

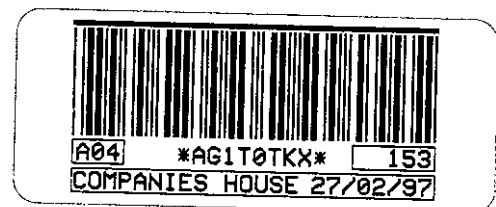
Company No. 136726  
Registered Charity No. 216647

# IBSA 1996

International  
Bible Students  
Association

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

ANNUAL REPORT AND ACCOUNTS  
Year ended 31st August 1996



INTERNATIONAL BIBLE STUDENTS ASSOCIATION

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Year ended 31st August 1996

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# INTERNATIONAL BIBLE STUDENTS ASSOCIATION

## ASSOCIATION PROFILE, OFFICERS AND ADVISERS

31st August 1996

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### CONSTITUTION

The Association is an unlimited company, without share capital, incorporated in England under the Companies Acts 1908 and 1913 and 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  
15 The Wheatlands  
Bridgnorth  
Shropshire  
England WV16 5BD

# INTERNATIONAL BIBLE STUDENTS ASSOCIATION

## REPORT OF THE COUNCIL Year ended 31st August 1996

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The members of the Council present their report and the annual accounts of the Association for the year ended 31st August 1996.

### 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

The financial results of the year's activities are shown on page 5 of the accounts. There was a surplus of income on ordinary activities of £2,543,152 (1995 £2,162,815). Donations to Watch Tower Society amounted to £2,469,845 (1995 £4,564,629) and a surplus on sale of property of £22,710 (1995 loss £6,600) reduced the surplus to £96,017 (1995 deficit £2,408,414). The policy of the Association to give financial support to the work of Watch Tower Society in the ministry work of Jehovah's Witnesses has continued in this accounting year.

### Review of Developments

Capital expenditure on fixed assets has been incurred during this financial year totalling £737,045 and is analysed in note 7 on page 10 of the accounts. This expenditure was, in the main, in the construction of a new Kingdom Hall and building improvements at Watch Tower House, The Ridgeway, London, England.

### Council Members

The Council members, who are also the directors and the trustees, have all served throughout this financial year and are:-

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

Mr S D Smith resigned as a Council member on 19 September 1996 but continues to serve as the Association's Secretary and Treasurer.

### 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*

30 November 1996

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

# INTERNATIONAL BIBLE STUDENTS ASSOCIATION

## COUNCIL MEMBERS' RESPONSIBILITIES STATEMENT

Year ended 31st August 1996

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### 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.

# INTERNATIONAL BIBLE STUDENTS ASSOCIATION

REPORT OF THE AUDITORS  
Year ended 31st August 1996

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Report of the auditors to the members of the  
International Bible Students Association

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

## Respective responsibilities of council members and auditors

The Council members, who are the trustees and directors of the Association, 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 1996 and of the surplus of income for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Evans & Co

*Registered Auditors*

30 November 1996

15 The Wheatlands  
Bridgnorth  
Shropshire  
England  
WV16 5BD

## INTERNATIONAL BIBLE STUDENTS ASSOCIATION

## INCOME AND EXPENDITURE ACCOUNT

Year ended 31st August 1996

1995

## INCOME

Donations and contributions		5,942,633	5,633,011
Convention donations		591,075	550,782
Legacies		448,705	314,800
		<hr/>	<hr/>
Total voluntary income		6,982,413	6,498,593
Service charges to Watch Tower Society		1,003,854	1,032,357
Income from investments			
Rents	7,845		11,986
Interest and dividends	181,556		359,478
Mortgage interest	8,691		8,815
		<hr/>	<hr/>
		198,092	380,279
Surplus on sales of shares	43,382		1,310
		<hr/>	<hr/>
		241,474	381,589
		<hr/>	<hr/>
Total incoming resources		8,227,741	7,912,539

## OPERATING EXPENDITURE

Direct charitable expenditure	(Note 4)	(4,017,218)	(4,225,818)
Cost of service charges	(Note 5)	(1,014,398)	(967,718)
Depreciation of fixed assets	(Note 7)	(652,973)	(556,188)
		<hr/>	<hr/>
Total operating expenditure		(5,684,589)	(5,749,724)

## SURPLUS OF INCOME ON ORDINARY ACTIVITIES

2,543,152

2,162,815

## EXCEPTIONAL ITEMS

Donation to Watch Tower Society	(2,469,845)	(4,564,629)
Profit (loss) on sale of properties	22,710	(6,600)

## SURPLUS (DEFICIT) OF INCOME FOR THE YEAR

£96,017

(£2,408,414)

There have been no recognised gains or losses other than the surplus (deficit) for the year.  
The notes on pages 8 to 11 form an integral part of these accounts.

