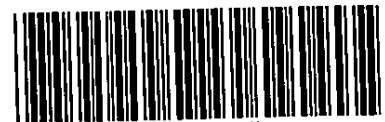


REGISTERED COMPANY NUMBER: 00136726 (England and Wales)
REGISTERED CHARITY NUMBER: 216647

**Report of the Trustees and
Financial Statements For The Year Ended 31st August 2012
for
International Bible Students Association**

COMPANIES HOUSE

THURSDAY



A04 *A290OKLN* #258
23/05/2013
COMPANIES HOUSE

International Bible Students Association

**Contents of the Financial Statements
for the Year Ended 31st August 2012**

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International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2012

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 2012. 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
00136726 (England and Wales)

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 - resigned 2 11 11
S Papps
P S Gillies - appointed 2 11 11

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

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 and 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 above. 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. When necessary, 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 a periodic training session provided by the auditors, whenever there is significant new legislation affecting the charity.

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.

International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 experienced department overseer who will make regular reports to the Trustees

Wider network

Charities with similar objects exist in many countries around the world. Coordination is through the Governing Body of Jehovah's Witnesses, located at their headquarters in the United States

Related parties

The Association works closely with Watch Tower Bible and Tract Society of Britain (Watch Tower). It provides serviced facilities for Watch Tower to use in its charitable activities. The Association purchases religious material from Watch Tower and donates this to congregations of Jehovah's Witnesses. The coordinating role of the Governing Body of Jehovah's Witnesses means we have ready access to surplus funds held by Jehovah's Witnesses in other countries

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 reviewed and updated most recently on October 26, 2011. 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. The Trustees reviewed the risk register again and concluded that it remains appropriate

Public Benefit

The Trustees confirm that they have taken into consideration Charity Commission guidance on public benefit in exercising their powers and duties, and this is amply demonstrated in the report that follows, in particular

1 Bible literature we have supplied without charge to congregations of Jehovah's Witnesses in the UK, has been distributed, gratis, by those congregations, to interested members of the public in their local communities, in the following quantities: 22,603,000 copies of Watchtower and Awake! and 409,000 Bibles and Bible study aids

2 Our conventions for Bible education were widely advertised by personal invitations delivered to the public nationwide, admission is free

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 by

1 The purchase and distribution of religious literature, free of charge

2 The provision of serviced facilities for the printing of religious literature and the housing of workers engaged in this and in related activities

3 The arranging of conventions for Bible education

Significant activities

There continues to be an increasing demand for the religious literature we purchase from Watch Tower, hence the cost of our providing this has risen. At the same time, the scope of Watch Tower's printing for international distribution continues to widen. More translation of the Bible and related publications is being done in London. Hence, we are embarking on projects to provide more living accommodation for the workers engaged in these activities. Land was bought to build more flats, and these are now nearing completion

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

International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2012

OBJECTIVES AND ACTIVITIES

Workers

All who care for the work of the charity are religious ministers who are members of the Worldwide Order of Special-full-time Servants of Jehovah's Witnesses. The basis for the care of their material needs is explained in note 9 of the accounts.

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 families and individuals receiving free instruction in their own homes. An average of over 57,000 home Bible study courses were provided each month. It was pleasing to learn that during the year under review, 2,556 individuals made the decision to become baptised members of the congregation, and the result was a net increase of 1% in those actively involved in the evangelising work. 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 160,554 was gratifying. All sessions are open to the public, and there is no charge for admission. 325,000 copies of a new brochure to be used in the public ministry to start Bible study courses, "Good News From God", along with 318,000 copies of a new brochure explaining the work of Jehovah's Witnesses, "Who Are Doing Jehovah's Will Today?" were given out for immediate use in the community. In addition, two new DVD presentations, "Listen, Obey and be Blessed" and "Walk by Faith not by Sight", 105,350 and 105,200 copies respectively, were made available without charge. These Bible teaching aids were eagerly received.

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, and this was made possible by our receiving support from pooled resources in Germany. In addition we donated property owned by us in several countries, for the use of Jehovah's Witnesses. The total was £9,541,000.

