

registered company number 136726
registered charity number 216647

**Annual Report and financial statements
Year ended 31 August 2007**

International Bible Students Association

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International Bible Students Association

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International Bible Students Association

Report of the trustees

For the year ended 31st August 2007

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 August 2007. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Reference and administrative details

Registered Company number

136726

Registered Charity number

216647

Registered office

IBSA House
The Ridgeway
London
NW7 1RN

Trustees

S A Hardy
J S Andrews
J D Dutton
P P Bell
S Papps

- appointed 22 8 07
- appointed 22 8 07

Company Secretary

S D Smith

Auditors

Calcutt Matthews
Chartered Accountants and Registered Auditors
2nd Floor Cardine House
30 North Street
Ashford
Kent
TN24 8JR

Bankers

Barclays Bank plc
PO Box 12820
London
BX3 2BB

Investment Advisers

Merrill Lynch International Bank Ltd
2 King Edward Street
London
EC1A 1HQ

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 and 28th November 2005 and the 4th January 2006.

Recruitment and appointment of new trustees

The Trustees of the Association who held office during the year, and at the date of this report, are set out on page 1. These trustees have key managerial roles at the charity's headquarters. They meet weekly and are in regular contact from day to day. Trustees are elected annually by a simple majority of the members present at the AGM.

The recruitment and induction of new Trustees is arranged as follows. On an annual basis the Trustees review potential candidates. These are required to be appointed as elders in congregations of Jehovah's Witnesses. Their abilities are evaluated by means of the Trustees' personal knowledge of the candidates or by a "personal qualifications report" provided by elders with knowledge of the individuals. Training is arranged as part of the meetings of the Trustees when the charity's policies are discussed. This is supplemented by an annual training session provided by the auditors.

International Bible Students Association

Report of the trustees

For the year ended 31st August 2007

Structure, governance and management...continued

Induction and training of new trustees

Trustees are given Charity Commission publications and are sent on a two month course which includes training in legal and financial matters

Organisational structure

The charity is constituted as a company limited by guarantee

The trustees organise the running of the charity through a number of departments. Each department is headed up by a trained and experience department overseer who will make regular reports to the Trustees

Wider network

The charity is responsible for the spiritual welfare of Jehovah's Witnesses in Britain and those studying the Christian faith. Similar charities exist in many countries around the world. Co-ordination of spiritual affairs is through the World Headquarters in the U S A

Related parties

The Association works closely with Watch Tower Bible and Tract Society of Britain (Watch Tower). It provides volunteers for Watch Tower to use in its activities. It permits Watch Tower to use its facilities for the Watch Tower's charitable work and provides accommodation for the volunteers. A service and maintenance charge is made which includes the cost of the volunteers. The Association purchases religious material from Watch Tower and donates this to congregations of Jehovah's Witnesses

Risk management

The major risks to which the charity is exposed have been formally reviewed, with particular focus on events that would seriously impede the operations of the charity. Strategies and safeguards are in place to reduce, as far as possible, the impact of those risks. The risk register was updated most recently in August 2007. The principal risks addressed were Disaster recovery and planning, Failure to comply with legal requirements on health and safety, fire, environment, waste, Construction projects, Contamination of food

Objectives and activities

Objectives and aims

The object of the Association is to promote the Christian religion 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 is achieved mainly by the provision of facilities for the printing and distribution of Bibles and Bible based literature and the housing of the volunteers engaged in this activity. In addition, religious literature is purchased and distributed free of charge. Conventions for Christian education are arranged on an annual basis

Significant activities

Since the completion of our major building projects, it has been possible to sell off some of the residential properties used to house volunteers engaged on those projects and repay a substantial part of a loan made to us by Watch Tower Society. At the same time, a review of the operating costs of our farm led to the decision to close that leased facility on economic grounds, and this will be implemented by October 2008. There is a consistent demand for the religious literature we purchase from Watch Tower Society, and the cost of our providing this has increased

Grant making

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

Volunteers

The charity is run entirely by trained, unpaid volunteers and it is appropriate that we here express appreciation for their tireless efforts, resulting in a significant financial benefit to the charity. The basis for the care of their material needs is explained in note 9 of the accounts

