

Company No. 355443  
Registered Charity No. 275946

2001

## **The Kingdom Hall Trust**

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

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

Year ended 31st August 2001



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THE KINGDOM HALL TRUST

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Year ended 31 August 2001

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THE KINGDOM HALL TRUST

**LEGAL STATUS, OFFICERS AND ADVISERS**

31 August 2001

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**CONSTITUTION**

The Association is an unlimited company, without share capital, incorporated in England under the Companies Acts 1985 and 1989 and is a Registered Charity.

**DIRECTORS AND TRUSTEES**

S A Hardy *Chairman*  
P S Gillies  
D A Gibson  
J W A Brace  
S R Morris

**SECRETARY**

S C G Purcell

**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**

Calcutt Matthews  
Chartered Accountants  
The Court Yard  
Rainham  
Kent  
England ME8 7HE

THE KINGDOM HALL TRUST

**REPORT OF THE TRUSTEES**

Year ended 31 August 2001

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The board of trustees present their report and the financial statements of the Association for the year ended 31st August 2001. The financial statements have been prepared in accordance with current statutory requirements and the company's memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

**Objects and activities**

The principal activity of the Charity is that of Custodian Trustee holding title to freehold and leasehold properties acquired as places of worship for congregations of Jehovah's Witnesses in England and Wales. All new properties purchased are held in the name of the Trust. An ongoing programme of transferring title of existing places of worship from local trustees to the Trust is in progress and will take some years to complete. An ancillary activity of the Trust is the publishing of French language Bible based literature. The published material is distributed throughout the French speaking world with the exception of Canada.

**Governance**

The trustees of the Charity work in various capacities at the charity headquarters. They meet regularly whenever required. The Trust chairman on behalf of the Charity meets weekly with the Trustees of the Watch Tower Bible and Tract Society of Britain and International Bible Students Association as the activities of the two charities are closely related. The trustees are kept informed of the programme of the two related charities by the chairman and at the next trustee meeting, strategy for the charity is agreed for the coming period.

**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; verify that proper controls and procedures are in place, and adhered to, so that the figures are recorded accurately and accounts are in balance.

A comprehensive internal audit programme has been devised. The internal auditor (who is a certified accountant) and his assistant have a set agenda to pursue through the year and will report to the Trustees in writing, at the end of the year.

**Reserves policy**

The principal activity of the Charity is to hold title to property on behalf of congregations of Jehovah's Witnesses in Britain. Each congregation signs an undertaking to cover any costs incurred on their behalf by the Trust. The ancillary activity is the publishing of French language Bible based publications printed by Watch Tower Bible and Tract Society of Britain. The Trust has received written assurance from the closely related Charity, International Bible Students Association, that it will donate monthly sufficient funds to cover cost of publishing and printing the publications and will donate sufficient funds to cover the Trust's contingent liabilities in the event that congregations do not meet their obligations. On this basis, the Trust can operate confidently on relatively small reserves. The Reserve has been set at an amount equivalent to one year's administration costs.

THE KINGDOM HALL TRUST

**REPORT OF THE TRUSTEES .. Continued**

Year ended 31 August 2001

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**Investment policy**

Funds will be invested diversely between several major financial institutions, using money market instruments. Any donated stocks and shares will be managed or sold, according to professional advice on the soundness of the institution and in harmony with our Christian principles.

**Relationship with connected Charities**

The Trust works closely with Watch Tower Bible and Tract Society of Britain and International Bible Students Association. The Watch Tower Bible and Tract Society of Britain supplies and distributes its printed products on behalf of Trust. International Bible Students Association makes donations to the Trust specifically to enable it to finance the publishing and distribution of French language Bible based literature.

**Risk Management**

The trustees are engaged in the process of identifying the major risks that apply to the charity and drawing up systems to mitigate and manage major risks. Once the strategy has been formulated, a risk register will be maintained. Next year's report will advise on the completion of the project and the trustees will be in a position to make the appropriate declaration.

**Review of the year and Financial Position**

During the year the Trust took title as Custodian trustee to new places of worship and additionally throughout the year several places of worship were transferred from local trustees to the Trust acting as custodian trustee for the congregations of Jehovah's Witnesses. This programme will continue until all places of worship are transferred into the name of the Trust. On August 31, 2000 161 properties were held by the Trust as Custodian Trustee. On August 31, 2001 this figure was 270

The financial results for the period are detailed on page 6. There were net outgoing movement of funds for the year of £1,403. The balance brought forward from the previous year of £1,481 has been spent to cover the net outgoing movement of funds. The activities of the Trust have largely been financed by donations from International Bible Students Association in the sum of £2,012,000. Direct charitable expenditure covering the cost of free publishing and distribution of French Bible based literature in France and the French speaking world was £2,011,984.

**Trustees responsibilities in respect of the preparation of accounts**

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue to operate.

THE KINGDOM HALL TRUST

**REPORT OF THE TRUSTEES .. Continued**

Year ended 31 August 2001

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The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

A resolution will be proposed at the Annual General Meeting that Calcutt Matthews, Chartered Accountants, be re-appointed as auditors to the charity for the ensuing year.

**By order of the Trustees**



S. C. G. Purcell

*Secretary*

30 April 2002

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

THE KINGDOM HALL TRUST

**REPORT OF THE AUDITORS**

Year ended 31 August 2001

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**Report of the auditors to the Trustees of the  
The Kingdom Hall Trust**

We have audited the financial statements on pages 6 to 9 which have been prepared in accordance with the accounting policies set out on page 8.

