT disaster recovery and planning; lack of building fabric maintenance.

##### Future developments

We anticipate an even greater demand for Bible literature in the year ahead, and we are planning accordingly. The project to plan and build new headquarters is proceeding well.

#### STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of International Bible Students Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

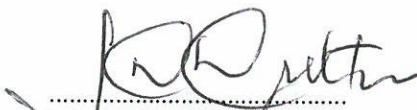
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....17/03/2016..... and signed on the board's behalf by:

  
.....  
J.D. Dutton - Trustee

## **Report of the Independent Auditors to the Members of International Bible Students Association**

We have audited the financial statements of International Bible Students Association for the year ended 31st August 2015 on pages seven to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
International Bible Students Association**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nicholas Hume FCA.

Nicholas Hume FCA (Senior Statutory Auditor)  
for and on behalf of Calcutt Matthews Ltd  
Chartered Accountants and Statutory Auditor  
19 North Street  
Ashford  
Kent  
TN24 8LF

Date: ..... 21 March 2016.



**International Bible Students Association**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31st August 2015**

		Unrestricted fund	Restricted fund	2015 Total funds	2014 Total funds
	Not es	£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	32,289,275	-	32,289,275	22,500,616
Investment income	3	14,534	-	14,534	25,142
<b>Incoming resources from charitable activities</b>					
Provision of serviced facilities	4	6,606,420	-	6,606,420	5,783,062
<b>Other incoming resources</b>		<u>9,541</u>	-	<u>9,541</u>	<u>17,403</u>
<b>Total incoming resources</b>		38,919,770	-	38,919,770	28,326,223
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Provision of literature for Bible education	5	9,072,831	-	9,072,831	8,820,956
Provision of conventions for Bible education		1,600,459	-	1,600,459	1,664,095
Donations and aid overseas		5,156,300	-	5,156,300	1,736,964
Provision of serviced facilities		7,042,719	-	7,042,719	6,475,249
Promoting Christian missionary work		340,504	-	340,504	-
<b>Governance costs</b>	7	<u>14,783</u>	-	<u>14,783</u>	<u>11,933</u>
<b>Total resources expended</b>		<u>23,227,596</u>	-	<u>23,227,596</u>	<u>18,709,197</u>
<b>NET INCOMING RESOURCES</b>		15,692,174	-	15,692,174	9,617,026
<b>Other recognised gains/losses</b>					
Gains/losses on investments		(124)	-	(124)	7,756
Unrealised gains/(losses) on investment assets		<u>(1,524)</u>	-	<u>(1,524)</u>	<u>(1,757)</u>
<b>Net movement in funds</b>		15,690,526	-	15,690,526	9,623,025
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>75,479,502</u>	-	<u>75,479,502</u>	<u>65,856,477</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>91,170,028</u></u>	-	<u><u>91,170,028</u></u>	<u><u>75,479,502</u></u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

**International Bible Students Association**

**Balance Sheet  
At 31st August 2015**

	Notes	Unrestricted fund £	Restricted fund £	2015 Total funds £	2014 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	10	93,872,936	-	93,872,936	73,114,340
<b>CURRENT ASSETS</b>					
Stocks	11	229,594	-	229,594	211,088
Debtors	12	554,802	-	554,802	1,457,642
Investments	13	13,189	-	13,189	7,650
Cash at bank and in hand		<u>1,657,764</u>	<u>-</u>	<u>1,657,764</u>	<u>2,058,746</u>
		2,455,349	-	2,455,349	3,735,126
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>(2,230,376)</u>	<u>-</u>	<u>(2,230,376)</u>	<u>(1,369,964)</u>
<b>NET CURRENT ASSETS</b>		<u>224,973</u>	<u>-</u>	<u>224,973</u>	<u>2,365,162</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		94,097,909	-	94,097,909	75,479,502
<b>CREDITORS</b>					
Amounts falling due after more than one year	15	<u>(2,927,881)</u>	<u>-</u>	<u>(2,927,881)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>91,170,028</u>	<u>-</u>	<u>91,170,028</u>	<u>75,479,502</u>
<b>FUNDS</b>					
Unrestricted funds	17			<u>91,170,028</u>	<u>75,479,502</u>
<b>TOTAL FUNDS</b>				<u>91,170,028</u>	<u>75,479,502</u>