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. It is good to see that in spite of the recession, voluntary income increased again. To fund the property developments described elsewhere in this report, we sought and received grants provided by Jehovah's Witnesses in other countries. We do make a charge to Watch Tower for providing serviced facilities for its use.

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, both drawn from the volunteer workforce, have a set agenda to pursue through the year and reported again in writing to the Trustees in November 2012. All was found to be in order.

International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2012

FINANCIAL REVIEW

Net Movement in Funds

There was a reduction of £2 million in cash during the year. Our reserves remained adequate, permitting us to respond to requests for overseas funding for Jehovah's Witnesses.

Reserves policy

The Association has a reliable donation base, being primarily the resources of Jehovah's Witnesses, pooled in Germany, and the 1,537 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 for the provision of serviced facilities and we respond to the needs for funds overseas only after filling our domestic requirements.

Principal funding sources

The charity is funded by donations and legacies. Also, grants are received from Jehovah's Witnesses in other countries. £6.7 million was received by way of grants, through a related charity operated by Jehovah's Witnesses in Germany. Also sizeable payments are received from Watch Tower for providing it with serviced facilities.

FUTURE DEVELOPMENTS

We anticipate an even greater demand for Bible literature in the year ahead, for Jehovah's Witnesses and their public ministry, and we are planning our financial resources accordingly.

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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

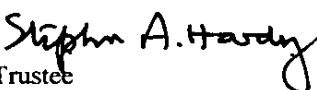
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD


Trustee

Date Feb 14, 2013

**Report of the Independent Auditors to the Members of
International Bible Students Association**

We have audited the financial statements of International Bible Students Association for the year ended 31st August 2012 on pages six to eighteen. 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).

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.

Respective responsibilities of trustees and auditors

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2012 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Nicholas Hume FCA

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

Date *Feb 14, 2013*

International Bible Students Association

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	15,672,699	-	15,672,699	28,803,359
Investment income	3	19,898	-	19,898	20,844
Incoming resources from charitable activities					
Provision of serviced facilities	4	4,664,444	-	4,664,444	4,425,669
Other incoming resources		<u>15,699</u>	<u>-</u>	<u>15,699</u>	<u>7,970</u>
Total incoming resources		<u>20,372,740</u>	<u>-</u>	<u>20,372,740</u>	<u>33,257,842</u>
RESOURCES EXPENDED					
Charitable activities					
Provision of literature for Bible education	5	11,853,989	-	11,853,989	11,742,371
Provision of conventions for Bible education		1,321,071	-	1,321,071	844,529
Donations and aid overseas		9,541,357	-	9,541,357	956,308
Provision of serviced facilities		4,680,753	-	4,680,753	4,428,675
Governance costs	7	<u>9,534</u>	<u>-</u>	<u>9,534</u>	<u>7,365</u>
Other resources expended		<u>-</u>	<u>-</u>	<u>-</u>	<u>112,000</u>
Total resources expended		<u>27,406,704</u>	<u>-</u>	<u>27,406,704</u>	<u>18,091,248</u>
NET INCOMING/(OUTGOING) RESOURCES					
		(7,033,964)	-	(7,033,964)	15,166,594
Other recognised gains/losses					
Gains/losses on fixed asset investments		-	-	-	(288)
Unrealised gains/(losses) on investment assets		<u>3,100</u>	<u>-</u>	<u>3,100</u>	<u>3,464</u>
Net movement in funds		<u>(7,030,864)</u>	<u>-</u>	<u>(7,030,864)</u>	<u>15,169,770</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>71,689,675</u>	<u>-</u>	<u>71,689,675</u>	<u>56,519,905</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>64,658,811</u></u>	<u><u>-</u></u>	<u><u>64,658,811</u></u>	<u><u>71,689,675</u></u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

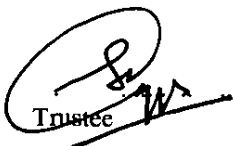
International Bible Students Association

