

THE DUDLEY ASSEMBLY HALL OF JEHOVAH'S WITNESSES

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 August 2013**

Registered number
515737

Charles Stringer
Chartered Accountant
17 Frith Way
Hinckley
Leicestershire

LEGAL & ADMINISTRATIVE INFORMATION

Trustees

Chairman
Secretary
Treasurer

Frederick Collins
John Martin Sheppard
Keith Tomlinson

Custodian trustees holding the title deeds

The Kingdom Hall Trust
The Ridgeway
London
NW7 1RN

Hall manager

Frederick Collins

Independent examiner

Charles Stringer
Chartered Accountant
17 Frith Way
Hinckley
Leicestershire
LE10 0JE

Solicitors

The Michael Hill Partnership
Top Hat Terrace
London Road
Leicester
LE2 0QT

Bankers

Barclays Bank plc
47 High Street
Dudley
West Midlands
DY1 1PP

HSBC Bank plc
226 High Street
Dudley
West Midlands
DY1 1PQ

Assembly hall address

22 Castle Hill
Dudley
West Midlands
DY1 4QQ

Registered charity number

515737

THE DUDLEY ASSEMBLY HALL OF JEHOVAH'S WITNESSES
TRUSTEES ANNUAL REPORT

The trustees present their report and accounts of the charity for the year ended 31 August 2013.

GOVERNANCE STRUCTURE & MANAGEMENT

GOVERNING DOCUMENT

The charity is governed by a declaration of trust dated 24 February 1976. It is registered with the Charity Commission under charity number 515737.

RECRUITMENT APPOINTMENT INDUCTION AND TRAINING OF TRUSTEES

The appointment of trustees is based on the trustees' long experience of the principles governing the activities of Jehovah's Witnesses. Trustees receive regular training at the Kingdom Ministry Schools.

ORGANISATIONAL STRUCTURE

At the start of the year, changes were made to the organisational structure of the board of trustees. On 31 August 2012, Brothers N H Clement, B L Watson and L A Wright retired and on 1 September 2012 Brother Frederick Collins was appointed chairman of the trustees. The following trustees served throughout the financial year: F Collins, J M Sheppard and K Tomlinson.

The Kingdom Hall Trust became the custodian trustee holding the title deeds to the freehold property of 22 Castle Hill, Dudley.

The affairs of the charity are managed by the trustees who as members of the charity work closely together and meetings are called whenever required and at least three times a year. All major decisions are made by formal resolutions of representatives of the congregations in the catchment area. Day to day matters are looked after by the hall manager.

RISK MANAGEMENT

The trustees review the major risks the charity faces each financial year when preparing and updating the annual reports. We have developed systems to monitor and control these risks and to mitigate any impact they have on the charity in the future, especially with the use of volunteer labour. These and other decisions are made at the regular trustee meetings.

INTERNAL CONTROLS

Proper controls and procedures are adhered to so that the monthly financial reports accurately represent all transactions, are in balance and provide reasonable assurance that finances are being used for their intended purpose. A competent person independently examines the accounts on a quarterly basis.

TRUSTEES ANNUAL REPORT

OBJECTIVES & ACTIVITIES

The objects of the charity are to promote the Christian religion by providing halls for worship and meetings by congregations, circuits and other groups and gatherings of Jehovah's Witnesses. In order to provide these facilities on an ongoing basis, it is necessary to maintain the hall to a suitable standard.

In order to safeguard the charity's assets the trustees place its liquid assets in a number of different banks and institutions including the Watch Tower Bible and Tract Society of Britain.

ACHIEVEMENTS & PERFORMANCE

During the year the assembly hall achieved its objectives and continued to pursue its purpose by holding regular assemblies for congregations and individuals for public worship of God and Bible study. Over the year, the facilities were utilised for 32 weekends for circuit assemblies and special assembly days. Average attendance was 916. The hall was also used for the filming of a drama for the Sign Language convention.

Interest rates have continued at very low levels yielding almost no interest on cash investments in the year.

During the year ended 31 August 2013, the following projects were undertaken to maintain the hall complex:

The carpets in the main auditorium together with the ancillary rooms and passages were replaced.

The installation of a security system was continued. It is now providing high quality visual coverage of the perimeter of the hall site. We are continuing to make improvements on an on-going basis.

The visual display screen above the platform has been replaced with new equipment including cameras and a projector. This will benefit everyone but particularly those attending the Sign Language assemblies who have expressed their appreciation for the much improved quality of the images.

The planned kitchen equipment was installed and the oven was also replaced in order to meet ever more stringent safety standards.

The first phase in replacing the long serving sound system has been completed and we have now changed from an analogue to a digital sound system. Further improvements are being planned for the year commencing 1 September 2013.