International Bible Students Association

Report of the trustees

For the year ended 31st August 2007

Achievement and performance

Charitable activities

Provision of literature for Bible education

The literature we donate to congregations of Jehovah's Witnesses plays a pivotal role in their Bible teaching activity. This activity reached out to the communities in the area covered by the congregations resulting in 52,032 families and individuals receiving instruction in their own homes. 1,200 tonnes of Bible literature were donated to congregations in the UK. Campaigns were mounted to invite the general public to important annual events. A total of 112 million invitations were distributed to congregations in the UK and overseas. A special effort is being made to provide literature and teaching facilities for ones who learn better in another language.

Conventions for Bible education

These summer conventions were again well attended, the total of almost 154,000 was up on last year. Conventions were held in three additional languages. The delegates at the British Sign Language convention were delighted to receive three new Bible drama DVDs in BSL that we had purchased for them from Watch Tower Society.

Overseas aid

We had adequate funds to be able to respond to all of the requests received from the Governing Body of Jehovah's Witnesses, in connection with lands where the economy is poor. The total of £3,945,000 included our donating property worth £2.14 million to Jehovah's Witnesses in Uganda.

Fundraising activities

Because of the consistent support we enjoy from congregations of Jehovah's Witnesses, we do not engage in fundraising activities as such. We include a reminder about methods of donating, either in our monthly letter of thanks to congregations, or in our internal newsletter prior to the annual conventions. We find this to be adequate. We do make an "at-cost" charge to Watch Tower Society for giving them printery, warehouse and domestic accommodation, which does generate funds of course.

Investment performance

Just before the year end the charity made the decision to sell off its investments to help clear loan obligations. The trustees are satisfied with the results for the year.

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, both drawn from the volunteer workforce, have a set agenda to pursue through the year and reported again in writing to the Trustees in October 2007. Approved recommendations were implemented.

Financial review

Reserves policy

The Association has free reserves of approximately £6 million. The Association has a reliable donation base, being primarily the 1,517 congregations of Jehovah's Witnesses in the UK. Hence, we can plan confidently with relatively small reserves, having in mind that we charge Watch Tower Society for the cost of running the HQ complex and we respond to the needs for funds overseas only after filling our domestic requirements. Our established policy is to ensure that we have on hand in liquid funds at least three months' working expenditure. At the year end, liquid assets on hand equate to 6 months of expenditure (2006: 7 months).

Principal funding sources

The charity is funded by donations, legacies and payment from Watch Tower Society, the latter covers the cost of operating the headquarters complex.

Future developments

The workload of Watch Tower Society continues to increase, and we are prepared to provide whatever facilities they need to care for their work. There is a growing demand for funds in the less-developed parts of the world, and we aim to be able to respond to anticipated further requests from the Governing Body of Jehovah's Witnesses.

The upcoming London Emissions Zone legislation comes into effect in February 2008. This requires us to replace some vehicles to meet the Euro 4 specification, involving a possible outlay of £60,000.

International Bible Students Association

Report of the trustees

For the year ended 31st August 2007

Statement of trustees responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of the surplus or deficit 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,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

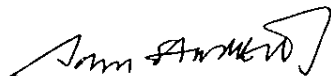
Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the Association's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the Association's auditors are aware of that information.

Auditors

The auditors, Calcutt Matthews, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the board



Trustee

Date 2nd January 2008

International Bible Students Association

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

For the year ended 31st August 2007

We have audited the financial statements of International Bible Students Association for the year ended 31 August 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Charity Cash Flow Statement and the notes 1 to 20 on pages six to thirteen

This report is made solely to the Association's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Association's trustees 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 Association and the Association's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages one to four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 August 2007 and of its surplus for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Trustees is consistent with the financial statements.