**Balance Sheet
At 31st August 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
FIXED ASSETS					
Tangible assets	10	64,602,180	-	64,602,180	69,213,857
CURRENT ASSETS					
Stocks	11	117,821	-	117,821	136,521
Debtors amounts falling due within one year	12	512,516	-	512,516	509,289
Investments	13	59,965	-	59,965	54,078
Cash at bank		<u>1,298,402</u>	<u>-</u>	<u>1,298,402</u>	<u>3,213,935</u>
		1,988,704	-	1,988,704	3,913,823
CREDITORS					
Amounts falling due within one year	14	<u>(1,932,073)</u>	<u>-</u>	<u>(1,932,073)</u>	<u>(1,438,005)</u>
NET CURRENT ASSETS		<u>56,631</u>	<u>-</u>	<u>56,631</u>	<u>2,475,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>64,658,811</u>	<u>-</u>	<u>64,658,811</u>	<u>71,689,675</u>
NET ASSETS		<u><u>64,658,811</u></u>	<u><u>-</u></u>	<u><u>64,658,811</u></u>	<u><u>71,689,675</u></u>
FUNDS					
Unrestricted funds	15			64,658,811	71,689,675
Restricted funds				-	-
TOTAL FUNDS				<u><u>64,658,811</u></u>	<u><u>71,689,675</u></u>

The financial statements were approved by the Board of Trustees on *February 14 2013* and were signed on its behalf by

Stephen A. Hardy
Trustee


Trustee

The notes form part of these financial statements

International Bible Students Association

**Cash Flow Statement
for the Year Ended 31st August 2012**

	Notes	2012 £	2011 £
Net cash inflow from operating activities	18	1,709,016	12,862,452
Returns on investments and servicing of finance	19	20,335	20,844
Capital expenditure and financial investment	19	(3,644,884)	(6,275,549)
		<u>(1,915,533)</u>	<u>6,607,747</u>
Management of liquid resources	19	-	2,497
Financing	19	-	(6,125,000)
		<u>(1,915,533)</u>	<u>485,244</u>

Reconciliation of net cash flow to movement in net debt

	20		
(Decrease)/increase in cash in the period		(1,915,533)	485,244
Cash outflow from increase in liquid resources		-	7,368
Cash outflow from decrease in debt and lease financing		-	<u>6,125,000</u>
Change in net debt resulting from cash flows		(1,915,533)	6,617,612
Non-cash change in current asset investment		2,788	4,884
Revaluation of current asset		<u>3,099</u>	<u>3,079</u>
Movement in net debt in the period		(1,909,646)	6,625,575
Net debt at 1st September		<u>3,268,013</u>	<u>(3,347,794)</u>
Net debt at 31st August		<u>1,358,367</u>	<u>3,277,781</u>

The notes form part of these financial statements

International Bible Students Association

Notes to the Financial Statements for the Year Ended 31st August 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

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

Grants receivable

Unrestricted grants receivable are recognised when they are received. They represent amounts received to contribute towards the running expenses of IBSA and to assist in repaying the loan owed to Watch Tower.

Restricted grants receivable represent amounts received to finance the purchase of fixed assets. They have been recognised when received. The purchase of fixed assets discharges the restriction on these funds, therefore a transfer to unrestricted funds has been made as and when fixed assets have been purchased.

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.

Provision of working and residential accommodation

Income from the provision of working and residential accommodation is received from a connected charity, Watch Tower Bible and Tract Society of Britain ("Watch Tower"), on a cost basis. Watch Tower occupies the residential accommodation, the printery and the offices that are maintained by the charity.

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. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs comprise external audit fees and other fees from consultants.

Tangible fixed assets

Fixed assets are valued at cost less depreciation. Assets costing less than £1,000 are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Land	-	Not depreciated
Buildings	-	2% on cost
Plant and machinery	-	10% on cost
Motor vehicles	-	25 % on reducing balance
Assets in the course of construction	-	Not depreciated

Impairment reviews are carried out on individual assets when there is some indication that the recoverable amount of a fixed asset is below its net book value.

