

REGISTERED COMPANY NUMBER: 03858051 (England and Wales)
REGISTERED CHARITY NUMBER: 1077961
OSCR NUMBER: SC046952
A Company Limited by Guarantee

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2017
for
Watch Tower Bible and Tract Society of
Britain**

**Watch Tower Bible and Tract Society of
Britain**

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for the Year Ended 31st August 2017**

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**Watch Tower Bible and Tract Society of
Britain**

**Report of the Trustees
for the Year Ended 31st August 2017**

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 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Memorandum and Governing document states that the objectives of the Charity are to advance the Christian religion as practiced by the body of Christians known as Jehovah's Witnesses. This is accomplished by the following specific sub-objects:

- a. promoting the preaching of the gospel of God's Kingdom under Jesus Christ in 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.

The Charity helps to facilitate the activities of Jehovah's Witnesses. Literature is printed in many languages to allow people of a variety of nationalities to gain access to Bible education. Places of worship are also provided so that members of the public can meet and worship together. This all helps Jehovah's Witnesses, others who associate with them and the wider public to learn Godly values, promote well-being and respect for others, and practice qualities such as honesty and kindness.

Significant activities

The major areas of activity for the year in question have been:

1. Printing and distributing Bibles and Bible-based literature in several languages.
2. Supporting congregations of Jehovah's Witnesses and others abroad, primarily in developing countries, with their material welfare, by making donations to local associations of Jehovah's Witnesses with similar aims and objectives. The donations have been in the form of literature, goods, and services, as well as of funding for the construction of places of worship. All such donations have promoted religious education overseas.
3. Refurbishment of Kingdom Halls owned by local congregations of Jehovah's Witnesses and construction of new Kingdom Halls, to be purchased and managed by The Kingdom Hall Trust, a related charity with similar aims and objectives.
4. Construction of the new headquarters of Jehovah's Witnesses in Britain, south of Chelmsford.

Public benefit

As evidenced in this report, much has been accomplished by the charity in the year to advance its objects for the public benefit. Literature has been produced for distribution to the general public on spiritual and moral values. Places of worship have been financed and new premises constructed, which are open to all who wish to benefit from the practical values contained in the Holy Bible. The trustees confirm that they have complied with their duty to have due regard to the Charity Commission guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

Grant making

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

The Charity also has a formal arrangement with Jehovas Zeugen in Deutschland (JZD), a charity in Germany with similar aims and objectives. The agreement allows the Charity to send excess funds for them to use and distribute in accordance with our aims and objectives.

All grants made support the Christian ministry of Jehovah's Witnesses in many countries. Donated funds are used for building places of worship, providing religious literature, and assisting with disaster relief. The organisations assisted share and pursue the same aims as the Charity. Individual donors to the Charity are made aware of the worldwide nature of our work and activities.

Assistance to entities used by Jehovah's Witnesses in other countries is provided more often by purchasing and sending the necessary goods, rather than a direct transfer of funds.

**Watch Tower Bible and Tract Society of
Britain**

**Report of the Trustees
for the Year Ended 31st August 2017**

OBJECTIVES AND ACTIVITIES

Members of the Order

Members of the Worldwide Order of Special-Full-time Servants of Jehovah's Witnesses (The Order), care for the majority of the work of the Charity.

The Charity utilises some members of The Order who are cared for by the International Bible Students Association (IBSA), a related charity with similar aims. The Charity cares directly for members of The Order who are focussed on the refurbishment and construction of places of worship.

These individuals are not employed and do not receive a salary. Their basic needs are cared for, so that they are able to carry out any task to which they are assigned.

STRATEGIC REPORT

Achievement and performance

Charitable activities - producing and distributing bible literature

The charity's presses have continued to produce The Watchtower and Awake! magazines, as well as other items of Bible-based literature. In the year, over 350 million publications were printed. These included 110 million copies of The Watchtower and Awake! magazines, which were printed in 38 languages. All of the literature produced is used to advance religious education and assist the general public with spiritual and moral values.

The Trustees are pleased with the level of production and distribution.

Charitable activities - making donations to further religious education overseas

During the year the charity continued to provide material and financial assistance to associations of Jehovah's Witnesses with similar aims and objectives in several countries. This aid was given to promote missionary activity, to support general costs of the local associations, and to assist in the operation of local congregations of Jehovah's Witnesses. Many goods were also donated, including computer programmes and equipment and paper for printing activity. The total value provided was more than £20 million.