## INTERNATIONAL BIBLE STUDENTS ASSOCIATION

## BALANCE SHEET

31st August 1996

1995

## FIXED ASSETS

Tangible assets	(Note 7)		
Land and buildings		23,663,738	23,638,986
Fixtures and fittings		251,643	303,874
Plant and machinery		348,602	497,479
Convention equipment		55,185	69,047
		<u>24,319,168</u>	<u>24,509,386</u>
Investments			
Quoted investments		13,403	261,395
Congregation hall mortgages		155,540	135,003
		<u>168,943</u>	<u>396,398</u>
		<u>24,488,111</u>	<u>24,905,784</u>

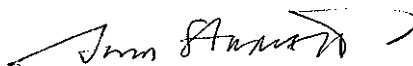
## CURRENT ASSETS

Stocks on hand		140,596	134,328
Debtors and accrued income	(Note 8)	482,940	486,723
Building society and bank deposits		2,439,048	2,309,954
Cash at bank - current accounts		331,314	35,776
Congregation contributions in transit		547,982	414,382
		<u>3,941,880</u>	<u>3,381,163</u>
CREDITORS: falling due within one year	(Note 9)	(405,486)	(358,459)
NET CURRENT ASSETS		<u>3,536,394</u>	<u>3,022,704</u>
TOTAL ASSETS LESS LIABILITIES		<u>£ 28,024,505</u>	<u>£ 27,928,488</u>

## ACCUMULATED RESERVES

Balance at 31st August 1995		27,928,488	30,336,902
Surplus (deficit) of income for the year		96,017	(2,408,414)
Balance at 31st August 1996		<u>£ 28,024,505</u>	<u>£ 27,928,488</u>
UNRESTRICTED FUNDS		<u>£ 27,835,183</u>	<u>£ 27,749,518</u>
RESTRICTED FUNDS	(Note 10)	<u>£ 189,322</u>	<u>£ 178,970</u>

Approved by the Council


J. S. ANDREWS  
Vice-President

30 November 1996


S. D. SMITH  
Secretary and Treasurer



## INTERNATIONAL BIBLE STUDENTS ASSOCIATION

CASH FLOW STATEMENT  
Year ended 31st August 1996

1995

NET CASH INFLOW	(Note 11)		
Receipts from voluntary income less operational payments		2,994,531	1,976,063
INVESTING ACTIVITIES			
Acquisitions of fixed assets	(Note 7)		
Land and buildings		(707,014)	(3,321,810)
Fixtures and fittings		(556)	(9,364)
Plant and machinery		(16,265)	(3,708)
Convention equipment		(13,210)	(13,323)
		<u>(737,045)</u>	<u>(3,348,205)</u>
Increase (decrease) in mortgage lending		(20,537)	8,045
		<u>(757,582)</u>	<u>(3,340,160)</u>
Proceeds of sale of freehold properties	297,000		406,450
Proceeds of sale of plant and equipment	-		63,000
Proceeds of sale of quoted investment	296,036		400,000
Income from investments (Page 5)	198,092		380,279
		<u>791,128</u>	<u>1,249,729</u>
Net expenditure on investing activities		33,546	(2,090,431)
EXCEPTIONAL ITEMS OF INCOME			
Donation to Watch Tower Society		(2,469,845)	(4,564,629)
INCREASE (DECREASE) IN CASH			
		558,232	(4,678,997)
CASH AT 31 AUGUST 1995		2,760,112	7,439,109
CASH AT 31 AUGUST 1996		<u>£3,318,344</u>	<u>£2,760,112</u>
Analysis of changes in cash and deposits repayable on demand			
Building society and bank deposits		2,439,048	2,309,954
Cash at bank		331,314	35,776
Cash and cash in transit		547,982	414,382
		<u>£3,318,344</u>	<u>£2,760,112</u>

# INTERNATIONAL BIBLE STUDENTS ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31st August 1996

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### 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 at the registered office of the Association and both charities have common and related objectives. Watch Tower Society is the Association's insurer.

### 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 property	15 years
Fixtures and fittings	10 years
Plant and machinery	7 years
Convention equipment	7 years

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

### 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 260 (255 in 1995) 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 £3,035 during the year for any one person.

## INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS  
Year ended 31st August 1996

1995

## 4. DIRECT CHARITABLE EXPENDITURE

Literature for public distribution	3,388,452	3,750,255
Cash and goods donated to overseas branches	370,556	256,624
Convention costs	258,210	218,939
	<u>4,017,218</u>	<u>4,225,818</u>
	£	£

## 5. OPERATING EXPENDITURE

## Cost of services charged to Watch Tower Society

Allowances to personnel	316,852	303,243
Dining room and kitchen supplies	197,694	147,496
Accommodation expenses	45,919	50,414
Staff shop, net cost (net income)	(1,619)	1,333
Farm supplies	34,743	66,294
Electricity, fuel and water	206,925	230,046
Property costs and maintenance	145,891	122,923
Property rents and taxes	18,552	25,667
Professional charges	49,441	20,302
	<u>1,014,398</u>	<u>967,718</u>
	£	£

## 6. AUDITORS REMUNERATION

Professional charges include auditors remuneration of	£	2,400	£	2,000
		<u>2,400</u>		<u>2,000</u>

## INTERNATIONAL BIBLE STUDENTS ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31st August 1996

7. FIXED ASSETS	Land and buildings	Fixtures and fittings	Plant and machinery	Convention equipment	TOTAL
<b>Cost or valuation</b>					
At 31st Aug 1995	24,992,397	527,298	1,168,536	186,492	£ 26,874,723
Additions	707,014	556	16,265	13,210	737,045
Disposals and w/o	(305,830)	(30,636)	(152,896)	(54,218)	(543,580)
At 31st Aug 1996	25,393,581	497,218	1,031,905	145,484	£ 27,068,188
<b>Depreciation</b>					
At 31st Aug 1995	1,353,411	223,424	671,057	117,445	£ 2,365,337
Charge for the year	407,972	52,787	165,142	27,072	652,973
Disposals and w/o	(31,540)	(30,636)	(152,896)	(54,218)	(269,290)
At 31st Aug 1996	1,729,843	245,575	683,303	90,299	£ 2,749,020
<b>Book values</b>					
At 31st Aug 1995	23,638,986	303,874	497,479	69,047	£ 24,509,386
At 31st Aug 1996	23,663,738	251,643	348,602	55,185	£ 24,319,168

The net book values of land and buildings comprise freehold properties at £23,354,418, and leasehold property, with a right to purchase, at £309,320. The Association's interests in land and buildings situated in Britain has been valued, at current market values, at £25,191,000.

## 8. DEBTORS AND ACCRUED INCOME

1995

Service charges receivable	64,851	100,572
Income Tax reclaimable	45,801	44,506
Value Added Tax reclaimable	1,493	-
Convention donations receivable	15,319	12,808
Legacies receivable	338,893	164,117
Loan to an aged and infirm widow	-	22,100
Bank interest receivable	7,675	130,141
Convention stadium rent paid in advance	2,919	-
Sundry amounts receivable	5,989	2,641
	£ 482,940	£ 476,885

## 9. CREDITORS amounts falling due within one year

1995

General suppliers	72,457	66,825
Building improvement suppliers	90,183	1,807
District convention expenses	27,263	28,886
Due to Watch Tower Society for literature	196,773	452,006
Due re congregation mortgage accounts	-	1,646
V.A.T. payable	-	7,106
Accrued expenses	17,835	22,221
Unsecured loan notes	975	975
	£ 405,486	£ 581,472

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

NOTES TO THE ACCOUNTS

Year ended 31st August 1996

10. RESTRICTED FUND

1995

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		178,970		168,187
Mortgage interest received		8,691		8,815
Investment income received		1,661		1,968
				<hr/>
Closing balance	(Page 5)	£ 189,322	£	178,970
				<hr/>
Employment of fund at 31 August 1996				
Congregation mortgages		155,540		135,003
Funds retained for future use		33,782		43,967
				<hr/>
Accumulated value of funds, as above		£ 189,322	£	178,970
				<hr/>

11. CASH FLOW STATEMENT

(Page 6)

1995

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

Surplus on ordinary activities	(Page 4)	2,543,152		2,162,815
Donation received of quoted investments		(4,662)		(1,743)
Income from investments		(241,474)		(381,589)
Depreciation of fixed assets		652,973		556,188
Funds utilised by the increase of stocks on hand		(6,268)		(15,569)
Funds available from decrease (increase) in debtors		3,783		(121,026)
Funds available from increase (decrease) in creditors		47,027		(223,013)
				<hr/>
Net cash inflow				
Receipts of cash from voluntary income				
less operational payments	(Page 6)	£2,994,531		£1,976,063
				<hr/>