

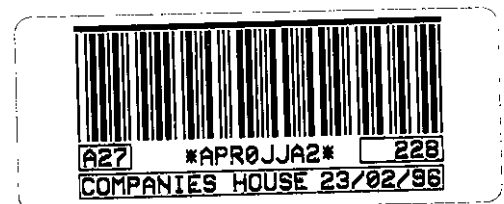
Company No. 136726
Registered Charity No. 216647

IBSA 1995

International
Bible Students
Association

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

ANNUAL REPORT AND ACCOUNTS
Year ended 31st August 1995



INTERNATIONAL BIBLE STUDENTS ASSOCIATION

PROFILE, OFFICERS AND ADVISERS

31st August 1995

CONSTITUTION

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

DIRECTORS AND COUNCIL MEMBERS

M. G. Henschel *President*
J. S. Andrews *Vice-President*
S. D. Smith
L. A. Swingle
J. A. Wynn

SECRETARY / TREASURER

Sydney D. Smith

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

AUDITORS

Evans & Co
The Old Hall
Quatt
Bridgnorth
Shropshire
England WV15 6QW

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

INDEX TO THE REPORTS AND ACCOUNTS

Year ended 31st August 1995

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INTERNATIONAL BIBLE STUDENTS ASSOCIATION

REPORT OF THE COUNCIL Year ended 31st August 1995

The members of the Council present their report and the annual accounts of the Association for the year ended 31st August 1995.

Activities

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

Financial Results

There was a surplus of income on ordinary activities of £2,156,215 (1994 £2,133,596). Donations to Watch Tower Society amounted to £4,564,629 (1994 from Watch Tower Society £2,515,000) and this created a deficit for the year of £2,408,414 (1994 surplus of £4,648,596).

It was necessary for the Association to support, by way of donation, the work of Watch Tower Society on which considerable demands have been made to finance the activities of Jehovah's Witnesses overseas.

Review of Developments

Capital expenditure on fixed assets has been incurred during this financial year totalling £3,348,205 and is analysed in note 8 on page 9 of the accounts. This includes a total of £2,961,100 for the acquisition of land and buildings in Greece to be used for the construction of several Kingdom Halls and an Assembly Hall.

Council Members

The members of the Council, all of whom have served throughout the year, are:-

J. S. Andrews M. G. Henschel S. D. Smith L. A. Swingle J. A. Wynn

Auditors

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

By order of the Council



S. D. SMITH
Secretary and Treasurer

9th January 1996

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

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

COUNCIL MEMBERS' RESPONSIBILITIES STATEMENT

Year ended 31st August 1995

Council members' responsibilities in respect of the preparation of accounts

The council members are required by company law to prepare accounts which give a true and fair view of the state of affairs of the Association at the end of the financial year and of the surplus or deficit of income for the year to that date. They are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Association and for preventing and detecting fraud and other irregularities.

The accounts are legally required to be prepared in compliance with the Companies Act 1985 and with applicable accounting standards. In preparing these accounts the council members are required:

To select suitable accounting policies and then apply them consistently;

To make judgements and estimates that are reasonable and prudent;

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

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

The council members confirm that the accounts comply with these requirements except that the format of the income and expenditure account has been presented in a manner relevant to the Association's activities and thereby enabling a true and fair view to be shown as required by section 226 (2) of the Companies Act 1985.



S. D. SMITH
Secretary and Treasurer

9th January 1996

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

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

REPORT OF THE AUDITORS Year ended 31st August 1995

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention.

Respective responsibilities of council members' and auditors

The "Council Members' Responsibilities Statement" details that the Association's council members are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

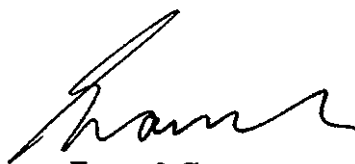
Basis of opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Association at 31st August 1995 and of the deficiency of income for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Evans & Co

Registered Auditors

9th January 1996

The Old Hall
Quatt
Bridgnorth
Shropshire
England
WV15 6QW

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT

Year ended 31st August 1995

1994

INCOME

Donations and contributions	5,633,011	5,489,420
Convention donations	550,782	603,099
Legacies	314,800	1,147,720
	<hr/>	<hr/>
Total voluntary income	6,498,593	7,240,239
Service charges to Watch Tower Society	1,032,357	1,040,301
Income from investments		
Rents	11,986	23,091
Interest and dividends	359,478	149,800
Mortgage interest	8,815	5,942
Surplus on sale of shares	1,310	-
	<hr/>	<hr/>
	381,589	178,833
	<hr/>	<hr/>
	7,912,539	8,459,373

OPERATING EXPENDITURE

Direct charitable expenditure	(Note 4)	(4,225,818)	(4,745,209)
Cost of service charges	(Note 5)	(967,718)	(976,552)
Depreciation of fixed assets	(Note 7)	(556,188)	(604,016)
Loss on sale of freehold properties		(6,600)	-
		<hr/>	<hr/>
		(5,756,324)	(6,325,777)

SURPLUS ON ORDINARY ACTIVITIES

2,156,215

2,133,596

EXCEPTIONAL ITEMS

Donation to Watch Tower Society	(4,564,629)	-
Donation from Watch Tower Society	-	2,515,000

SURPLUS (DEFICIT) OF INCOME FOR THE YEAR

£ (2,408,414)

£ 4,648,596

There have been no recognised gains or losses other than the surplus for the year.
The notes on pages 7 to 10 form an integral part of these accounts.