Charitable activities - building places of worship and administrative facilities

During the year the charity carried out refurbishment work on 95 kingdom halls and constructed 2 new kingdom halls. This provided high quality, safe buildings for individuals to worship in.

Further work was carried out in building new facilities on behalf of IBSA, in Chelmsford. This work is progressing very well and on schedule.

Internal controls

To ensure the charity is able to achieve its objectives, appropriate internal controls have been established. These 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 figures are recorded accurately and the 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 November 2017. All was found to be in order.

**Watch Tower Bible and Tract Society of
Britain**

**Report of the Trustees
for the Year Ended 31st August 2017**

STRATEGIC REPORT

Financial review

Financial position

The Charity showed a surplus of approximately £42m on the Statement of Financial Activities (SOFA) at the 31 August 2017. Net Current Assets stood at approximately £111 million. The aims of the Charity are in no way financial, therefore monitoring of specific financial targets is not paramount.

The Charity's financial aims are to not run at a deficit, preserve purchasing power, and also maintain sufficient resources that at any given time can respond to possible worldwide needs (as described in the section headed "Grantmaking") as well as local aims and objectives. Currently the Charity also ensures enough reserves are available to continue to support the major relocation project for IBSA. Over the course of the project these costs are eventually invoiced to and paid by IBSA.

Significant funds were sent overseas during the year, explained fully in Note 8 "Grants Payable" note of the financial statements.

Key expenditure was also incurred in the construction of the new branch facility for IBSA. Since the start of the project in 2015 to date approximately £32 million of costs have been incurred. Some of these costs are in the form of fixed and current assets in the Charity accounts. Approximately £32 million has also been invoiced to IBSA to cover this work. The project is on track in terms of costs, income and schedule.

We see an increase in income of approximately £40 million due to the following items:

1) A large increase in amounts charged to IBSA for the relocation project, due to higher value work being carried out compared to the previous year.

2) There were also generous gifts from donors outside of the regular pattern of donations we usually receive. These increases are likely partly triggered by the knowledge that the Charity is constructing new headquarters as mentioned above for IBSA. We also received a larger amount of legacies in the year.

Many donations were received towards the end of the year to assist with upcoming project work.

Principal funding sources

We currently have two funding activities, one of them being the manufacture and distribution of Bible-based religious literature on behalf of IBSA, the cost of which is passed on.

The charity also relies to a large extent on voluntary donations to support its work, and has a consistent income base through Gift Aid and legacies. As mentioned above, the charity also at times receives funding from Jehovas Zeugen in Deutschland.

The trustees are confident that the charity is in a strong financial position as demonstrated by the attached financial statements.

Investment policy and objectives

The memorandum and articles give power to invest funds in any lawful manner having full regard to the suitability of the investments, the need for diversification, and to be a socially responsible investor having due consideration to the beliefs of Jehovah's Witnesses. The objective of our investment policy is to balance the following issues: Preserve the purchasing power, provide adequate liquidity and provide consistent long-term returns.

Over the past year, the Portfolio has successfully achieved these objectives. After adjusting for outflows, there was a positive increase in value of 5% over the past year, with a 1.35% inflation rate in the year ending August 2017. 91% of the portfolio is held in liquid assets. Over the long term our returns have consistently exceeded the inflation rate.

The trustees continue to see the wisdom in holding to the current strategy favouring portfolio diversification both by asset class and currency exposure, having adequate liquidity in investment quality.

**Watch Tower Bible and Tract Society of
Britain**

**Report of the Trustees
for the Year Ended 31st August 2017**

STRATEGIC REPORT

Financial review

Reserves policy

At the year-end, unrestricted reserves, not including fixed assets, stood at, £92,061,797. Some significant donations were made towards the end of the year and the reserves figure is higher than usual because of these.

These reserves are also held to cover the Charity's regular running expenditure which represents a significant portion of the balance.

These also allow the ongoing relocation project to continue unimpeded by funding delays or customer invoicing.

They also represent amounts available to entities with similar aims in other countries if so requested. The Charity has access to effective banking and investment services. The funds are well utilised until they are called on.

The reserves allow the Charity to respond to worldwide needs as these arise. This assistance can be provided by sending funds, or acquiring and sending necessary items, as requested.

The trustees feel that such a policy is prudent in the current financial climate and makes best use of the charity's income, and are confident that it in no way adversely affects the charity's ability to both sustain and increase its activity. These reserves can therefore continue to be available for worldwide use as the need arises.

Environmental performance

The Charity monitors its effect on the environment.

Utility usage was monitored during the year, enabling the Charity, as printers, to maintain its Climate Change Agreement. Unused paper from the printing process is recycled.