The financial statements were approved by the Board of Trustees on 17/03/2016 and were signed on its behalf by:

  
.....  
J D Dutton - Trustee

  
.....  
S Papps - Trustee

The notes form part of these financial statements

**International Bible Students Association**

**Cash Flow Statement  
for the Year Ended 31st August 2015**

	Notes	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	19	14,715,996	9,946,925
<b>Returns on investments and servicing of finance</b>	20	14,534	25,142
<b>Capital expenditure and financial investment</b>	20	(15,132,431)	(8,413,354)
		<u>(401,901)</u>	<u>1,558,713</u>
<b>Management of liquid resources</b>	20	919	313,784
<b>(Decrease)/increase in cash in the period</b>		<u>(400,982)</u>	<u>1,872,497</u>

**Reconciliation of net cash flow to movement in net debt**

	21	(400,982)	1,872,497
(Decrease)/increase in cash in the period			
Cash inflow/(outflow) from (decrease)/increase in liquid resources		<u>(1,042)</u>	<u>(306,028)</u>
Change in net debt resulting from cash flows		(402,024)	1,566,469
Non-cash change in current asset investment		8,105	314,477
Revaluation of current asset		(1,524)	(1,757)
Non-cash change in long term		<u>(2,927,881)</u>	<u>-</u>
<b>Movement in net debt in the period</b>		(3,323,324)	1,879,189
<b>Net debt at 1st September</b>		<u>2,066,396</u>	<u>187,207</u>
<b>Net debt at 31st August</b>		<u>(1,256,928)</u>	<u>2,066,396</u>

The notes form part of these financial statements

## **International Bible Students Association**

### **Notes to the Financial Statements for the Year Ended 31st August 2015**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

##### **Donations receivable**

All incoming resources are included on the Statement of Financial Activities 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. Donations in the form of assets are included at the net book value on the date of the gift.

##### **Grants receivable**

Grants receivable are recognised when they are received. They represent amounts received to contribute towards the running expenses of IBSA.

##### **Legacies**

The value of legacies is brought into the accounts at the earlier of the charity being notified of an impending distribution or the legacy being received.

##### **Provision of serviced facilities**

Income from the provision of serviced facilities is received from a connected charity, Watch Tower Bible and Tract Society of Britain ("Watch Tower"). Watch Tower occupies the residential accommodation, the printery and the offices that are maintained by the charity.

##### **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

##### **Governance costs**

Governance costs comprise external audit fees and other fees from consultants.

## International Bible Students Association

### Notes to the Financial Statements - continued for the Year Ended 31st August 2015

#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Fixed assets are valued at cost less depreciation. Assets costing less than £1,000 are not capitalised. Depreciation is provided at the following annual rates in order to write each asset down to its residual value over its estimated useful life:

Freehold land	-	Not depreciated
Buildings	-	2% on cost
Plant and machinery	-	10% on cost
Motor vehicles	-	20% on cost
Assets in the course of construction	-	Not depreciated
Fixtures and fittings	-	20% on cost

Impairment reviews are carried out on individual assets when there is some indication that the recoverable amount of a fixed asset is below its net book value.

##### **Stocks**

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

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

##### **Foreign currencies**

Foreign currency balances have been translated at the prevailing rate on the balance sheet date. Income and expenditures during the year have been translated at the prevailing rate on the day of the transaction.

##### **Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

##### **Investments**

Investments are included in the balance sheet at market value.

##### **Other recognised gains and losses**

These comprise unrealised and realised gains and losses on investments. Unrealised gains and losses represent the difference between the market value brought forward (or cost, for assets bought within this financial year) and the market value at the balance sheet date. Realised gains and losses represent the difference between sales proceeds and market value brought forward (or cost, for assets bought within this financial year.)

##### **Grants payable**

Grants payable to other institutions are recognised at the point when their payment has been approved by the trustees.

##### **Irrecoverable VAT**

Irrecoverable VAT is included in the relevant cost headings on the face of the Statement of Financial Activities and is not shown as a separate item.