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

BALANCE SHEET
31st August 1995

1994

FIXED ASSETS

Tangible assets	(Note 7)		
Land and buildings		23,638,986	21,033,969
Fixtures and fittings		303,874	352,189
Plant and machinery		497,479	722,507
Convention equipment		69,047	84,754
		<u>24,509,386</u>	<u>22,193,419</u>
Investments			
Quoted investments		261,395	658,342
Congregation hall mortgages		135,003	143,048
		<u>396,398</u>	<u>801,390</u>
		<u>24,905,784</u>	<u>22,994,809</u>

CURRENT ASSETS

Stocks on hand		134,328	118,759
Debtors and accrued income	(Note 8)	486,723	365,697
Building society and bank deposits		2,309,954	6,967,550
Cash at bank - current accounts		35,776	38,328
Congregation contributions in transit		414,382	433,231
		<u>3,381,163</u>	<u>7,923,565</u>
CREDITORS: falling due within one year	(Note 9)	358,459	581,472
		<u>3,022,704</u>	<u>7,342,093</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 27,928,488	£ 30,336,902

ACCUMULATED RESERVES

Balance at 31st August 1994		30,336,902	25,688,306
Surplus (deficit) of income for the year		(2,408,414)	4,648,596
		<u>27,928,488</u>	<u>30,336,902</u>
Balance at 31st August 1995		£ 27,928,488	£ 30,336,902
UNRESTRICTED FUNDS		£ 27,749,518	£ 30,168,715
RESTRICTED FUNDS	(Note 10)	£ 178,970	£ 168,187
		<u>£ 27,928,488</u>	<u>£ 30,336,902</u>

Approved by the Council


J. S. ANDREWS
Vice-President

S. D. SMITH
Secretary and Treasurer

9th January 1996

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

CASH FLOW STATEMENT
Year ended 31st August 1995

1994

NET CASH INFLOW (Note 11)

Receipts from voluntary income less operational payments	1,976,063	2,132,174
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INVESTING ACTIVITIES

Acquisitions of fixed assets (Note 7)

Land and buildings	(3,321,810)	(240,873)
Fixtures and fittings	(9,364)	(41,572)
Plant and machinery	(3,708)	(248,839)
Convention equipment	(13,323)	(14,875)

	(3,348,205)	(546,159)
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Decrease (increase) in mortgage advances	8,045	(68,639)
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	(3,340,160)	(614,798)
--	-------------	-----------

Proceeds of sale of freehold properties	406,450	
Proceeds of sale of plant and equipment	63,000	20,370
Income from investments	380,279	178,833
Realisation of quoted investment	400,000	2,243

	1,249,729	201,446
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Net expenditure on investing activities	(2,090,431)	(413,352)
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EXCEPTIONAL ITEMS OF INCOME

Donation to Watch Tower Society	(4,564,629)	-
Donation from Watch Tower Society	-	2,515,000

INCREASE IN CASH AND CASH EQUIVALENTS	£ (4,678,997)	£ 4,233,822
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CHANGES IN CASH AND CASH EQUIVALENTS

Opening bank balances and cash in transit	7,439,109	3,205,287
Closing bank balances and cash in transit	2,760,112	7,439,109

Increases in cash and cash equivalents	£ (4,678,997)	£ 4,233,822
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INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS

Year ended 31st August 1995

1. STATUS OF THE ASSOCIATION

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

The Association has close connections with Watch Tower Bible and Tract Society (Watch Tower Society). The branch address in Britain of Watch Tower Society is the registered office of the Association and both charities have common and related objectives.

2. ACCOUNTING POLICIES

a) The accounts are prepared under the historical cost convention. The Association has presented an Income and Expenditure Account which does not strictly adhere to the formats required by Schedule 4 to the Companies Act 1985 but has instead presented the account in a form which includes headings which are relevant to its activities thereby enabling it to show a true and fair view.

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

Land	No depreciation
Freehold properties and developments	50 years
Leasehold properties	15-50 years
Fixtures and fittings	10 years
Plant and machinery	7 years
Convention equipment	7 years

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

d) The quoted investments have all been donated. These investments are shown at the donated values of £261,395. The market values at 31 August 1995 was £283,571.

3. PERSONNEL

a) The Association has no employees but engages only voluntary workers, providing them with free board, lodging and an allowance for personal and other expenses. During the year there was an average of 255 (240 in 1994) persons engaged.

b) All personnel, including the Members of the Council, are paid on the same basis. Those engaged in the usual work of the Association are required to live in the Association's premises. The total cash allowances, expenses payments and value of board and lodging did not exceed £3,010 during the year for any one person.