The latest environmental inspection report confirmed that emissions to air continue to be as minimal as possible. The Charity's installation was assessed as low risk by the external inspector.

The above information enables the Charity to see its environmental performance as strong during the year.

Principal risks and uncertainties

Formal reviews have taken place regarding the major risks to which the Charity is exposed. Strategic safeguards are in place to reduce, as far as possible, the impact of those risks. The risk register was updated most recently in June 2017.

The principal risks and uncertainties facing the charity are: Failure to comply with legal requirements on health and safety, fire, environment, waste; Disaster in Kingdom Hall construction or maintenance.

Failure to comply with legal requirements.

Health and safety experts are used to give constant advice and direction, and workers are continuously trained as to how they should carry out their tasks.

The printing processes are reviewed by the London Borough of Barnet. These processes are subject to regular inspections, the latest of which was extremely successful.

Regulatory authorities also inspect and advise in vehicle safety and standards.

Weekly maintenance and production meetings ensure standards are being followed and any suggestions are followed through.

All of the above constantly ensure that the Charity is in line with the legal requirements it is under.

Disaster in Kingdom Hall construction

The Charity co-ordinates advice and training for the construction teams it cares for based throughout the country.

Building sites are run in line with the Construction Industry Training Board Site Safety qualifications, and strict compliance with building regulations is also ensured. Again, experts are fully utilised.

Workers attend safety and planning seminars, and daily meetings regarding health and safety are held on site. An accident and near miss reporting system is also operational on site.

**Watch Tower Bible and Tract Society of
Britain**

**Report of the Trustees
for the Year Ended 31st August 2017**

STRATEGIC REPORT

Principal risks and uncertainties

Documented instructions are followed by those in oversight, and written materials are provided to the workers to assist them in maintaining health and safety.

Statutory inquiry

The litigation has now been concluded and a measure of agreement has been reached. The charity trustees continue to work with the Charity Commission to assist them in fulfilling their statutory obligations.

Future plans

The Charity will continue to carry out a major project to build facilities in Chelmsford for IBSA. Once completed the Charity will also relocate and share part of these facilities.

Over the next 2 years the project is expected to incur a further £75 million of costs, all of which will eventually be covered by IBSA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity, a UK company limited by guarantee, is controlled by its governing document, the memorandum and articles of the company dated 25th October 1999, as amended by special resolutions dated 19th April 2000, 21st November 2013, and 13th April 2016.

Organisational structure

The charity is constituted as a company limited by guarantee.

The trustees organise the charity into a number of departments. Each department has an experienced, trained overseer who makes regular reports to the trustees. All major decisions are made by the body of trustees.

Members Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amounts as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment, induction and training of new trustees

The recruitment and induction of new trustees is arranged as follows: The trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional trustee. Such a person must be a member of the charity and serve as one of Jehovah's Witnesses. New Trustees are given training in both operational and financial matters with the aid of the existing Trustees and relevant documentation and guidance provided by the Charity Commission. Trustees are given appropriate Charity Commission publications and training is arranged as part of the meetings of the trustees when the charity's policies are discussed. This is supplemented by periodic training provided by other professional bodies when new legislation affecting the charity is introduced.

The trustees of the charity also have key supervisory/oversight roles at the charity headquarters. They meet together each month, and are in regular contact from day to day.

Wider network

The Charity works closely with IBSA. During the year IBSA provided it with serviced facilities for its charitable activities, and the Charity provided IBSA with printed material. The Charity has also continued to work closely with JZD. Other entities with similar objectives exist in many countries around the world. Cooperation with these entities facilitates an efficient and economic use of the Charity's resources, and this cooperation also helps the Charity to meet its stated objectives.

The Charity also reviews policies, procedures and guidelines used by entities of Jehovah's Witnesses globally with similar aims and objectives, and, where applicable, seeks to implement them.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03858051 (England and Wales)

Registered Charity number

1077961

**Watch Tower Bible and Tract Society of
Britain**

**Report of the Trustees
for the Year Ended 31st August 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

IBSA House
The Ridgeway
London
NW7 1RN

Trustees

P P Bell
R Li
A J Llewellyn
G Maraia
S J Morice
J Rastall

Auditors

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

Investment Advisers

Merill Lynch
Private Banking and Investment Group
225 Liberty Street
35th Floor
New York
NY10281

Bankers

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

**Watch Tower Bible and Tract Society of
Britain**

**Report of the Trustees
for the Year Ended 31st August 2017**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watch Tower Bible and Tract Society of Britain 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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
.....27 APRIL 2018..... and signed on the board's behalf by:



.....
R Li - Trustee

Report of the Independent Auditors to the Members of Watch Tower Bible and Tract Society of Britain

Opinion

We have audited the financial statements of Watch Tower Bible and Tract Society of Britain (the 'charitable company') for the year ended 31st August 2017 on pages ten to twenty two. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 and Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

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 2017 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Report of the Trustees.