Stocks

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.

International Bible Students Association

Notes to the Financial Statements - continued for the Year Ended 31st August 2012

1. ACCOUNTING POLICIES - continued

Fund accounting

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

The charity has received capital grants this year that comprise a restricted fund Please see the "grants receivable" policy above for information about how this fund has arisen and been discharged

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

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)

Grants payable

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

Beneficial loans

The charity has benefited from an interest free loan from Watch Tower, which is a related party The estimated interest that the charity would have paid on the open market for such a loan has been included as income and deducted as an expense

Irrecoverable VAT

Irrecoverable VAT is included in the relevant cost headings on the face of the Statement of Financial Activities and is not shown as a separate item

2. VOLUNTARY INCOME

	2012	2011
	£	£
Legacies	1,489,986	945,259
Grants	6,700,000	15,230,779
Assets donated	-	4,997,786
Cash donations	7,482,713	7,517,535
Interest waived on beneficial loan	-	112,000
	<u>15,672,699</u>	<u>28,803,359</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

3. INVESTMENT INCOME

	2012 £	2011 £
Deposit account interest	17,866	19,556
Current asset investment income	<u>2,032</u>	<u>1,288</u>
	<u>19,898</u>	<u>20,844</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2012 £	2011 £
Provision of serviced facilities	Provision of serviced facilities	<u>4,664,444</u>	<u>4,425,669</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 6) £	Totals £
Provision of conventions for Bible education	1,321,071	-	1,321,071
Donations and aid overseas	141,142	9,400,215	9,541,357
Provision of serviced facilities	4,680,753	-	4,680,753
Provision of literature for Bible education	-	<u>11,853,989</u>	<u>11,853,989</u>
	<u>6,142,966</u>	<u>21,254,204</u>	<u>27,397,170</u>

As all of the charity's general running costs are reimbursed completely by Watch Tower, all such costs are, in effect, direct costs. All human resources, IT, finance and management costs are included in the "provision of working and residential accommodation" above or in "governance costs". These have been fully reimbursed by Watch Tower.

6. GRANTS PAYABLE

	2012 £	2011 £
Provision of literature for Bible education	11,853,989	11,742,371
Donations and aid overseas	<u>9,400,215</u>	<u>651,302</u>
	<u>21,254,204</u>	<u>12,393,673</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

6. GRANTS PAYABLE - continued

During the year, grants paid to institutions with congruous objectives can be analysed as follows

By continent:

	Cash £	Goods £	Literature £	Totals £
Europe	151,657	21,596	11,852,489	12,025,742
Asia	107,578	789,588	19,148	916,314
Africa	-	247,285	-	247,285
Americas	-	2,449,894	-	2,449,894
Other	-	5,614,969	-	5,614,969
	<u>259,235</u>	<u>9,123,332</u>	<u>11,871,637</u>	<u>21,254,204</u>

By activity:

	Cash £	Goods £	Literature £	Totals £
Distribution of Bibles and Bible-based literature	-	-	11,871,637	11,871,637
Supporting regional headquarters in their administration of Christian missionary work	<u>259,235</u>	<u>9,123,332</u>	-	<u>9,382,567</u>
	<u>259,235</u>	<u>9,123,332</u>	<u>11,871,637</u>	<u>21,254,204</u>

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

Watch Tower Bible and Tract Society (Barbados)
 Watch Tower Bible and Tract Society of Canada (Canada)
 Watch Tower Bible and Tract Society (Japan)
 International Bible Students Association (Papua New Guinea)

The equivalent figures for the 2011 year end were as follows

By continent:

	Cash £	Goods £	Literature £	Totals £
Europe	140,441	202,376	11,727,743	12,070,560
Asia	260,934	30,951	579	292,464
Africa	-	191	2,859	3,050
Americas	-	743	11,190	11,933
Other	-	15,666	-	15,666
	<u>401,375</u>	<u>249,927</u>	<u>11,742,371</u>	<u>12,393,673</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