The telephone system was replaced with a new computer based digital system together with a new computer network for electronic communication which includes internet and wireless facilities.

The main building control systems have been transferred to this network and will improve the heating and cooling efficiency in the years ahead. This system will be constantly monitored to implement improvements as they are identified.

We have made necessary improvements to the equipment in the boiler room again for the express purpose of improving fuel efficiency. This too is an on-going project and we intend to make further investments in this area.

Work was commenced on roof insulation and a new rails system was installed to improve safety.

TRUSTEES ANNUAL REPORT

For the year commencing 1 September 2013, the following significant projects are planned:

- Continuation to upgrade the sound system.
- Continue improvements to the boiler room
- Replace the remaining old style hot air hand dryers.

PUBLIC BENEFIT

The assembly hall has provided facilities to educate approximately 18,000 individuals from all backgrounds to live better lives based on the principles found in the Bible. This education involved the promotion of a happy family life, showing love for our neighbours and appropriate respect for government authorities. The trustees confirm that they have taken into consideration Charity Commission guidance on public benefit in exercising their powers or duties.

FINANCIAL REVIEW

The results are shown on page 6. There was a surplus of incoming resources over those expended of £28,339, last year £59,283.

Bank and cash balances started the year at £603,525 and decreased by £5,842 to close at £597,683. The trustees confirm the hall has sufficient funds to meet its obligations and continue serving the congregations.

RESERVES POLICY

It is our policy to maintain sufficient reserves so that the hall be effectively maintained and secured in a condition to serve the brothers and sisters in our catchment area and to bring praise to our God, Jehovah. To assist with this the trustees have agreed to set aside a designated fund to build up cash to replace fixed assets. It is intended that this will avoid the need for loans in the future.

The transfer for this year was £67,878, increasing the fund to £454,643.

At the year end the trustees determined the free reserves were roughly equivalent to 11 months' working expenditure. It is the policy of the trustees to have free reserves on hand of not less than six months' working expenditure.

In respect of the Bible School for Single Brothers, a budget allocation of £8,300 was resolved for 2011/12, together with a further allocation of £8,300 for 2012/13. This together with the opening fund balance of £11,833 the new balance totalling £20,133 should provide adequate funds for the next school anticipated for 2013/14.

RESERVES

Note 13 to the financial statements shows the assets and liabilities attributable to the various funds. The fund balances amounted to:

	2013	2012
	£	£
Bible School for Single Brothers restricted fund	20,133	11,833
Designated fund to replace fixed assets	454,643	386,765
General fund	1,594,544	1,642,383
Total of all funds	<u>2,069,320</u>	<u>2,040,981</u>

Tangible fixed assets are all held for use by the charity.

TRUSTEES ANNUAL REPORT

INVESTMENT POLICY

The trustees have the power to invest in any way they see fit, subject to the provisions of the constitution. They have regard to the soundness of the financial institution, and invest in harmony with Christian principles and ethics. Funds are invested with the charity's bankers to maximise interest receivable.

	2013	2012
	£	£
Interest receivable for the year	10	13

For the fourth year, very low interest rates continued and interest received was minimal.

TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year, Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue its operations.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

This report was approved by the board of trustees on 28 February 2014 and signed on its behalf.

F Collins
Trustee

THE DUDLEY ASSEMBLY HALL OF JEHOVAH'S WITNESSES

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2013

				2013	2012
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income		188,897	-	188,897	194,401
Investment income					
Bank interest receivable		10	-	10	13
TOTAL INCOMING RESOURCES		<u>188,907</u>	<u>-</u>	<u>188,907</u>	<u>194,414</u>
RESOURCES EXPENDED					
Charitable activities					
Refurbishment costs		-	-	-	-
Costs of holding meetings		159,433	-	159,433	134,328
Governance costs	2	1,135	-	1,135	803
TOTAL RESOURCES EXPENDED		<u>160,568</u>	<u>-</u>	<u>160,568</u>	<u>135,131</u>
NET INCOMING RESOURCES BEFORE TRANSFERS					
	2	28,339	-	28,339	59,283
Gross transfers between funds	13	(8,300)	8,300	-	-
NET MOVEMENT IN FUNDS		<u>20,039</u>	<u>8,300</u>	<u>28,339</u>	<u>59,283</u>
Reconciliation of funds					
Balances brought forward		2,029,148	11,833	2,040,981	1,981,698
BALANCES CARRIED FORWARD		<u>2,049,187</u>	<u>20,133</u>	<u>2,069,320</u>	<u>2,040,981</u>

All the above results are derived from continuing activities.
The attached notes form part of these accounts.