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.

**Report of the Independent Auditors to the Members of
Watch Tower Bible and Tract Society of
Britain**

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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
TN24 8LF

Date: *16 May 2018*

**Watch Tower Bible and Tract Society of
Britain**

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2017**

	Not es	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	60,853,216	31,371	60,884,587	29,232,406
Charitable activities					
Producing and distributing Bible literature	4	6,483,056	-	6,483,056	6,400,227
Design and build of places of worship and administrative facilities		19,832,682	-	19,832,682	6,653,578
Investment income	3	496,709	15,811	512,520	261,639
Other income	5	<u>1,885,648</u>	<u>-</u>	<u>1,885,648</u>	<u>7,930,304</u>
Total		89,551,310	47,182	89,598,492	50,478,154
EXPENDITURE ON					
Raising funds					
Investment management costs	6	<u>212,188</u>	<u>-</u>	<u>212,188</u>	<u>214,596</u>
		212,188	-	212,188	214,596
Charitable activities					
Producing and distributing Bible literature	7	5,177,238	-	5,177,238	4,950,121
Promoting Christian missionary work		213,031	37,512	250,543	323,278
Making donations to further religious education		18,504,610	-	18,504,610	28,601,068
Design and build of places of worship and administrative facilities		<u>24,337,051</u>	<u>-</u>	<u>24,337,051</u>	<u>7,378,095</u>
Total		48,444,118	37,512	48,481,630	41,467,158
Net gains/(losses) on investments		<u>1,339,344</u>	<u>-</u>	<u>1,339,344</u>	<u>536,743</u>
NET INCOME		42,446,536	9,670	42,456,206	9,547,739
RECONCILIATION OF FUNDS					
Total funds brought forward		82,063,490	6,832,507	88,895,997	79,348,258
TOTAL FUNDS CARRIED FORWARD		<u>124,510,026</u>	<u>6,842,177</u>	<u>131,352,203</u>	<u>88,895,997</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

None of the charity's activities were acquired or discontinued during the current and previous years. All gains and losses recognised in the year are included above.


The notes form part of these financial statements

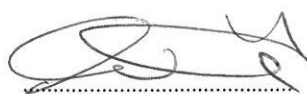
Watch Tower Bible and Tract Society of
Britain

Balance Sheet
At 31st August 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	13	23,367,633	480,905	23,848,538	23,727,895
Investments	14	<u>9,080,596</u>	<u>-</u>	<u>9,080,596</u>	<u>10,033,627</u>
		32,448,229	480,905	32,929,134	33,761,522
CURRENT ASSETS					
Stocks	15	2,079,656	-	2,079,656	2,962,074
Debtors	16	11,565,768	-	11,565,768	3,214,593
Investments	17	100,000	-	100,000	100,000
Cash at bank and in hand		<u>94,171,930</u>	<u>6,361,272</u>	<u>100,533,202</u>	<u>64,831,458</u>
		107,917,354	6,361,272	114,278,626	71,108,125
CREDITORS					
Amounts falling due within one year	18	<u>(3,235,562)</u>	<u>-</u>	<u>(3,235,562)</u>	<u>(2,911,507)</u>
NET CURRENT ASSETS					
		<u>104,681,792</u>	<u>6,361,272</u>	<u>111,043,064</u>	<u>68,196,618</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		137,130,021	6,842,177	143,972,198	101,958,140
CREDITORS					
Amounts falling due after more than one year	19	(8,987,035)	-	(8,987,035)	(9,801,044)
PROVISIONS FOR LIABILITIES					
	21	<u>(3,632,960)</u>	<u>-</u>	<u>(3,632,960)</u>	<u>(3,261,099)</u>
NET ASSETS					
		<u>124,510,026</u>	<u>6,842,177</u>	<u>131,352,203</u>	<u>88,895,997</u>
FUNDS					
Unrestricted funds:	22				
General Fund				124,510,026	82,063,490
Restricted funds				<u>6,842,177</u>	<u>6,832,507</u>
TOTAL FUNDS					
				<u>131,352,203</u>	<u>88,895,997</u>