**International Bible Students Association**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2015**

**2. VOLUNTARY INCOME**

	2015 £	2014 £
Legacies	1,629,648	1,512,594
Grants	12,000,000	10,300,000
Assets donated	4,130,279	-
Cash donations	<u>14,529,348</u>	<u>10,688,022</u>
	<u><u>32,289,275</u></u>	<u><u>22,500,616</u></u>

**3. INVESTMENT INCOME**

	2015 £	2014 £
Deposit account interest	14,188	17,498
Current asset investment income	<u>346</u>	<u>7,644</u>
	<u><u>14,534</u></u>	<u><u>25,142</u></u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	2015 £	2014 £
Provision of serviced facilities	<u>6,606,420</u>	<u>5,783,062</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct costs £	Grant funding of activities (See note 6) £	Totals £
Provision of conventions for Bible education	1,600,459	-	1,600,459
Donations and aid overseas	4,089	5,152,211	5,156,300
Provision of serviced facilities	7,042,719	-	7,042,719
Promoting Christian missionary work	340,504	-	340,504
Provision of literature for Bible education	<u>-</u>	<u>9,072,831</u>	<u>9,072,831</u>
	<u><u>8,987,771</u></u>	<u><u>14,225,042</u></u>	<u><u>23,212,813</u></u>

As all of the charity's general running costs are reimbursed completely by Watch Tower, all such costs are, in effect, direct costs. All human resources, IT, finance and management costs are included in the "provision of serviced facilities" above or in "governance costs". These have been fully reimbursed by Watch Tower.

**6. GRANTS PAYABLE**

	2015 £	2014 £
Provision of literature for Bible education	9,072,831	8,820,956
Donations and aid overseas	<u>5,152,211</u>	<u>1,736,964</u>
	<u><u>14,225,042</u></u>	<u><u>10,557,920</u></u>

**International Bible Students Association**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2015**

**6. GRANTS PAYABLE - continued**

During the year, grants paid to institutions with congruous objectives can be analysed as follows:

**By continent:**

	Cash £	Goods £	Literature £	Totals £
Europe	5,086,399	23,577	9,091,236	14,201,212
North America	-	140	-	140
Central America	590	-	-	590
Asia	7,931	3,943	-	11,874
Africa	<u>3,021</u>	<u>8,205</u>	-	<u>11,226</u>
	<u>5,097,941</u>	<u>35,865</u>	<u>9,091,236</u>	<u>14,225,042</u>

**By activity:**

	Cash £	Goods £	Literature £	Totals £
Distribution of Bibles and Bible-based literature	-	-	9,091,236	9,091,236
Supporting Christian missionary work	<u>5,097,941</u>	<u>35,865</u>	-	<u>5,133,806</u>
	<u>5,097,941</u>	<u>35,865</u>	<u>9,091,236</u>	<u>14,225,042</u>

Material grants (in the context of grant-making) were made to the following institutions:

Jehovas Zeugen in Deutschland K.d.ö.R, Germany- £5,000,000

The equivalent figures for the 2014 year end were as follows:

**By continent:**

	Cash £	Goods £	Literature £	Totals £
Europe	1,651,474	32,280	8,820,956	10,504,710
Asia	-	44,306	3,600	47,906
Africa	-	5,304	-	5,304
Americas	-	-	-	-
	<u>1,651,474</u>	<u>81,890</u>	<u>8,824,556</u>	<u>10,557,920</u>

**By activity:**

	Cash £	Goods £	Literature £	Totals £
Distribution of Bibles and Bible-based literature	-	-	8,824,556	8,824,556
Supporting Christian missionary work	<u>1,651,474</u>	<u>81,890</u>	-	<u>1,733,364</u>
	<u>1,651,474</u>	<u>81,890</u>	<u>8,824,556</u>	<u>10,557,920</u>

**International Bible Students Association**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2015**

**7. GOVERNANCE COSTS**

	2015	2014
	£	£
Auditors' remuneration	<u>14,783</u>	<u>11,933</u>

**8. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration	14,783	11,933
Depreciation - owned assets	1,439,423	1,249,504
Other operating leases	859,049	704,145
(Surplus)\deficit on disposal of fixed asset	<u>(7,429)</u>	<u>826</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st August 2015 nor for the year ended 31st August 2014.

