

REGISTERED COMPANY NUMBER: 00136726 (England and Wales)
REGISTERED CHARITY NUMBER: 216647
OSCR NUMBER: SC046866

Report of the Trustees and
Financial Statements for the Year Ended 31st August 2021
for
International Bible Students Association

International Bible Students Association

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International Bible Students Association

Report of the Trustees

for the Year Ended 31st August 2021

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 2021. 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 2019).

This report includes the Directors Report as required by company law.

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 Witnesses, 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. Providing serviced facilities to support religious activity.
2. Arranging for venues to host conventions for Bible education.
3. Financially assisting legal entities of Jehovah's Witnesses with similar aims and objectives, both foreign and domestic.
4. Paying expenses for and taking care of living arrangements for members of the Worldwide Order of Special Full-Time Servants of Jehovah's Witnesses (the Order).

Ongoing support of the activity of Jehovah's Witnesses without interruption, is a more significant criterion for the Association than a statistical assessment of performance. In the area of conventions, however, attendance figures can be considered to assess the impact of the Association's work.

Significant activities

The Association's aim, to facilitate the ongoing activities of Jehovah's Witnesses, remains the same each year. Therefore, the short- and long-term objectives are synonymous with each other. Specific current activities are described in the following paragraphs.

A significant factor affecting the achievement of objectives during the year was the ongoing pandemic. A major impact has been that the Association has not been able to welcome members of the public to our premises. It also cancelled plans to hire facilities for conventions, therefore none were held during the year.

The other activities of the Association have continued. The Association has taken necessary action, such as imposing restrictions connected with its properties, to protect those it cares for and others.

The Association continued to provide facilities, enabling religious service and the preparation of Bible-based information in various languages.

The Association continued to provide support for members of the Order in various forms, such as food, accommodation, and modest allowances. This support allowed them to continue in their full-time religious service.

Donations were made to assist charities with similar aims where there was a greater need.

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 this report and in particular the following:

1. The translated Bible-based material and videos are made available to the public free of charge. Although the Association does not produce or distribute this material, it facilitates its production. It is also noteworthy that the literature is provided in the mother tongue of individuals, even if their language is not widely used. These languages include British Sign Language, Welsh and Scottish Gaelic.
2. Conventions for Bible education, are widely advertised by personal invitations delivered by individual Jehovah's Witnesses to the public nationwide. Admission is free.
3. Through facilitating the work of Jehovah's Witnesses in general, through property purchase and ownership as well as taking care of members of the Order. All such work allows for charitable, religious activity to continue, bringing benefits to those who are involved.

By ensuring that these activities, with the exception of conventions, continued to be supported, many people continued to receive vital comfort and assistance during a very difficult year.

International Bible Students Association

Report of the Trustees

for the Year Ended 31st August 2021

OBJECTIVES AND ACTIVITIES

Donations and aid

These were formerly referred to as grants, however it is more appropriate to describe them as donations. The donations are not sent for specific projects, nor do they have strict conditions attached regarding how or when they should be spent. The donations can be used to support the general activities and operating expenses of other charities which share similar aims and objectives to the Association.

The Association's policy for making donations to other entities is as follows: From time to time we are asked to consider helping entities of Jehovah's Witnesses, with similar aims and objectives in countries where a need exists. We first consider whether our budget permits this. If this is the case we then send the funds, either to the organisation caring for Jehovah's Witnesses in that country, or to a charity that specialises in distribution of funds. We thereafter obtain reports to confirm the money was properly used.

The Association sends funds to Watch Tower Bible and Tract Society of Britain (WTBTSB), a charity with similar aims and experience in distributing funds around the world to where needs exist.

All donations made support the Christian ministry of Jehovah's Witnesses in many countries, assisting with literature needs, disaster relief, the building of places of worship and other requirements of associations of Jehovah's Witnesses which pursue the same goals. Charity donors are made aware of the worldwide nature of our work and activities.

Members of the Order

The Association is often assisted by religious ministers who are members of the Worldwide Order of Special-full-time Servants of Jehovah's Witnesses (the Order). These individuals are not employed and do not receive remuneration or any benefits in kind for the activities or services they perform. Their basic needs are cared for, so that they are able to carry out any task which they are assigned by the Order as part of their religious service. Although such ones do at times help the Association, for instance by assisting with building maintenance, their service involves many other assignments as well, not connected to the Association. Members perform whatever the Order assigns them to do in support of the activities of Jehovah's Witnesses

Other Jehovah's Witnesses who are not members of the Order, also freely provide their time and resources to assist when needed.