The financial statements were approved by the Board of Trustees on 27 APRIL 2018 and were signed on its behalf by:


.....
R Li -Trustee


.....
A J Llewellyn -Trustee

The notes form part of these financial statements

**Watch Tower Bible and Tract Society of
Britain**

**Cash Flow Statement
for the Year Ended 31st August 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	24	<u>34,484,221</u>	<u>11,393,802</u>
Net cash provided by (used in) operating activities		<u>34,484,221</u>	<u>11,393,802</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,605,307)	(1,907,685)
Purchase of fixed asset investments		(55,862)	(169,879)
Sale of tangible fixed assets		248,735	132,539
Sale of fixed asset investments		2,352,035	173,681
Interest received		405,390	114,205
Dividends received		<u>94,773</u>	<u>135,864</u>
Net cash provided by (used in) investing activities		<u>1,439,764</u>	<u>(1,521,275)</u>
Cash flows from financing activities:			
Loans advanced by depositors		483,664	1,061,208
Loans repaid to depositors on demand		<u>(705,905)</u>	<u>(1,136,082)</u>
Net cash provided by (used in) financing activities		<u>(222,241)</u>	<u>(74,874)</u>
Change in cash and cash equivalents in the reporting period			
		35,701,744	9,797,653
Cash and cash equivalents at the beginning of the reporting period		<u>64,831,458</u>	<u>55,033,805</u>
Cash and cash equivalents at the end of the reporting period		<u>100,533,202</u>	<u>64,831,458</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31st August 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, a company limited by guarantee, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015)', Financial Reporting Standard 102' The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention or transaction value, unless stated in the relevant accounting policy note(s).

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported value of assets, liabilities, income and expenditure. The nature of estimation and judgement means that actual outcomes could differ from expectation. A significant area of estimation and judgement is when support costs have been allocated to activity on a basis consistent with their use of resources.

Income

All income, whether in the form of donations, or legacies is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations in the form of assets are included at the net book value on the date of the gift.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Income from charitable activities also includes the value, excluding value added tax, of services provided at cost to other charitable bodies during the period. The completion stage of building work performed over long term contracts is verified by qualified individuals and invoiced accordingly at appropriate intervals.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated as described in a later paragraph regarding cost allocation.

In the unlikely event that a grants would be made subject to conditions which had not been met by the year end date, these would be noted as a commitment but not accrued as expenditure.

Raising funds

These are comprised of investment management costs incurred during the year. The Charity does not engage in fund raising.

Governance costs

Governance costs comprise costs involved in the running and administration of the Charity. These are allocated across activities in the same manner as all other support costs.

Allocation and apportionment of costs

Where a cost is incurred for the purpose of directly achieving one of the Charitable aims it is allocated to that particular aim.

Some costs do not relate to one particular aim, but support all of the aims of the Charity. When this is the case these costs are allocated based on a reasonable estimate by the trustees in line with the proportion of activity carried out by the Charity. It is currently estimated that 85% of support costs are utilised in supporting the literature activity, and 15% supports the building activity. Any support costs utilised by the remaining activities of the Charity would be minimal and trivial.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are valued at cost less depreciation. Assets costing less than £3,000 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% or 6.7% on cost,
Motor vehicles	-	33%, 20% or 14% on cost
Fixtures and fittings	-	33% or 10% 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 and long term contracts

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long term contracts are assessed on a contract by contract basis and reflected in the statement of financial activities by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract.

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.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Where a restricted fund has fulfilled its purpose and excess funds remain, the balance will be transferred into unrestricted funds, provided that this was understood by the donors at the time of their donation.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign exchange gains and losses

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. Gains and losses arise when foreign currency assets change in value between their purchase and the balance sheet date.

Donated goods

Donated goods are recognised as income when the Charity has control over the item, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

Investments

Investments are valued at market value. All investments listed on a recognised stock exchange are carried at this value. Unlisted investments are valued using the latest valuation information received from the financial institutions managing the funds.

Deposits

The Charity had an arrangement whereby congregations of Jehovah's Witnesses can deposit funds so that the Charity can benefit, on the understanding that these funds can be requested back whenever the depositor wishes. Deposits repayable on demand are classified as falling due within one year. This arrangement was closed to new deposits in 2015.

Conditional donations

The charity receives some donations where the donor reserves the right to receive the funds back in case of unexpected need. Experience has shown that only a small percentage is returned, but prudently the charity provides for fifty percent.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

1. ACCOUNTING POLICIES - continued

Grants payable

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

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.)