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS

Year ended 31st August 1995

1994

4. DIRECT CHARITABLE EXPENDITURE

Literature for public distribution	3,750,255	4,314,771
Cash and goods donated to Europe	256,624	132,066
Convention costs	218,939	298,372
	<u>4,225,818</u>	<u>4,745,209</u>
	£	£

5. INCOME

Services charges to Watch Tower Society

Allowances to personnel	303,243	255,999
Dining room and kitchen supplies	147,496	164,137
Accommodation expenses	50,414	61,952
Staff shop, net cost	1,333	767
Farm supplies	66,294	49,551
Electricity, fuel and water	230,046	233,876
Property costs and maintenance	122,923	163,526
Property rents and taxes	25,667	22,243
Professional charges	20,302	24,501
	<u>967,718</u>	<u>976,552</u>
	£	£

6. AUDITORS REMUNERATION

Professional charges include auditors remuneration of	£	2,000	£	2,000
		<u>2,000</u>		<u>2,000</u>

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS

Year ended 31st August 1995

7. FIXED ASSETS	Land and buildings	Fixtures and fittings	Plant and machinery	Convention equipment	TOTAL
Cost or valuation					
At 31st Aug 1994	22,161,387	567,404	1,248,255	200,082	24,177,128
Additions	3,321,810	9,364	3,708	13,323	3,348,205
Disposals and w/o	(490,800)	(49,470)	(83,427)	(26,913)	(650,610)
At 31st Aug 1995	<u>24,992,397</u>	<u>527,298</u>	<u>1,168,536</u>	<u>186,492</u>	£ <u>26,874,723</u>
Depreciation					
At 31st Aug 1994	1,127,418	215,215	525,748	115,328	1,983,709
Charge for the year	303,743	57,679	165,736	29,030	556,188
Disposals and w/o	(77,750)	(49,470)	(20,427)	(26,913)	(174,560)
At 31st Aug 1995	<u>1,353,411</u>	<u>223,424</u>	<u>671,057</u>	<u>117,445</u>	£ <u>2,365,337</u>
Book values					
At 31st Aug 1994	<u>21,033,969</u>	<u>352,189</u>	<u>722,507</u>	<u>84,754</u>	£ <u>22,193,419</u>
At 31st Aug 1995	<u>23,638,986</u>	<u>303,874</u>	<u>497,479</u>	<u>69,047</u>	£ <u>24,509,386</u>

The net book values of land and buildings comprise freehold properties at £20,297,271, long leasehold properties at £31,690 and short leasehold property at £347,700. The Association has an option to purchase the short leasehold property. Included in land and building are property land values totalling £8,479,698 for which no depreciation is provided. The whole Association's interests in land and buildings situated in Britain has been professionally valued at £23,893,500.

8. DEBTORS AND ACCRUED INCOME

1994

Service charges receivable	100,572	54,989
Income Tax reclaimable	44,506	37,930
Convention donations receivable	12,808	35,997
Legacies receivable	164,117	173,731
Loan to an aged and infirm widow	22,100	-
Bank interest receivable	130,141	31,316
Sundry amounts receivable	2,641	-
Council charges refund	-	14,234
Property purchase deposit	-	17,500
	£ <u>476,885</u>	£ <u>365,697</u>

9. CREDITORS amounts falling due within one year

1994

General suppliers	29,731	66,825
Building improvement suppliers	5,855	1,807
District convention expenses	35,495	28,886
Due to Watch Tower Society for literature	261,332	452,006
Due re congregation mortgage accounts	-	1,646
V.A.T. payable	1,215	7,106
Accrued expenses	23,856	22,221
Unsecured loan notes	975	975
	£ <u>358,459</u>	£ <u>581,472</u>

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS

Year ended 31st August 1995

10. RESTRICTED FUND

1994

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

Opening balance		168,187	160,064
Mortgage interest received		8,815	5,943
Investment income received		1,968	2,180
		<hr/>	<hr/>
Closing balance	(Page 5)	£178,970	£168,187
		<hr/>	<hr/>
Employment of fund at 31 August 1995			
Congregation mortgages	(Page 5)	135,003	143,048
Funds retained for future use		43,967	25,139
		<hr/>	<hr/>
Accumulated value of funds, as above		£178,970	£168,187
		<hr/>	<hr/>

11. CASH FLOW STATEMENT

(Page 6)

1994

Reconciliation of surplus on ordinary activities
with net cash inflow from operating activities

Surplus on ordinary activities	(Page 4)	2,156,215	2,133,596
Donation received of quoted investments		(1,743)	(635,266)
Income from investments		(381,589)	(178,833)
Depreciation of fixed assets		556,188	604,016
Loss on sale of fixed assets		6,600	-
Cash available from decrease (increase) in stocks on hand		(15,569)	22,065
Cash available from decrease (increase) in debtors		(121,026)	146
Cash available from increase (decrease) in creditors		(223,013)	186,450
Net cash inflow			
Receipts of cash from voluntary income		<hr/>	<hr/>
less operational payments	(Page 6)	£1,976,063	£2,132,174
		<hr/>	<hr/>