6. GRANTS PAYABLE - continued

By activity:

	Cash £	Goods £	Literature £	Totals £
Distribution of Bibles and Bible-based literature	-	-	11,742,371	11,742,371
Supporting regional headquarters in their administration of Christian missionary work	<u>401,375</u>	<u>249,927</u>	-	<u>651,302</u>
	<u>401,375</u>	<u>249,927</u>	<u>11,742,371</u>	<u>12,393,673</u>

7. GOVERNANCE COSTS

	2012 £	2011 £
Auditors' remuneration	<u>9,534</u>	<u>7,365</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2012 £	2011 £
Auditors' remuneration	9,534	7,365
Depreciation - owned assets	1,166,106	1,240,701
Other operating leases	856,857	757,490
Surplus on disposal of fixed asset	(4,400)	(464)
Fixed assets donated overseas	<u>-</u>	<u>15,666</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2012 nor for the year ended 31st August 2011

The trustees confirm that they have not been involved with any transactions of the charity. The Association has close connections with 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 salary in their capacity as trustees. The trustees are also workers and they receive a fixed allowance for personal expenses of £96 per month and a personal expense gift of £300 per year with free board and lodging as indeed do all workers, including any close family members where they are also working for the charity.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st August 2012 nor for the year ended 31st August 2011

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in the course of construction £	Plant and machinery £
COST			
At 1st September 2011	79,823,389	415,135	1,688,046
Additions	228,648	3,280,871	280,504
Disposals	(8,837,827)	-	(164,412)
Reclassification	209,147	(209,147)	-
At 31st August 2012	<u>71,423,357</u>	<u>3,486,859</u>	<u>1,804,138</u>
DEPRECIATION			
At 1st September 2011	12,085,173	-	929,963
Charge for year	915,362	-	173,737
Eliminated on disposal	(1,542,973)	-	(155,739)
At 31st August 2012	<u>11,457,562</u>	<u>-</u>	<u>947,961</u>
NET BOOK VALUE			
At 31st August 2012	<u>59,965,795</u>	<u>3,486,859</u>	<u>856,177</u>
At 31st August 2011	<u>67,738,216</u>	<u>415,135</u>	<u>758,083</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st September 2011	11,347	596,240	82,534,157
Additions	5,325	74,430	3,869,778
Disposals	-	(108,500)	(9,110,739)
Reclassification	-	-	-
At 31st August 2012	<u>16,672</u>	<u>562,170</u>	<u>77,293,196</u>
DEPRECIATION			
At 1st September 2011	9,394	295,770	13,320,300
Charge for year	581	76,426	1,166,106
Eliminated on disposal	-	(96,678)	(1,795,390)
At 31st August 2012	<u>9,975</u>	<u>275,518</u>	<u>12,691,016</u>
NET BOOK VALUE			
At 31st August 2012	<u>6,697</u>	<u>286,652</u>	<u>64,602,180</u>
At 31st August 2011	<u>1,953</u>	<u>300,470</u>	<u>69,213,857</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

11. STOCKS

	2012	2011
	£	£
Stocks - Electrical, Maintenance and Home supplies	<u>117,821</u>	<u>136,521</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	1,213	561
Other debtors	104,633	112,708
Due from associated charities	406,670	395,291
Prepayments and accrued income	-	729
	<u>512,516</u>	<u>509,289</u>

13. CURRENT ASSET INVESTMENTS

	2012	2011
	£	£
Listed investments	<u>59,965</u>	<u>54,078</u>
		£
Market value at 1 September 2010		48,515
Additions		4,884
Disposals		(2,400)
Net gain on revaluation		<u>3,079</u>
Market value at 31 August 2011		<u>54,078</u>
Historical cost at 31st August 2011		<u>66,831</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	1,439,172	991,582
Other creditors	484,401	437,473
Accrued expenses	<u>8,500</u>	<u>8,950</u>
	<u>1,932,073</u>	<u>1,438,005</u>