Donated literature received

Literature received is recognised as a donation when it is received, valued at the equivalent of production cost. It is then held in stock until it is sold.

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.

Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Debtors

Debtors are recognised at the total amount due to the Charity. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes current and deposit accounts as well as trivial amounts of petty cash.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

Other than investments, The Charity has only basic financial assets and liabilities. These are initially recognised at transaction value and subsequently measured at their settlement value if there is any variance. If any are for a period longer than twelve months these are amortised when appropriate.

Going Concern

The Trustees consider the Association a going concern and have no material uncertainties in this regard. A strong balance sheet position and consistent income base contribute to this conclusion.

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations of literature	-	1,373,787
Legacies	6,005,519	2,223,643
Grants	12,334,380	220,273
Donated services and facilities	786,300	786,300
Donations of cash and goods	<u>41,758,388</u>	<u>24,628,403</u>
	<u>60,884,587</u>	<u>29,232,406</u>

**Watch Tower Bible and Tract Society of
Britain**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

3. INVESTMENT INCOME

	2017	2016
	£	£
Rents received	12,357	11,570
Other unlisted securities	94,773	135,864
Deposit account interest	<u>405,390</u>	<u>114,205</u>
	<u>512,520</u>	<u>261,639</u>

4. INCOME FROM CHARITABLE ACTIVITIES

			2017	2016
	Producing and distributing Bible literature	Design and build of places of worship and administrative facilities	Total activities	Total activities
	£	£	£	£
Income from literature sold to IBSA	6,483,056	-	6,483,056	6,400,227
Income from branch construction	-	19,233,457	19,233,457	6,022,578
Income from Kingdom Hall construction	-	<u>599,225</u>	<u>599,225</u>	<u>631,000</u>
	<u>6,483,056</u>	<u>19,832,682</u>	<u>26,315,738</u>	<u>13,053,805</u>

5. OTHER INCOME

	2017	2016
	£	£
Foreign currency gains	1,543,635	7,596,009
Other Income from IBSA	171,330	203,008
Income from recycling	<u>170,683</u>	<u>131,287</u>
	<u>1,885,648</u>	<u>7,930,304</u>

6. INVESTMENT MANAGEMENT COSTS

	2017	2016
	£	£
Portfolio management	<u>212,188</u>	<u>214,596</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 8)	Support costs (See note 9)	Totals
	£	£	£	£
Producing and distributing Bible literature	4,714,580	-	462,658	5,177,238
Promoting Christian missionary work	250,543	-	-	250,543
Making donations to further religious education	16,422,144	2,082,466	-	18,504,610
Design and build of places of worship and administrative facilities	<u>24,255,406</u>	-	<u>81,645</u>	<u>24,337,051</u>
	<u>45,642,673</u>	<u>2,082,466</u>	<u>544,303</u>	<u>48,269,442</u>

**Watch Tower Bible and Tract Society of
Britain**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

8. GRANTS PAYABLE

	2017	2016
	£	£
Making donations to further religious education	<u>2,082,466</u>	<u>28,601,068</u>

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

By continent:

	Cash £
Europe	2,055,710
Africa	12,691
Asia	621
Americas	13,367
Oceania	<u>77</u>
	<u>2,082,466</u>

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

Jehovas Zeugen in Deutschland, Germany

Equivalent figures for the previous year were as follows:

By continent:

	Cash £
Europe	13,150,082
Americas	<u>10,625,835</u>
	<u>23,775,917</u>

It should be noted that the Charity also makes many non-cash donations including items such as paper, computer equipment, and more as the need arises, to entities in other countries with similar aims and objectives.

9. SUPPORT COSTS

	Information technology £	Other £	Governance costs £	Totals £
Producing and distributing Bible literature	118,429	168,358	175,871	462,658
Design and build of places of worship and administrative facilities	<u>20,899</u>	<u>29,710</u>	<u>31,036</u>	<u>81,645</u>
	<u>139,328</u>	<u>198,068</u>	<u>206,907</u>	<u>544,303</u>

Support costs have been allocated to the appropriate activity, as shown above, in line with the Charity's accounting policies.

**Watch Tower Bible and Tract Society of
Britain**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2017 £	2016 £
Auditors' remuneration	11,690	12,460
Auditors' remuneration for non audit work	-	290
Depreciation - owned assets	1,227,017	1,057,080
Deficit/(surplus) on disposal of fixed asset	<u>8,912</u>	<u>(433)</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

The Trustees do not receive any remuneration or benefits for their role as trustees of the charity.