International Bible Students Association

Report of the Trustees

for the Year Ended 31st August 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities

Provision of serviced facilities

Throughout the year, the Association has allowed members of the Order and religious volunteers free use of its buildings, equipment, computers and internet service. The buildings include offices, maintenance spaces, kitchen / dining and recreation areas. All of this has allowed ministers to carry out their religious service and to assist in the activities of Jehovah's Witnesses.

Provision of facilities to support the production of Bible-based literature

The Association continued to support the facility in Burton for British Sign Language translation and residences for members of the Order serving there.

In other locations, material was translated into more languages of the British Isles, including Welsh and Scottish Gaelic. Work on Bible-based audio and video programs was also carried out throughout the year in the Association's properties.

Restrictions imposed at these facilities allowed for continued usage in a safe manner.

Conventions for Bible education

Due to the pandemic it was also necessary to cancel the conventions that would have been held in various locations.

Financially assisting legal entities of Jehovah's Witnesses

This activity was especially significant this year due to further sales of the former facilities in North London. This generated funds beyond what was needed for the regular charitable activities of the Association.

The trustees carefully considered how to use these funds in furtherance of the Association's charitable aims. Watch Tower Bible and Tract Society of Britain was chosen as the main recipient because of its experience in holding high levels of funds in an efficient manner and its experience in distributing funds around the world where there is a need. It also has similar charitable objectives to the Association.

Assistance has also been provided by allowing some of these entities to occupy and operate free of charge in properties owned by IBSA overseas. The Association continues to hold a programme related social investment as shown in note 9 to the financial statements. The investment furthers the charitable aims of the Association, by assisting Jehovah's Witnesses around the world in finding places to meet and carry out their worship. There are no concerns regarding the social, environmental or ethical nature of the investment, as it directly assists with charitable activity. The trustees are pleased with the early results achieved.

Caring for Members of the Order

During the year, the modest living expenses of 1,050 members of the Order were cared for, in harmony with the aims and purposes of the Association, throughout the United Kingdom. This enabled them to concentrate fully on their religious service, and carry out assignments during the year. These ones are not employed by the Association. They do, however, at times assist with the Association's activities, and any other service they carry out is in line with the Association's aims and objectives.

Fundraising activities

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 November 2021. All was found to be in order.

International Bible Students Association

Report of the Trustees

for the Year Ended 31st August 2021

STRATEGIC REPORT

Financial review

Financial position

The Association showed a deficit of £3.7 million on the Statement of Financial Activities (SOFA) at 31 August 2021. The deficit was caused by fully utilising available funds during the year. The financial performance and position of the charity have not been significantly affected by the pandemic.

Net Assets at the end of the year stood at approximately £154 million. The vast majority of this is made up of tangible assets (with a net book value at historic cost of £156 million). This demonstrates that the Association is continuing to utilise its resources effectively.

Principal funding sources

The Association is funded by voluntary donations and legacies. This income supported the Association in achieving all of its key objectives during the year. This included supporting members of the Order and caring for facilities as described in this report. During the year significant funding was also received from the sale of properties which were no longer used by the Association. This mainly included supporting the activity of donating to other entities with similar aims in order to assist with worldwide needs.

Reserves policy

The Association's policy is to hold approximately two months of operational expenditure as reserves. The closing funds at the year-end meets the Association's reserves policy.

Going concern

There are no uncertainties about the Association continuing as a going concern.

Principal risks and uncertainties

The major risks to which the Association is exposed have been formally reviewed, with particular focus on events that would seriously impede the operations of the Association. Strategic safeguards are in place to reduce, as far as possible, the impact of those risks. The risk register was updated most recently in May 2021.

The principal risks and uncertainties are in the following areas: Health and safety, IT disaster recovery and planning, lack of building fabric maintenance.

Health and Safety

Caring for sizeable facilities and a large group of individuals brings with it the risks of accidents either in working facilities or accommodation.

This risk is mitigated by a rigorous health and safety routine. Experts in this area give constant advice and direction as to how working and living practices can be made safer. The workers are continuously trained in the procedures they should undertake, and how they should carry out their tasks in the safest manner. Documentation is provided as part of their training.