Calcutt Matthews

Calcutt Matthews
Chartered Accountants and Registered Auditors
2nd Floor Cardine House
30 North Street
Ashford
Kent
TN24 8JR

Date *3rd January,* 2008

International Bible Students Association

Statement of financial activities

For the year ended 31st August 2007

	Notes	31 8 07 Unrestricted funds £'000	31 8 06 Total funds £'000
Incoming resources			
Incoming resources from generated funds			
Voluntary income	2	8,789	9,996
Activities for generating funds	3	3,916	3,898
Investment income	4	<u>307</u>	<u>185</u>
Total incoming resources		13 012	14,079
Resources expended			
Costs of generating funds			
Cost of generating funds	5	3,819	3,830
Charitable activities			
Provision of literature for Bible education	6	6 574	5 576
Provision of conventions for Bible education		653	642
Donations and aid overseas		3 945	1,438
Governance costs	7	<u>21</u>	<u>19</u>
Total resources expended		15 012	11,505
		—	—
Net (outgoing)/incoming resources		(2,000)	2,574
Other recognised gains/losses			
Gains on sale of tangible fixed assets and investments		<u>4,158</u>	<u>924</u>
Net movement in funds		2 158	3,498
Reconciliation of funds			
Total funds brought forward		47,309	43 811
		—	—
Total funds carried forward		<u>49,467</u>	<u>47,309</u>

Continuing operations

All incoming resources and resources expended arise from continuing activities

None of the charity's activities were acquired or discontinued during the current and previous years. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year together with the realised gains on sales of tangible fixed assets and investments of £2,157,995 (2006 £3,307,690)

International Bible Students Association

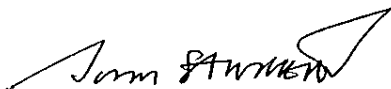
Balance sheet

For the year ended 31st August 2007

	Notes	31 8 07 Unrestricted funds £'000	31 8 06 Total funds £'000
Fixed assets			
Tangible assets	10	53,540	59,673
Current assets			
Stocks	11	141	147
Debtors amounts falling due within one year	12	343	661
Investments	13	-	4,922
Cash at bank and in hand		<u>6,217</u>	<u>1,796</u>
		6,701	7,526
Creditors			
Amounts falling due within one year	14	(605)	(740)
		<u>6,096</u>	<u>6,786</u>
Net current assets			
		59,636	66,459
Total assets less current liabilities			
Creditors			
Amounts falling due after more than one year	15	(10,169)	(19,150)
		<u>49,467</u>	<u>47,309</u>
Net assets			
Funds	17		
Unrestricted funds		<u>49,467</u>	<u>47,309</u>
Total funds		<u>49,467</u>	<u>47,309</u>

The financial statements were approved by the Board of Trustees on 2nd January, 2008 and were signed on its behalf by


J D Dutton - Trustee



J S Andrews - Trustee

International Bible Students Association

Cash flow statement

For the year ended 31st August 2007

		2007	2006
	Notes	£000	£000
Net cash (outflow)/inflow from operating activities	18	(13)	4,081
Returns on investments and servicing of finance	19	4,922	(700)
Capital expenditure & financial investment	20	(488)	(3,346)
Increase in cash in the period		<u>4,421</u>	<u>35</u>
 Reconciliation Of Net Cash Flow To Movement In Net Funds			
Increase in cash in the period		4,421	35
 Movement In Net Funds In The Period			
Net Funds At 1st September 2006		1,796	1,761
Net Funds At 31st August 2007		6,217	1,796
Increase in cash in the period		<u>4,421</u>	<u>35</u>

International Bible Students Association

Notes to the financial statements

For the year ended 31st August 2007

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention with the exception of current asset investments which were held at market value, and in accordance with applicable accounting standards the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities with the exception of current assets which were held at market value

Donations receivable

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy No income is deferred Donations are from the public, congregations and other connected charities

Activities for Generating funds

Service charge income received from a connected charity is paid by Watch Tower Bible and Tract Society of Britain on a cost basis

Legacies

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

Resources expended

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 to activities on a basis consistent with the use of resources

Cost of generating funds

Costs of generating funds comprises the costs of providing and maintaining accommodation and associated support costs for the purpose of the charge referred to in the Activities for Generating funds policy above