15. MOVEMENT IN FUNDS

	At 1 9 11	Net movement in funds	At 31 8 12
	£	£	£
Unrestricted funds			
General fund	71,689,675	(7,030,864)	64,658,811
	<u>71,689,675</u>	<u>(7,030,864)</u>	<u>64,658,811</u>
TOTAL FUNDS	<u>71,689,675</u>	<u>(7,030,864)</u>	<u>64,658,811</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	20,372,740	(27,406,704)	3,100	(7,030,864)
	<u>20,372,740</u>	<u>(27,406,704)</u>	<u>3,100</u>	<u>(7,030,864)</u>
TOTAL FUNDS	<u>20,372,740</u>	<u>(27,406,704)</u>	<u>3,100</u>	<u>(7,030,864)</u>

Capital grants fund

This has arisen due to capital grants being received this year to enable the purchase of certain new fixed assets. As the purchase of fixed assets discharges the restriction on these funds, a transfer to unrestricted funds is made as new fixed assets are bought.

16. RELATED PARTY DISCLOSURES

The Association has close connections with Watch Tower Bible and Tract Society of Britain ("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.

During the year, the Association purchased literature from Watch Tower amounting to £11,853,989 (2011 £11,742,371). At the year end, IBSA owed Watch Tower £871,716 (2011 £867,883), being the invoice for August 2012.

As an integral part of the charitable activities of IBSA, it provided Watch Tower with serviced facilities to enable Watch Tower to carry out its charitable activities. During the year, the Association charged Watch Tower £4,664,444 (2011 £4,425,669) for these services. At the year end, Watch Tower owed the Association £403,242 (2011 £387,404) in respect of these transactions.

17. GOING CONCERN

In view of current economic uncertainties, the trustees have carried out a review of the stability of assets held with banks and other financial institutions at the year end. They are satisfied that assets are held in institutions with only the highest ratings, and no provisions other than those made in the accounts are required.

The trustees are satisfied that they have sufficient liquid funds to run the charity for the foreseeable future.

18. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Net (outgoing)\incoming resources	(7,033,964)	15,166,594
Depreciation charges	1,166,107	1,240,702
Profit on disposal of fixed assets	(4,400)	(464)
Interest received	(19,591)	(19,556)
Dividends received	(744)	(1,288)
Donated fixed assets received	(200,000)	(4,997,786)
Donated fixed assets	7,294,855	15,666
Investments received	(2,788)	(4,884)
Decrease/(increase) in stocks	18,700	(24,918)
Carried forward	1,218,175	11,374,066

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

18. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES - continued

	2012	2011
	£	£
Brought forward	1,218,175	11,374,066
(Increase)/decrease in debtors	(3,227)	1,722,764
Increase/(decrease) in creditors	<u>494,068</u>	<u>(234,378)</u>
Net cash inflow from operating activities	<u>1,709,016</u>	<u>12,862,452</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	19,591	19,556
Dividends received	<u>744</u>	<u>1,288</u>
Net cash inflow for returns on investments and servicing of finance	<u>20,335</u>	<u>20,844</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,669,778)	(6,277,329)
Sale of tangible fixed assets	<u>24,894</u>	<u>1,780</u>
Net cash outflow for capital expenditure and financial investment	<u>(3,644,884)</u>	<u>(6,275,549)</u>
Management of liquid resources		
Cash inflows from disposal of investment	-	2,497
Net cash inflow from management of liquid resources	<u>-</u>	<u>2,497</u>
Financing		
New loans in year	-	3,000,000
Loan repayments in year	<u>-</u>	<u>(9,125,000)</u>
Net cash outflow from financing	<u>-</u>	<u>(6,125,000)</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2012**

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 9 11 £	Cash flow £	Revaluation £	Other non-cash changes £	At 31 8 12 £
Net cash					
Cash at bank	3,213,935	(1,915,533)	-		1,298,402
Liquid resources					
Current asset investments	54,078	-	3,099	2,788	59,965
Total	<u>3,268,013</u>	<u>(1,915,533)</u>	<u>3,099</u>	<u>2,788</u>	<u>1,358,367</u>