The trustees confirm that they have not been involved with any transactions of the charity. The Association has close connections with Watch Tower, which prints Bible based literature and which is a registered charity with similar objects. This charity also has the same registered office as that of the Association.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st August 2015 nor for the year ended 31st August 2014.



International Bible Students Association

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2015

10. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in the course of construction £	Plant and machinery £
<b>COST</b>			
At 1st September 2014	84,403,032	931,079	2,017,591
Additions	27,011,848	748,125	466,070
Disposals	(5,191,953)	(918,318)	(52,331)
Reclassification	615,543	(724,545)	109,002
	<u>106,838,470</u>	<u>36,341</u>	<u>2,540,332</u>
At 31st August 2015			
<b>DEPRECIATION</b>			
At 1st September 2014	13,359,914	-	1,182,626
Charge for year	1,229,248	-	118,261
Eliminated on disposal	(8,163)	-	(36,196)
	<u>14,580,999</u>	<u>-</u>	<u>1,264,691</u>
At 31st August 2015			
<b>NET BOOK VALUE</b>			
At 31st August 2015	<u>92,257,471</u>	<u>36,341</u>	<u>1,275,641</u>
At 31st August 2014	<u>71,043,118</u>	<u>931,079</u>	<u>834,965</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1st September 2014	52,591	710,797	-	88,115,090
Additions	4,672	38,734	58,770	28,328,219
Disposals	(5,325)	(14,100)	-	(6,182,027)
Reclassification	-	-	-	-
	<u>51,938</u>	<u>735,431</u>	<u>58,770</u>	<u>110,261,282</u>
At 31st August 2015				
<b>DEPRECIATION</b>				
At 1st September 2014	21,395	436,815	-	15,000,750
Charge for year	7,537	83,922	455	1,439,423
Eliminated on disposal	(3,116)	(4,352)	-	(51,827)
	<u>25,816</u>	<u>516,385</u>	<u>455</u>	<u>16,388,346</u>
At 31st August 2015				
<b>NET BOOK VALUE</b>				
At 31st August 2015	<u>26,122</u>	<u>219,046</u>	<u>58,315</u>	<u>93,872,936</u>
At 31st August 2014	<u>31,196</u>	<u>273,982</u>	<u>-</u>	<u>73,114,340</u>

**International Bible Students Association**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2015**

**11. STOCKS**

	2015	2014
	£	£
Stocks - electrical, maintenance and home supplies	<u>229,594</u>	<u>211,088</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Other debtors	257,541	914,172
Due from associated charities	212,136	543,470
Prepayments	<u>85,125</u>	<u>-</u>
	<u>554,802</u>	<u>1,457,642</u>

**13. CURRENT ASSET INVESTMENTS**

	2015	2014
	£	£
Listed investments	<u>13,189</u>	<u>7,650</u>
Market value at 1st September 2014		£ 7,650
Additions		8,105
Disposals		(1,043)
Net loss on revaluation		<u>(1,524)</u>
Market value at 31st August 2015		<u>13,189</u>
Historical cost at 31st August 2015		<u>16,423</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Trade creditors	401,658	862,727
Other creditors	1,744,744	496,937
Accrued expenses	<u>83,974</u>	<u>10,300</u>
	<u>2,230,376</u>	<u>1,369,964</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015	2014
	£	£
Other loans (see note 16)	<u>2,927,881</u>	<u>-</u>

This loan finances part of a fixed asset that was recognised by the Charity during the year. The loan is from Watchtower Bible and Tract Society of Australia and there are no repayments due in the short term. It is not secured against any assets of the Charity.