Their modest needs, as members of a worldwide religious order, are cared for by the International Bible Students Association, a related charity.

Trustees' expenses

No expenses were reimbursed to trustees during the year.

12. PRIOR YEAR ADJUSTMENT

A property was previously reflected as an investment property. This classification was not correct as the property was being used for charitable aims. The previous value stated was £250,000, consisting of £76,505 cost and revaluation of £173,495. Therefore an adjustment has been made to remove the revaluation reserve and to classify the property as freehold property, used for charitable activity. It now stands at a cost value of £86,950 with accumulated depreciation of £10,445.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st September 2016	19,570,737	8,507,604	745,695	2,859,069	31,683,105
Additions	359,216	976,684	21,097	248,310	1,605,307
Disposals	(1,022)	(448,238)	(97,181)	(137,299)	(683,740)
Reclassification	<u>-</u>	<u>122,855</u>	<u>(114,862)</u>	<u>(7,993)</u>	<u>-</u>
At 31st August 2017	<u>19,928,931</u>	<u>9,158,905</u>	<u>554,749</u>	<u>2,962,087</u>	<u>32,604,672</u>
DEPRECIATION					
At 1st September 2016	318,096	5,973,747	377,046	1,286,321	7,955,210
Charge for year	321,259	500,146	164,650	240,962	1,227,017
Eliminated on disposal	(179)	(307,223)	(68,619)	(50,072)	(426,093)
Reclassification/transfer	<u>-</u>	<u>912</u>	<u>732</u>	<u>(1,644)</u>	<u>-</u>
At 31st August 2017	<u>639,176</u>	<u>6,167,582</u>	<u>473,809</u>	<u>1,475,567</u>	<u>8,756,134</u>
NET BOOK VALUE					
At 31st August 2017	<u>19,289,755</u>	<u>2,991,323</u>	<u>80,940</u>	<u>1,486,520</u>	<u>23,848,538</u>
At 31st August 2016	<u>19,252,641</u>	<u>2,533,857</u>	<u>368,649</u>	<u>1,572,748</u>	<u>23,727,895</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

14. FIXED ASSET INVESTMENTS

	Investments £
MARKET VALUE	
At 1st September 2016	10,033,627
Additions	55,862
Disposals	(1,285,137)
Revaluations	<u>276,244</u>
At 31st August 2017	<u>9,080,596</u>
 NET BOOK VALUE	
At 31st August 2017	<u>9,080,596</u>
At 31st August 2016	<u>10,033,627</u>

Total market values of investment assets held at 31st August 2017 are analysed as follows:

	Listed investments £	Unlisted investments £	Total £
Investment assets outside the UK	<u>612,685</u>	<u>8,467,911</u>	<u>9,080,596</u>

Unlisted investments are comprised of various funds and derivatives managed by professional firms and banks. The valuations are based on the external fund managers' estimates of the underlying assets of the investment vehicle.

15. STOCKS

	2017 £	2016 £
Raw materials	706,382	877,967
Motor vehicle spares and consumables	32,685	20,510
Work-in-progress	1,174,143	1,723,305
Work in progress- branch construction	<u>166,446</u>	<u>340,292</u>
	<u>2,079,656</u>	<u>2,962,074</u>

16. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,657,450	1,371,904
Other debtors	5,950,151	1,197,790
Prepayments and accrued income	<u>2,874,476</u>	<u>83,651</u>
	<u>10,482,077</u>	<u>2,653,345</u>
Amounts falling due after more than one year:		
Amounts recoverable on contract	<u>1,083,691</u>	<u>561,248</u>
Aggregate amounts	<u>11,565,768</u>	<u>3,214,593</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

17. CURRENT ASSET INVESTMENTS

	2017	2016
	£	£
Land in course of disposal	<u>100,000</u>	<u>100,000</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Deposits (see note 20)	998,559	1,089,005
Trade creditors	2,082,422	1,447,292
Other creditors	126,081	78,011
Accrued expenses	<u>28,500</u>	<u>297,199</u>
	<u>3,235,562</u>	<u>2,911,507</u>

Deposits comprise monies received from individuals, circuits and congregations and held with the Charity until they are requested back.

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

	2017	2016
	£	£
Deposits (see note 20)	<u>8,987,035</u>	<u>9,801,044</u>

Concerning congregation deposits described in the Accounting Policies note, experience has demonstrated that only a small percentage of these amounts are being reclaimed in a given year. Therefore we have reclassified these amounts from creditors due within one year to creditors due after more than one year, being 90% of the current deposits balance. This represents a change in accounting policy and prior year figures have been reclassified accordingly.