IT disaster recovery and planning

The systems used to achieve the aims of the Association are completely reliant on IT services. The potential for such services to be damaged or impeded in some way is a serious risk to the operations of the Association. This risk is mitigated by extremely detailed IT backup procedures. Offsite backups are carried out regularly, with sensitive data being backed up more frequently. Should a physical server be lost, remote servers kept off-site can take over and ensure the continued running of operations. In the unlikely event that the network goes down, a strong, robust infrastructure allows for operations to continue uninterrupted.

Lack of building fabric maintenance

Regular repair and maintenance programmes are carried out to a high standard. Experts in relevant areas give training and monitor these areas carefully. Ongoing training and documentation is provided based on appropriate standards and followed by those who have the responsibility for caring for the buildings.

International Bible Students Association

Report of the Trustees

for the Year Ended 31st August 2021

STRATEGIC REPORT

Greenhouse Gas Emissions, Energy Consumption & Energy Efficiency

	Carbon Tonnes	KwH
Quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible	2,533	
Quantity of energy consumed resulting from activities for which the company is responsible		13,197,067

This information was gathered from utility bills received by the Association during the year. A quantifiable ratio for this activity is not practical in this instance, as the vast majority of this consumption was from activity connected with our facilities in Chelmsford.

Measures taken for the purpose of increasing the Association's energy efficiency include: High levels of wall and roof insulation, triple glazed windows in residence buildings, combined heat and power units, condensing gas boilers, photovoltaic panels to generate on-site electricity, minor district heating circuits, LED lighting with automatic PIR presence detection and daylight control, and rainwater harvesting. Systems are controlled by a site-wide Building Management System, with energy consumption monitored.

Our in-house Energy Team consistently monitors our energy management throughout all of our properties, resulting in ongoing efficiency improvement that reduces our carbon footprint.

The trustees are pleased with this example of extremely positive environmental performance.

Future plans

Continuing to enable individuals to carry out their religious service full-time as members of the Order, means these can continue to make a meaningful contribution to the religious organisation of Jehovah's Witnesses. They will also have a beneficial impact in the wider communities where they worship and conduct their public ministry.

The Association will also continue to support the needs for the translation and audio/video production of Bible-based material.

The Association also intends to continue to take necessary action to maintain health and safety by imposing necessary restrictions during the pandemic. Within the boundaries of these restrictions charitable activity will continue to be supported, assisting beneficiaries and the wider community.

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, 20th February 2014 and 13th April 2016.

Organisational structure

The charity is constituted as a company limited by guarantee.

Policy decisions are made by the Trustees. In some cases, a separate committee is given a budget, and can make decisions within the approved budget.

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, 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 below. 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. 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.

International Bible Students Association

Report of the Trustees

for the Year Ended 31st August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider Network

Charities with similar objects exist in many countries around the world. Cooperation with these charities facilitates an efficient and economic use of resources, and helps the Association to meet its stated objectives.

The Association also cooperates with such charities in Britain. This cooperation could be in the form of shared facilities, or donations depending on the circumstances.

The Association 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

00136726 (England and Wales)

Registered Charity number

216647

Registered office

1 Kingdom Way
West Hanningfield
Chelmsford
CM2 8FW

Trustees

J Manley
S Papps (resigned 31.10.21)
K Snaith
I Darby (resigned 31.8.21)
S C H Symonds
M Simpson (appointed 8.11.21)
A Sutton (appointed 1.9.21)

Auditors

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

Bankers

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

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) 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INTERNATIONAL BIBLE STUDENTS ASSOCIATION

Opinion

We have audited the financial statements of International Bible Students Association (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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 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.

International Bible Students Association

Report of the Trustees

for the Year Ended 31st August 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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*12 February 2022* and signed on the board's behalf by:


.....
S C H Symonds - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INTERNATIONAL BIBLE STUDENTS ASSOCIATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our objectives in performing the audit are to identify and assess the risk of material misstatement in the financial statements due to fraud or error and to obtain sufficient audit evidence to support this. We also evaluate and respond to the risk of material misstatements.