**International Bible Students Association**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2015**

**16. LOANS**

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Other loans	<u>2,927,881</u>	<u>-</u>

**17. MOVEMENT IN FUNDS**

	At 1.9.14 £	Net movement in funds £	At 31.8.15 £
<b>Unrestricted funds</b>			
General fund	75,479,502	15,690,526	91,170,028
	<u>75,479,502</u>	<u>15,690,526</u>	<u>91,170,028</u>
<b>TOTAL FUNDS</b>	<u>75,479,502</u>	<u>15,690,526</u>	<u>91,170,028</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	38,919,770	(23,227,596)	(1,648)	15,690,526
	<u>38,919,770</u>	<u>(23,227,596)</u>	<u>(1,648)</u>	<u>15,690,526</u>
<b>TOTAL FUNDS</b>	<u>38,919,770</u>	<u>(23,227,596)</u>	<u>(1,648)</u>	<u>15,690,526</u>

## International Bible Students Association

### Notes to the Financial Statements - continued for the Year Ended 31st August 2015

#### 18. RELATED PARTY DISCLOSURES

The Association has close connections with Watch Tower Bible and Tract Society of Britain ("Watch Tower"), which prints Bible based literature and which is a registered charity with similar objects. This charity also has the same registered office as that of the Association.

During the year, the Association purchased literature from Watch Tower amounting to £9,050,433 (2014: £8,820,956).

As an integral part of the charitable activities of IBSA, it provided Watch Tower with serviced facilities to enable Watch Tower to carry out its charitable activities. During the year, the Association charged Watch Tower £6,606,420 (2014: £5,783,062) for these services.

A significant project that was initially started by IBSA was taken over by Watch Tower. Watch Tower reimbursed IBSA the value of all costs to date on the project, which amounted to £5,769,588.

Watch Tower charged IBSA £21,437 for the use of a warehouse.

Watch Tower charged IBSA £27,045 for utility costs.

Other amounts due to Watch Tower for sundry transactions amounted to £276,679. Other amounts due from Watch Tower amounted to £108,617.

Watch Tower and IBSA agreed a restructuring of their responsibilities, which is effective from September 1, 2015. This restructuring has led to further related party transactions, listed below:

Watch Tower formerly looked after the care of certain volunteers. IBSA has now assumed their care. Watch Tower therefore paid IBSA all amounts owing to these volunteers, a total of £519,276.

Fixed assets were transferred between Watch Tower and IBSA. Assets with a net book value of £53,323 were sold by IBSA to Watch Tower, and assets with a net book value of £255,959 were sold by Watch Tower to IBSA.

At the year end, Watch Tower owed IBSA £160,504 (2014: IBSA owed Watch Tower £332,054) in respect of all transactions.

#### 19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net incoming resources	15,692,174	9,617,026
Depreciation charges	1,439,423	1,249,504
(Profit)/loss on disposal of fixed assets	(7,429)	826
Interest received	(14,534)	(17,498)
Dividends received	-	(7,644)
Donated fixed assets received	(4,130,279)	-
Investments received	(8,105)	(314,477)
Increase in stocks	(18,506)	(94,117)
Decrease/(increase) in debtors	902,840	(793,415)
Increase in creditors	860,412	306,720
<b>Net cash inflow from operating activities</b>	<b>14,715,996</b>	<b>9,946,925</b>

International Bible Students Association

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2015

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	14,534	17,498
Dividends received	<u>-</u>	<u>7,644</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u>14,534</u>	<u>25,142</u>
 <b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(21,270,059)	(8,419,699)
Sale of tangible fixed assets	5,697,787	6,345
Assets reclassified to repairs	<u>439,841</u>	<u>-</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u>(15,132,431)</u>	<u>(8,413,354)</u>
 <b>Management of liquid resources</b>		
Cash inflows from disposal of investment	919	313,784
	<u>919</u>	<u>313,784</u>
<b>Net cash inflow from management of liquid resources</b>	<u>919</u>	<u>313,784</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14	Cash flow	Revaluation	Other non-cash changes	At 31.8.15
	£	£	£	£	£
Net cash:					
Cash at bank and in hand	2,058,746	(400,982)	-		1,657,764
Liquid resources:					
Current asset investments	7,650	(1,042)	(1,524)	8,105	13,189
Debt:					
Debts falling due after one year	-	-	-	(2,927,881)	(2,927,881)
<b>Total</b>	<u>2,066,396</u>	<u>(402,024)</u>	<u>(1,524)</u>	<u>(2,919,776)</u>	<u>(1,256,928)</u>