Grant Making

Our grant making policy (donations) is as follows From time to time the charity is asked by the Governing Body of Jehovah's Witnesses to consider helping Jehovah's Witnesses in countries where a need exists The charity first considers whether sufficient funds are available to proceed with the request from the Governing Body Grants payable are recognised in the accounts at the date at which the trustees approve the expenditure

From time to time the trustees review whether properties held overseas might better be transferred to a local branch

Support costs

The charity runs IT, legal and treasury departments The Support cost are allocated to the relevant Charitable activity by computer usage

Governance costs

Governance costs comprise external audit fees and other fees from Consultants All other administrative costs are re-charged

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life Items are capitalised when the cost is greater than £1,000

Land & Buildings	-2% on cost
Plant and machinery	-10% on cost
Motor vehicles	-25% on reducing balance

Stocks

Stocks comprise Electrical, Maintenance, Home and Farm 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 The charity is registered for VAT

Fund accounting

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

The charity has no restricted funds

International Bible Students Association

Notes to the financial statements - Continued

For the year ended 31st August 2007

2	Voluntary income		
		31 8 07	31 8 06
		£'000	£'000
	Cash Donations	7,586	7,217
	Freehold property donated	-	1,838
	Legacies	<u>1,203</u>	<u>941</u>
		<u>8,789</u>	<u>9,996</u>
3	Activities for generating funds		
		31 8 07	31 8 06
		£'000	£'000
	Service charge income	<u>3,916</u>	<u>3,898</u>
4	Investment income		
		31 8 07	31 8 06
		£'000	£'000
	Interest & dividends receivable	<u>307</u>	<u>185</u>
5.	Cost of generating funds		
		31 8 07	31 8 06
		£'000	£'000
	Cost of accommodation and housing volunteers	<u>3,819</u>	<u>3,830</u>
	The charity housed 581 (2006 587) volunteers engaged full time in the year		
6	Charitable activities costs		
		31 08 07	31 08 06
		£'000	£'000
	Provision of literature for Bible education	6,574	5,576
	Provision of conventions for Bible education	653	642
	Donations and aid overseas*	<u>3,945</u>	<u>1,438</u>
		<u>11,172</u>	<u>7,656</u>
	*In 2007 this includes the donation of freehold property that had been owned by the charity to Uganda branch of Jehovah's Witnesses		
7	Governance costs		
		31 8 07	31 8 06
		£'000	£'000
	Other professional fees	13	11
	Auditors' remuneration	<u>8</u>	<u>8</u>
		<u>21</u>	<u>19</u>
8	Net incoming/(outgoing) resources		
	Net resources are stated after charging/(crediting)		
		31 8 07	31 8 06
		£'000	£'000
	Auditors' remuneration	8	8
	Depreciation - owned assets	<u>1,141</u>	<u>1,113</u>

International Bible Students Association

Notes to the financial statements - Continued

For the year ended 31st August 2007

9 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 August 2007 nor for the year ended 31 August 2006

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

The trustees of IBSA receive no payments or reimbursements in their capacity as trustees. The trustees are also volunteer workers at the Association's premises, they receive personal expense allowances of £82 per month and a personal expense gift of £300 per year with free board and lodging as indeed do all volunteers. These expenses are charged on to the Watch Tower Bible and Tract Society of Britain (charity registration number 1077961) a connected charity as explained in the Trustees' Report.

Trustees' Expenses

There were no trustees' expenses paid neither for the year ended 31 August 2007 nor for the year ended 31 August 2006

10. Tangible fixed assets

	Land & Buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Totals £'000
Cost				
At 1 September 2006	67,511	1,058	456	69,025
Additions	3,037	577	-	3,614
Disposals	<u>(9,148)</u>	<u>(33)</u>	<u>(73)</u>	<u>(9,254)</u>
At 31 August 2007	<u>61,400</u>	<u>1,602</u>	<u>383</u>	<u>63,385</u>
Depreciation				
At 1 September 2006	8,550	581	221	9,352
Charge for year	910	183	48	1,141
Eliminated on disposal	<u>(561)</u>	<u>(35)</u>	<u>(52)</u>	<u>(648)</u>
At 31 August 2007	<u>8,899</u>	<u>729</u>	<u>217</u>	<u>9,845</u>
Net book value				
At 31 August 2007	<u>52,501</u>	<u>873</u>	<u>166</u>	<u>53,540</u>
At 31 August 2006	<u>58,961</u>	<u>477</u>	<u>235</u>	<u>59,673</u>

The trustees are of the opinion that the market value of land and building was in the order £76.6 million. This figure is based on the trustees' knowledge of the value of comparative properties held locally.