Audit procedures performed by the engagement team included:

- Gaining a full and extensive knowledge of the entity, the external environment within which it operates, and the regulatory frameworks it must abide by.
- Gaining a full understanding of the internal control environment, including all systems in place to detect and prevent fraud.
- Evaluating said systems in order to determine whether they are operating to a satisfactory level, as well as obtaining a full and comprehensive understanding of the entity's current activities.
- Discussions with management and those charged with governance as to any known or suspected instances of non-compliance with laws and regulations, as well as fraud.
- Challenging and recalculating assumptions, judgements and estimates made by management in its significant accounting policies.
- Review of significant and unusual transactions and reading minutes of those charged with governance.

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.

Use of our report

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.

Nicholas Hume FCA

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

Date: 22 February 2022

International Bible Students Association

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31st August 2021

	Notes	2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	34,867,079	29,974,428
Investment income	3	1,583	14,049
Other income	4	<u>36,938,741</u>	<u>39,253,707</u>
Total		71,807,403	69,242,184
EXPENDITURE ON			
Charitable activities	5		
Provision of conventions for Bible education		79,494	407,907
Donations and aid		63,525,482	60,889,725
Provision of serviced facilities		3,499,796	3,712,042
Caring for members of the Order		8,087,083	7,128,628
Provision of facilities to produce Bible-based literature		312,113	376,687
Total		<u>75,503,968</u>	<u>72,514,989</u>
NET INCOME/(EXPENDITURE)		(3,696,565)	(3,272,805)
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>157,935,505</u>	<u>161,208,310</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>154,238,940</u></u>	<u><u>157,935,505</u></u>

The notes form part of these financial statements

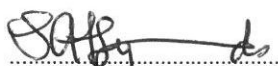
International Bible Students Association

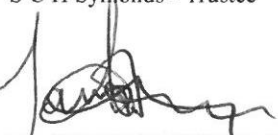
Balance Sheet

31st August 2021

	Notes	2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS			
Tangible assets	9	156,027,845	168,017,001
Social investments	10	<u>460,215</u>	<u>460,215</u>
		156,488,060	168,477,216
CURRENT ASSETS			
Stocks	11	154,850	112,862
Debtors	12	1,080,607	1,878,815
Cash at bank and in hand		<u>1,869,793</u>	<u>1,793,527</u>
		3,105,250	3,785,204
CREDITORS			
Amounts falling due within one year	13	<u>(1,926,411)</u>	<u>(2,782,290)</u>
NET CURRENT ASSETS			
		<u>1,178,839</u>	<u>1,002,914</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		157,666,899	169,480,130
CREDITORS			
Amounts falling due after more than one year	14	<u>(3,427,959)</u>	<u>(11,544,625)</u>
NET ASSETS			
		<u>154,238,940</u>	<u>157,935,505</u>
FUNDS			
Unrestricted funds	16	<u>154,238,940</u>	<u>157,935,505</u>
TOTAL FUNDS			
		<u>154,238,940</u>	<u>157,935,505</u>

The financial statements were approved by the Board of Trustees and authorised for issue on12 February 2022..... and were signed on its behalf by:


S C H Symonds - Trustee


J Manley - Trustee

The notes form part of these financial statements

International Bible Students Association

Cash Flow Statement

for the Year Ended 31st August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	18	<u>(44,220,835)</u>	<u>(41,020,571)</u>
Net cash used in operating activities		<u>(44,220,835)</u>	<u>(41,020,571)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(612,512)	(12,028,281)
Sale of tangible fixed assets		45,908,030	70,648,472
Interest received		<u>1,583</u>	<u>14,049</u>
Net cash provided by investing activities		<u>45,297,101</u>	<u>58,634,240</u>
Cash flows from financing activities			
Loan repayments in year		<u>(1,000,000)</u>	<u>(18,000,000)</u>
Net cash used in financing activities		<u>(1,000,000)</u>	<u>(18,000,000)</u>
Change in cash and cash equivalents in the reporting period			
		76,266	(386,331)
Cash and cash equivalents at the beginning of the reporting period		<u>1,793,527</u>	<u>2,179,858</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,869,793</u></u>	<u><u>1,793,527</u></u>

The notes form part of these financial statements

International Bible Students Association

Notes to the Financial Statements

for the Year Ended 31st August 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, a company limited by guarantee registered in the United Kingdom, which is a public benefit entity under FRS102, have been prepared in accordance with applicable charity and company law, namely 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (effective 1 January 2019), 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). All amounts are stated in pounds sterling and rounded to the nearest whole number.

