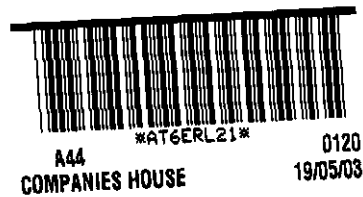


Company No. 355443
Registered Charity No. 275946

2002

The Kingdom Hall Trust

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



ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31st August 2002

THE KINGDOM HALL TRUST

INDEX TO REPORT AND ACCOUNTS

Year ended 31 August 2002

	Page
LEGAL STATUS, OFFICERS AND ADVISERS	1
REPORT OF THE TRUSTEES	2 to 4
AUDITORS' REPORT	5
STATEMENT OF FINANCIAL ACTIVITIES	6
BALANCE SHEET	7
NOTES TO ACCOUNTS	8 & 9

THE KINGDOM HALL TRUST

LEGAL STATUS, OFFICERS AND ADVISERS

31 August 2002

CONSTITUTION

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

The charity is governed by its memorandum and articles dated July 20th, 1939 and attached by Special Resolution dated June 1, 1993.

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 - resigned December 25th, 2002
J Rastall - appointed December 25th, 2002

REGISTERED OFFICE

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

PRINCIPAL BANKERS

Barclays Bank plc
PO Box 12820
London
England N20 0WE

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 2002

The board of trustees present their report and the financial statements of the Association for the year ended 31st August 2002. 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 meeting whenever required but at least four times per annum.

Trustees are elected annually, by a simple majority of the members present or by proxy at the AGM.

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 chartered, certified accountant) and his assistant have a set agenda to pursue through the year and reported to the Trustees in writing, on October 28th 2002. Approved recommendations were implemented.

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. At the year end the balance was approximately three times greater than the annual administration costs.

THE KINGDOM HALL TRUST

REPORT OF THE TRUSTEES

Year ended 31 August 2002

Investment policy

The memorandum of Association 3(k) authorises the trustees to invest in a manner conducive to the attainment of the charity's objects. Therefore the 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. In the current year the level of cash on hand was minimal, with no funds invested. All cash was held on overnight deposit at a rate compatible with time deposits.

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 major risks to which the charity is exposed have been reviewed with particular focus on events which would seriously impede the operation of the charity. Strategies and safeguards are in place to reduce as far as possible the impact of those risks.

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, 2002 305 properties were held by the Trust as Custodian Trustee. On August 31, 2001 this figure had been 270.

The financial results for the period are detailed on page 6. There were net incoming resources for the year of £10,114. The activities of the Trust have largely been financed by donations from International Bible Students Association in the sum of £3,045,067. Direct charitable expenditure covering the cost of free publishing and distribution of French Bible based literature in France and the French speaking world was £3,035,132.

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

Year ended 31 August 2002

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


J Rastall
Secretary

1 May 2003

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

THE KINGDOM HALL TRUST

REPORT OF THE AUDITORS

Year ended 31 August 2002

Independent Auditors report to the members of the Kingdom Hall Trust

We have audited the financial statements of the Kingdom Hall Trust for the year ended 31 August 2002 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the Kingdom Hall Trust and the independent auditors

The trustees responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for the audit.

We read other information contained in the Trustees Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity'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 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 as at 31 August 2002 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Calcutt Matthews

Calcutt Matthews
Chartered Accountants
Registered Auditors

2 May 2003

THE KINGDOM HALL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income & Expenditure Account)
Year ended 31 August 2002

INCOME AND EXPENDITURE

	<i>Notes</i>	2001
INCOME		
<i>Charitable income:</i>		
Donations received	5	3,047,843
		2,013,374
<i>Other activities to generate funds:</i>		
Investment interest		31
Rental Income		14,880
		<u>15,820</u>
Total incoming resources		3,062,754
		2,029,494
EXPENDITURE		
<i>Charitable expenditure:</i>		
Cost of literature for free distribution in France	3,035,132	2,011,984
Rents payable	14,800	14,600
Aid to overseas branches	-	1,136
<i>Management and administration</i>		
Administration	6	2,708
		<u>3,272</u>
		3,052,640
		2,030,992
NET INCOMING RESOURCES / (RESOURCES EXPENDED)		<u>10,114</u>
		<u>(1,498)</u>
OTHER RECOGNISED GAINS		
Other gains		-
		<u>95</u>
NET MOVEMENT OF FUNDS		10,114
		<u>(1,403)</u>
Fund balances brought forward at 1 September 2001		78
		<u>1,481</u>
Fund balances carried forward at 31 August 2002		£10,192
		<u>£78</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

Year ended 31 August 2002

	<i>Notes</i>	2001
CURRENT ASSETS		
Debtors	-	63,000
Bank deposit account	170,101	113,383
Bank current accounts	<u>140</u>	<u>137</u>
	170,241	176,520
CREDITORS: amounts falling due within one year	4 <u>160,049</u>	<u>176,442</u>
NET CURRENT ASSETS	<u>10,192</u>	<u>78</u>
NET ASSETS	<u><u>£10,192</u></u>	<u><u>£78</u></u>
FUNDS		
General unrestricted fund	<u><u>£10,192</u></u>	<u><u>£78</u></u>

The financial statements on pages 6 to 9 were approved by the trustees on 1 May 2003 and signed on their behalf by:


S A Hardy
Chairman


J Rastall
Secretary

THE KINGDOM HALL TRUST

REPORT OF THE TRUSTEES

Year ended 31 August 2002

1. STATUS OF THE TRUST

The Trust is an unlimited company without share capital, incorporated under the Companies Act 1985 and 1989 (number 355443) and is a registered charity (No 275946).

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the accounting standards and the Companies Act 1985. The principal accounting policies adopted in the policies adopted in the preparation of the financial statements are as follows:

a) Freehold properties held in trust

The company holds, as custodian trustee, 277 freehold and 28 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 £49,046,251. (2001 £46,765,442). There were congregation mortgage and loan liabilities outstanding at 31 August 2002 totalling £3,277,297 (2001 £2,309,154)

b) 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.

c) Investments

Fixed asset investments are stated at market value.

d) Funds

All expenditure is considered unrestricted.

e) Resources expended

Resources expended are recognised in the period in which they are incurred. The charity is not registered for VAT, all expenses are therefore shown gross.

THE KINGDOM HALL TRUST

NOTES TO THE ACCOUNTS

Year ended 31 August 2002

3. CONTINGENT LIABILITIES

The company has a commitment to pay the annual rents on congregation leases totalling £9,644 per annum in the event of the congregations not meeting their obligations.

	<i>2001</i>	
4. CREDITORS : amounts falling due within one year		
Due to connected charity - Watch Tower Bible & Tract Society of Britain	157,802	173,227
Auditors remuneration	2,232	3,200
Other creditors	15	15
	<u>£160,049</u>	<u>£176,442</u>

5. GRANTS AND DONATIONS RECEIVED

International Bible Students Association	3,045,067	2,012,000
Congregations and Individuals	2,526	-
Income Tax Refunds	-	52
Others	250	1,322
	<u>£3,047,843</u>	<u>£2,013,374</u>

6. ADMINISTRATION

Bank charges	18	57
Legal and professional fees	-	15
Auditors remuneration	2,690	3,200
	<u>£2,708</u>	<u>£3,272</u>

8. TRUSTEE REMUNERATION AND EXPENSES

The trustees and others working at the branch's operations based in London, similarly are volunteers and receive allowances and expenses from International Bible Students Association full details of which are featured in the accounts of the Association.

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