11 Stocks

	31 8 07 £'000	31 8 06 £'000
Stocks - Electrical, Maintenance, Home and Farm supplies	<u>141</u>	<u>147</u>

International Bible Students Association

Notes to the financial statements - Continued

For the year ended 31st August 2007

12 Debtors amounts falling due within one year

	31 8 07	31 8 06
	£'000	£'000
Trade debtors	10	2
Other debtors	149	141
Due from connected charity	<u>184</u>	<u>518</u>
	<u>343</u>	<u>661</u>

13 Current asset investments

	2007	2006
	£'000	£'000
Listed investments at market value	<u>-</u>	<u>4 922</u>

At the 31st August 2007 the charity transferred its investments to Watch Tower Society at market value, as part-payment of the loan owed to Watch Tower Society

14 Creditors amounts falling due within one year

	31 8 07	31 8 06
	£'000	£'000
Trade creditors	61	41
Social security and other taxes	81	64
Other creditors	134	114
Due to connected charity	<u>329</u>	<u>521</u>
	<u>605</u>	<u>740</u>

15 Creditors amounts falling due after more than one year

	31 8 07	31 8 06
	£'000	£'000
Other loans (see note 16)	-	482
Loan from connected charity*	<u>10,169</u>	<u>18,668</u>
	<u>10,169</u>	<u>19,150</u>

* The loan is from Watch Tower a connected charity identified in note 9. The loan was made to assist the charity with the purchase of buildings. During the year IBSA sold buildings it no longer required and therefore repaid a significant element of the loan.

The trustees wish to express their indebtedness to Watch Tower trustees for providing the loan interest free. The trustees of Watch Tower are of the opinion that in view of the fact that the objectives of Watch Tower are similar to those of IBSA that they can treat the interest element as a donation.

16 Loans

An analysis of the maturity of loans is given below

	31 8 07	31 8 06
	£'000	£'000
Amounts falling between one and two years		
Merrill Lynch- 1-2 years	<u>-</u>	<u>482</u>

International Bible Students Association

Notes to the financial statements - Continued

For the year ended 31st August 2007

17 Movement in funds

	At 1 9 06 £'000	Net movement in funds £'000	At 31 8 07 £'000
Unrestricted funds			
General fund	47,309	2,158	49,467
	<u> </u>	<u> </u>	<u> </u>
Total funds	<u>47,309</u>	<u>2,158</u>	<u>49,467</u>

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

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	13,012	(15,012)	4,158	2,158
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	<u>13,012</u>	<u>(15,012)</u>	<u>4,158</u>	<u>2,158</u>

18 Net cash (outflow)/inflow from operating activities

	31 08 07 £000	31 08 06 £000
Net incoming resources and investment gains	2,158	3,308
Decrease in stocks	6	12
Decrease in debtors	318	364
(Decrease)/Increase in creditors	(135)	(735)
Loss/(Profit) on sale of assets	(3,501)	20
Depreciation	1,141	1,112
	<u> </u>	<u> </u>
	<u>£(13)</u>	<u>£4,081</u>

19 Returns on investments and servicing of finance

	31 08 07 £000	31 08 06 £000
Sale/(Purchase)of investments	<u>4,922</u>	<u>(700)</u>

20 Capital expenditure and financial investment

	31 08 07 £000	31 08 06 £000
Purchase of tangible fixed assets	(3,614)	(2,827)
Sale proceeds of tangible fixed assets	12,107	150
Loan repaid	(8,981)	(2,369)
Loan advances	-	1,700
	<u> </u>	<u> </u>
	<u>(488)</u>	<u>(3,346)</u>