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 Association 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 generally included at fair value. Where obtaining a fair value is not practical or beneficial, the value provided by the donor may be used.

For legacies, entitlement is taken as the earlier of the date on which either: the Association 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 Association has been notified of the executor's intention to make a distribution.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Association 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 the following paragraphs.

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 Association. When this is the case the support cost is apportioned to the activity based on the proportion of direct costs it incurs. This does not include the donations activity as minimal support costs are incurred in this activity.

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, less estimated residual value, in order to write off each asset over its estimated useful life:

Freehold land	-	Not depreciated
Buildings	-	2% to 2.5% on cost
Plant and machinery	-	10% on cost
Motor vehicles	-	14% to 20% on cost
Assets in the course of construction	-	Not depreciated
Fixtures and fittings	-	20% on cost
Computer Equipment	-	14% to 33% 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.

International Bible Students Association

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

1. ACCOUNTING POLICIES - continued

Social investments

The Association classifies its social investments as programme related. The investment is to further charitable aims, and any financial return is incidental. The investment is held at cost less impairment as fair value cannot be measured reliably.

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.

Donated goods

Donated goods are recognised as income when the Association has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Association of the item is probable and that economic benefit can be measured reliably.

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.)

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 Association. 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 Association 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.

Concessionary loans are initially measured at the amount received. The carrying amount is subsequently adjusted to reflect any impairment or accrued interest payable if applicable.

Financial instruments

The Association 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.

International Bible Students Association

Notes to the Financial Statements - continued

for the Year Ended 31st August 2021

1. ACCOUNTING POLICIES - continued

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

	2021	2020
	£	£
Legacies	3,073,698	4,592,210
Non-cash donations	1,059,842	1,810,832
Cash donations	30,695,403	23,566,494
Other Income	<u>38,136</u>	<u>4,892</u>
	<u><u>34,867,079</u></u>	<u><u>29,974,428</u></u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>1,583</u>	<u>14,049</u>

4. OTHER INCOME

	2021	2020
	£	£
Gain on sale of tangible fixed assets	36,825,799	39,205,753
Foreign currency gains	(6,411)	(2,009)
Income from recycling	<u>119,353</u>	<u>49,963</u>
	<u><u>36,938,741</u></u>	<u><u>39,253,707</u></u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Provision of conventions for Bible education	75,178	4,316	79,494
Donations and aid	63,525,482	-	63,525,482
Provision of serviced facilities	3,307,084	192,712	3,499,796
Caring for members of the Order	7,648,093	438,990	8,087,083
Provision of facilities to produce Bible-based literature	<u>295,170</u>	<u>16,943</u>	<u>312,113</u>
	<u><u>74,851,007</u></u>	<u><u>652,961</u></u>	<u><u>75,503,968</u></u>

International Bible Students Association

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

6. SUPPORT COSTS

	Finance £	Information technology £	Other £	Governance costs £	Totals £
Provision of conventions for Bible education	702	2,849	630	135	4,316
Provision of serviced facilities	31,340	127,200	28,151	6,021	192,712
Caring for members of the Order	71,391	289,757	64,127	13,715	438,990
Provision of facilities to produce Bible-based literature	<u>2,755</u>	<u>11,183</u>	<u>2,476</u>	<u>529</u>	<u>16,943</u>
	<u>106,188</u>	<u>430,989</u>	<u>95,384</u>	<u>20,400</u>	<u>652,961</u>

7. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Auditors' remuneration	20,400	19,466
Depreciation - owned assets	4,068,057	3,594,178
Other operating leases	142,683	397,789
Surplus on disposal of fixed assets	<u>(36,828,474)</u>	<u>(39,182,394)</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

The Trustees do not receive any remuneration or benefits for their role as trustees of the charity. However, all Trustees are members of a worldwide religious order. By virtue of their membership of the religious order, they (and if married to a member of the order, their spouse) receive from the Association accommodation, meals, a modest allowance and certain other personal services depending on age.

The total allowance paid to each trustee, by virtue of their membership of the religious order, in the year ending 31 August 2021 was £2,056 (2020: £2,084). The trustees and their spouses donated in total £2,955 to the charity.