**Respective responsibilities of trustees and auditors**

As described on pages 3 and 4 the trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements 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 financial statements. It also includes 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 circumstances of the charity, 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 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 of the state of the charity's affairs at 31st August 2001 and of the incoming resources and application, of resources, including the income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Calcutt Matthews*

Calcutt Matthews

Charities Unit

Chartered Accountants

Registered Auditors

30 April 2002

THE KINGDOM HALL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income & Expenditure Account)  
Year ended 31 August 2001

INCOME AND EXPENDITURE

	<i>Notes</i>		<i>2000</i>
<b>INCOME</b>			
<i>Charitable activities:</i>			
Donations received	5	2,013,374	2,110,966
<i>Other activities to generate funds:</i>			
Investment interest		300	3,821
Rental Income		<u>15,820</u>	<u>-</u>
<b>Total incoming resources</b>		2,029,494	2,114,787
<b>EXPENDITURE</b>			
<i>Charitable expenditure:</i>			
Direct charitable expenditure	6	2,027,720	2,377,319
Administration	7	<u>3,272</u>	<u>6,529</u>
		2,030,992	2,383,848
<b>NET RESOURCES EXPENDED</b>		<u>(1,498)</u>	<u>(269,061)</u>
<b>OTHER RECOGNISED GAINS</b>			
Other gains		<u>95</u>	<u>98</u>
<b>NET MOVEMENT OF FUNDS</b>		(1,403)	(268,963)
<b>Fund balances brought forward at 1 September 2000</b>		1,481	270,444
<b>Fund balances carried forward at 31 August 2001</b>		<u>£78</u>	<u>£1,481</u>

All of the above activities result from continuing activities. All gains and losses recognised in the year are included in the above.



THE KINGDOM HALL TRUST

**BALANCE SHEET**

At 31 August 2001

	<i>Notes</i>	2001	2000
<b>FIXED ASSETS</b>			
Listed investments			1611
<b>CURRENT ASSETS</b>			
Debtors and accruals	63,000		200,000
Bank deposit account	113,383		4,233
Bank current accounts	<u>137</u>		<u>101</u>
	176,520		204,334
<b>CREDITORS: amounts falling due within one year</b>	4 <u>176,442</u>		<u>204,464</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>78</u>	<u>(130)</u>
		<u>£78</u>	<u>£1,481</u>
<b>FUNDS</b>			
General unrestricted fund		<u>£78</u>	<u>£1,481</u>

The financial statements on pages 6 to 8 were approved by the trustees on 30 April 2002 and signed on their behalf by:

*Stephen A. Hardy* S A Hardy  
Chairman

*S C G Purcell* S C G Purcell  
Secretary

NOTES TO THE ACCOUNTS

Year ended 31 August 2001

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**1. STATUS AND RELATIONSHIP WITH CONNECTED CHARITIES**

The constitution of the charity is as stated on page 1 of these accounts. The Trust has close association with Watch Tower Bible and Tract Society of Britain and International Bible Students Association, both of which are UK registered charities. Although serving separate functions, both organisations have common objectives and share the same premises and facilities.

**2. ACCOUNTING POLICIES**

- a) The accounts are prepared under the historical cost basis of accounting.
- b) The company holds, as custodian trustees, 249 freehold and 21 leasehold properties purchased or acquired by congregations of Jehovah's Witnesses in Britain. The Company's legal and financial responsibilities relative to the properties are met by the congregations using the halls. Decisions regarding the purchase, disposal, development, maintenance and use of the halls are under the direction of the respective Bodies of Elders of the congregations using the halls. The congregations are individually responsible for the financing and mortgage commitments, rents, rates, taxes and all other outgoings. The properties, liabilities and running costs are not featured in the accounts.

The total value of the freehold properties held in trust, based on values made by congregation elders, totalled £46,765,442. ( 2000 £24,398,161). There were congregation mortgage and loan liabilities outstanding at 31 August 2001 totalling £2,309,154 (2000 £3,706,893)

- c) Donations and interest receivable  
Income from donations and interest is included as it is receivable. If the donor specifies that monies are to be used for specific purposes this income is included in a restricted fund.
- d) Foreign currencies  
Assets and liabilities in foreign currencies have been translated at the rates ruling at the balance sheet date.
- e) Investments  
Fixed asset investments are stated at market value.

**3. CONTINGENT LIABILITIES**

The company has a commitment to pay the annual rents on congregation leases totalling £22,977 per annum in the event of the congregations not meeting their obligations.

THE KINGDOM HALL TRUST

NOTES TO THE ACCOUNTS

Year ended 31 August 2001

2000

**4. CREDITORS : amounts falling due within one year**

Due to connected charity - Watch Tower Bible & Tract Society of Britain	173,227	200,924
Auditors remuneration	3,200	3,525
Other creditors	15	15
	<u>£176,442</u>	<u>£204,464</u>

**5. GRANTS AND DONATIONS RECEIVED**

International Bible Students Association	2,012,000	2,108,090
Income Tax Refunds	52	-
Others	1,322	2,876
	<u>£2,013,374</u>	<u>£2,110,966</u>

**6. DIRECT CHARITABLE EXPENDITURE**

Cost of literature for free distribution in France	2,011,984	2,377,268
Rents payable	14,600	-
Aid to overseas branches	1,136	51
	<u>£2,027,720</u>	<u>£2,377,319</u>

**7. ADMINISTRATION**

Bank charges	57	131
Legal and professional fees	15	2,350
Auditors remuneration	3,200	4,033
General expenses	-	15
	<u>£3,272</u>	<u>£6,529</u>

**8. TRUSTEE REMUNERATION AND EXPENSES**

The trustees and others working at the branch's operations based in London, similarly are volunteers and received allowances and expenses from International Bible Students Association - an associated charity.

The trustees confirm that they have not been involved in any transactions with the charity.