20. DEPOSITS

No maturity analysis is provided for these deposits due to their nature described in the above notes.

21. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Conditional donations	<u>3,632,960</u>	<u>3,261,099</u>
Provision at 1st September 2016		£ 3,261,099
Provision on new conditional donations received		519,750
Provision released on conditional donations converted into donations		(58,639)
Provision released on conditional donations repaid		<u>(89,250)</u>
Provision at 31st August 2017		<u>3,632,960</u>

Conditional donations are donations made by individuals on the understanding that they may be recalled should the donor require such funds in the future. The donor retains an option over their donation until they die or write to convert it into an outright donation. While it is considered probable that some of these conditional donations will need to be repaid, it is unknown when this liability will crystallize or how large it will be. The trustees have therefore prudently made a provision for 50% of the balance of conditional donations as shown above. The remaining £3.6 million is a contingent liability.

Watch Tower Bible and Tract Society of
Britain

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

22. MOVEMENT IN FUNDS

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
Unrestricted funds			
General Fund	82,063,490	42,446,536	124,510,026
Restricted funds			
Travelling Overseers Assistance Arrangement	799,189	(10,956)	788,233
Kingdom Hall Assistance Arrangement	6,020,956	15,043	6,035,999
Relief Fund	<u>12,362</u>	<u>5,583</u>	<u>17,945</u>
	6,832,507	9,670	6,842,177
TOTAL FUNDS	<u>88,895,997</u>	<u>42,456,206</u>	<u>131,352,203</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	89,551,310	(48,444,118)	1,339,344	42,446,536
Restricted funds				
Travelling Overseers Assistance Arrangement	26,556	(37,512)	-	(10,956)
Kingdom Hall Assistance Arrangement	15,043	-	-	15,043
Relief Fund	<u>5,583</u>	<u>-</u>	<u>-</u>	<u>5,583</u>
	47,182	(37,512)	-	9,670
TOTAL FUNDS	<u>89,598,492</u>	<u>(48,481,630)</u>	<u>1,339,344</u>	<u>42,456,206</u>

Travelling Overseers Assistance Arrangement

This fund is for the provision of motor vehicles for travelling ministers.

Kingdom Hall Assistance Arrangement

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

Relief Fund

This fund exists for the purpose of giving support to areas experiencing distress or natural disaster.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

23. RELATED PARTY DISCLOSURES

The charity has close connections with International Bible Students Association ("IBSA"), a registered charity with similar objects.

During the year IBSA purchased mainly literature, but also other sundry items from Watch Tower amounting to £6,594,690 (2016: £6,493,194).

Watch Tower continued work on the branch relocation project. During the year Watch Tower charged IBSA £19,233,457 (2016: £12,775,126) for work on this project.

Watch Tower also recharged IBSA for some utility expenses during the year, amounting to £303,107 (2016: £352,088)

Amounts due from IBSA at the year end amounted to £1,715,361 (2016 : £895,948)

Watch Tower also benefitted from a Gift in Kind from IBSA, being provision of rent free facilities for the year. These facilities include a fully serviced factory, warehouse and office space. The value of this Gift has been estimated in these accounts as a donation of £786,000 for the year.

The charity also has close connections with Kingdom Hall Trust ("KHT"), which acts as custodian trustee or owns many Kingdom Halls in Britain and Ireland that are used as places of worship by Jehovah's Witnesses. KHT is a registered charity with similar objects to the Charity.

During the year, KHT purchased land and newly constructed Kingdom Halls from Watch Tower amounting to £599,225 (2016 : £737,160). The amount owing from KHT at the year end was nil (2016: £39,341)

24. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	42,456,206	9,547,739
Adjustments for:		
Depreciation charges	1,227,016	1,057,082
Gain on investments	(1,343,141)	(173,681)
Loss/(profit) on disposal of fixed assets	8,912	(433)
Interest received	(405,390)	(114,205)
Dividends received	(94,773)	(135,864)
Other non-cash donations received	(799,491)	(3,609,060)
Fixed assets reclassified	-	334,851
Increase in provisions	(371,862)	(671,689)
Prior year depreciation reversed	-	(2,154)
Movements on conditional donations	861,000	1,400,571
Decrease/(increase) in stocks	882,418	(207,364)
(Increase)/decrease in debtors	(8,351,175)	4,433,837
Increase/(decrease) in creditors	414,501	(465,828)
Net cash provided by (used in) operating activities	<u>34,484,221</u>	<u>11,393,802</u>