Trustees' expenses

No expenses were reimbursed to trustees in their role as trustees during this year or the previous year.

International Bible Students Association

Notes to the Financial Statements - continued

for the Year Ended 31st August 2021

9. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in the course of construction £	Plant and machinery £	
COST				
At 1st September 2020	182,905,302	-	2,198,599	
Additions	794,275	77,628	27,793	
Disposals	<u>(14,167,161)</u>	<u>-</u>	<u>(238,916)</u>	
At 31st August 2021	<u>169,532,416</u>	<u>77,628</u>	<u>1,987,476</u>	
DEPRECIATION				
At 1st September 2020	16,822,924	-	909,932	
Charge for year	3,813,565	-	131,705	
Eliminated on disposal	<u>(5,171,148)</u>	<u>-</u>	<u>(189,308)</u>	
At 31st August 2021	<u>15,465,341</u>	<u>-</u>	<u>852,329</u>	
NET BOOK VALUE				
At 31st August 2021	<u>154,067,075</u>	<u>77,628</u>	<u>1,135,147</u>	
At 31st August 2020	<u>166,082,378</u>	<u>-</u>	<u>1,288,667</u>	
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st September 2020	50,131	743,461	470,725	186,368,218
Additions	21,930	200,140	36,691	1,158,457
Disposals	<u>(7,627)</u>	<u>(175,809)</u>	<u>(23,509)</u>	<u>(14,613,022)</u>
At 31st August 2021	<u>64,434</u>	<u>767,792</u>	<u>483,907</u>	<u>172,913,653</u>
DEPRECIATION				
At 1st September 2020	25,186	383,198	209,977	18,351,217
Charge for year	7,243	61,597	53,947	4,068,057
Eliminated on disposal	<u>(4,551)</u>	<u>(144,950)</u>	<u>(23,509)</u>	<u>(5,533,466)</u>
At 31st August 2021	<u>27,878</u>	<u>299,845</u>	<u>240,415</u>	<u>16,885,808</u>
NET BOOK VALUE				
At 31st August 2021	<u>36,556</u>	<u>467,947</u>	<u>243,492</u>	<u>156,027,845</u>
At 31st August 2020	<u>24,945</u>	<u>360,263</u>	<u>260,748</u>	<u>168,017,001</u>

At the reporting date, an entity has a binding sale agreement on land and buildings which are held in the fixed asset group 'freehold property', being one of the properties formerly used by IBSA in London. The net carrying value of this is £3,620,643.

International Bible Students Association

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

10. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1st September 2020 and 31st August 2021	<u>460,215</u>
NET BOOK VALUE	
At 31st August 2021	<u><u>460,215</u></u>
At 31st August 2020	<u><u>460,215</u></u>

This represents an investment in a project which helps Jehovah's Witnesses around the world find places to meet and carry out their worship. Although it is still in its early stages, the trustees are pleased with the early results achieved and are confident that it will continue to advance the charitable aims of the Association.

11. STOCKS

	2021 £	2020 £
Stocks - electrical, maintenance and home supplies	<u>154,850</u>	<u>112,862</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	921,106	394,874
Prepayments and accrued income	<u>159,501</u>	<u>1,483,941</u>
	<u><u>1,080,607</u></u>	<u><u>1,878,815</u></u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other loans (see note 15)	-	1,000,000
Trade creditors	119,235	187,734
Other creditors	1,688,824	1,488,119
Accrued expenses	<u>118,352</u>	<u>106,437</u>
	<u><u>1,926,411</u></u>	<u><u>2,782,290</u></u>

International Bible Students Association

Notes to the Financial Statements - continued

for the Year Ended 31st August 2021

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

	2021 £	2020 £
Other loans (see note 15)	2,927,881	2,927,881
Accruals and deferred income	<u>500,078</u>	<u>8,616,744</u>
	<u><u>3,427,959</u></u>	<u><u>11,544,625</u></u>

15. LOANS

Loans represent a concessionary loan, with no interest charged, from other charitable entities with similar aims and objectives. It is not secured against any assets of the Association.

16. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	157,935,505	(3,696,565)	154,238,940
	<u>157,935,505</u>	<u>(3,696,565)</u>	<u>154,238,940</u>
TOTAL FUNDS	<u><u>157,935,505</u></u>	<u><u>(3,696,565)</u></u>	<u><u>154,238,940</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	71,807,403	(75,503,968)	(3,696,565)
	<u>71,807,403</u>	<u>(75,503,968)</u>	<u>(3,696,565)</u>
TOTAL FUNDS	<u><u>71,807,403</u></u>	<u><u>(75,503,968)</u></u>	<u><u>(3,696,565)</u></u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Unrestricted funds				
General fund	161,208,310	(4,023,517)	750,712	157,935,505
Restricted funds				
Relocation Project	-	750,712	(750,712)	-
	<u>161,208,310</u>	<u>(3,272,805)</u>	<u>-</u>	<u>157,935,505</u>
TOTAL FUNDS	<u><u>161,208,310</u></u>	<u><u>(3,272,805)</u></u>	<u><u>-</u></u>	<u><u>157,935,505</u></u>

International Bible Students Association

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	68,491,472	(72,514,989)	(4,023,517)
Restricted funds			
Relocation Project	750,712	-	750,712
TOTAL FUNDS	<u>69,242,184</u>	<u>(72,514,989)</u>	<u>(3,272,805)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	161,208,310	(7,720,082)	750,712	154,238,940
TOTAL FUNDS	<u>161,208,310</u>	<u>(6,969,370)</u>	<u>-</u>	<u>154,238,940</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	140,298,875	(148,018,957)	(7,720,082)
TOTAL FUNDS	<u>141,049,587</u>	<u>(148,018,957)</u>	<u>(6,969,370)</u>

The restricted funds were amounts donated specifically for the relocation project, and these were spent on the contract to build the Association's new facilities near Chelmsford. As the restricted fund was for the construction of the new facilities, and these facilities are now completed it was appropriate to transfer this amount to the unrestricted fund.

17. RELATED PARTY DISCLOSURES

Although there are no related parties, the Association works closely with other charities in many countries which have similar aims and objectives. This is explained further in the 'Wider Network' paragraph of the Report of the Trustees.

International Bible Students Association

Notes to the Financial Statements - continued

for the Year Ended 31st August 2021

18. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(3,696,565)	(3,272,805)
Adjustments for:		
Depreciation charges	4,068,057	3,594,178
Profit on disposal of fixed assets	(36,828,474)	(39,182,394)
Interest received	(1,583)	(14,049)
Donated fixed assets received	(545,945)	-
(Increase)/decrease in stocks	(41,988)	57,525
Decrease/(increase) in debtors	798,208	(489,532)
Decrease in creditors	<u>(7,972,545)</u>	<u>(1,713,494)</u>
Net cash used in operations	<u><u>(44,220,835)</u></u>	<u><u>(41,020,571)</u></u>

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>1,793,527</u>	<u>76,266</u>	<u>1,869,793</u>
	<u>1,793,527</u>	<u>76,266</u>	<u>1,869,793</u>
Debt			
Debts falling due within 1 year	(1,000,000)	1,000,000	-
Debts falling due after 1 year	<u>(2,927,881)</u>	<u>-</u>	<u>(2,927,881)</u>
	<u>(3,927,881)</u>	<u>1,000,000</u>	<u>(2,927,881)</u>
Total	<u><u>(2,134,354)</u></u>	<u><u>1,076,266</u></u>	<u><u>(1,058,088)</u></u>

20. FINANCIAL INSTRUMENTS

	2021	2020
Debt instruments at amortised cost		
Other debtors	921,106	394,874
Accrued income	<u>105,628</u>	<u>1,365,975</u>
Total	<u><u>1,026,734</u></u>	<u><u>1,760,849</u></u>
Financial Liabilities at amortised cost		
Other loans	-	1,000,000
Trade creditors	119,235	187,734
Other creditors	1,688,824	1,488,119
Accrued expenses	118,352	106,437
Other loans >1 year	2,927,881	2,927,881
Accruals and deferred income	<u>500,078</u>	<u>8,616,744</u>
Total	<u><u>5,354,370</u></u>	<u><u>14,326,915</u></u>

International Bible Students Association

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

21. DEFERRED INCOME

	£
Deferred income as at 1st September 2020	8,616,744
Deferred income recognised on completion of sale	(8,616,666)
Deposit received on sale of property	<u>500,000</u>
Deferred income as at 31st August 2021	<u><u>500,078</u></u>

Deferred income relates to a deposit received for a property sale.