BALANCE SHEET

31 August 2013

	Note	2013	2012
		£	£
FIXED ASSETS			
Tangible assets	3	1,470,178	1,433,007
CURRENT ASSETS			
Stocks		10,100	10,392
Debtors	4	5,816	4,566
Cash at bank and in hand:			
Investment accounts	12	530,105	330,105
Cash accounts and in hand		67,578	273,420
		<u>613,599</u>	<u>618,483</u>
CREDITORS: amounts falling due within one year	5	(14,457)	(10,509)
NET CURRENT ASSETS		<u>599,142</u>	<u>607,974</u>
NET ASSETS		<u>2,069,320</u>	<u>2,040,981</u>
Funds:			
RESTRICTED FUNDS			
Bible School for Single Brothers	6	20,133	11,833
UNRESTRICTED FUNDS			
Designated fund to replace fixed assets	7	454,643	386,765
General fund	8	1,594,544	1,642,383
		<u>2,069,320</u>	<u>2,040,981</u>

These accounts were approved and authorised for issue by the management committee and signed on its behalf on 28 February 2014.

K Tomlinson

Trustee

CASH FLOW STATEMENT

for the year ended 31 August 2013

	2013		2012
	£	£	£
Reconciliation of net Incoming resources before transfers to net cash inflow from operating activities			
Net incoming resources before transfers	28,339		59,283
Depreciation	40,403		41,254
Loss on disposal of fixed assets	4,454		-
Decrease/(increase) in stocks	292		(4,691)
(Increase)/decrease in debtors	(1,250)		719
Increase/(decrease) in creditors	3,948		(2,132)
Net inflow from operating activities	76,186		94,433
Capital expenditure			
Payments to acquire tangible fixed assets	(82,028)	(2,737)	
Receipts from the sale of tangible fixed assets	-	-	
Net outflow from capital expenditure	(82,028)		(2,737)
Cash (outflow)/inflow before financing	(5,842)		91,696
Financing	-		-
(DECREASE)/INCREASE IN CASH	(5,842)		91,696
RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN CASH			
Net (decrease)/increase in cash for the year	(5,842)		91,696
Change in cash balances	(5,842)		91,696
Cash at bank and in hand less overdrafts at 1 September	603,525		511,829
Cash at bank and in hand at 31 August 2013	597,683		603,525
Analysis of changes in net cash balances:			
Investment accounts	530,105	200,000	330,105
Cash accounts and in hand	67,578	(205,842)	273,420
	597,683	(5,842)	603,525

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

1 ACCOUNTING POLICIES

Accounting convention

The financial statements of the charity are prepared in accordance with Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2005), the Charities Act 2011 and applicable UK accounting standards. The financial statements are drawn up on the historical cost convention as modified by the revaluation of freehold property.

Donations and funds

Donations received for the general purposes of the charity are included as unrestricted funds on receipt. Gifts in kind and donated services are not incorporated in the accounts unless they are readily quantifiable. There is one restricted fund for the provision of a Bible School for Single Brothers normally held every three years and an annual transfer from general funds is designed to meet its cost subject to need.

The designated fund is set aside and earmarked for the future replacement of fixed assets without resorting to outside finance.

Tangible fixed assets and depreciation

The freehold property comprising the hall and surrounding land was acquired as leasehold in 1976 and the freehold in 1981 but not originally capitalised. It was valued by Lee, Shaw & Millsum Chartered Surveyors of Stone Street, Dudley on 7 March 1994 on a depreciated replacement cost basis at £1,730,000. The freehold property included freehold land of £530,000 that is not depreciated.

The other fixed assets are included at the depreciated replacement values, based on a valuation made on 1 September 1995. Subsequent expenditure has been included at cost.

All fixed assets are used for the purposes of the charity. The freehold property is included at the depreciated replacement values, based on a profession valuation made in March 1994 with subsequent additions at cost.

In 2000, the trustees considered FRS 15 Tangible Fixed Assets, and were of the opinion that it would be an uneconomic and inappropriate use of the charity's funds to continue on a revaluation basis. Whilst previous valuations have been retained, they will not be updated from the 1994 valuation. It is not the charity's policy to revalue fixed assets.

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Freehold land	Not depreciated
Freehold buildings and fixtures	50 years
Equipment and furniture	5 - 15 years

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

Incoming resources

All income and expenditure are accounted for gross, and identified as due or incurred. No amounts are included in the financial statements for the substantial services donated by volunteers. Donations received are credited to the general fund unless the donor indicates the income is to be used for a specific purpose.

Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable VAT is included with the item of expense to which it relates. Governance costs comprise the costs of running the charity including legal advice, external examination and the costs of complying with constitutional and statutory requirements.

2 NET INCOMING RESOURCES	2013	2012
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	40,403	41,254
Independent examiner's fees for external scrutiny	885	803
	<hr/>	<hr/>
and crediting:		
Circuits using the assembly hall	165,207	170,849
Income tax refunds on gift aid donations	12,878	13,831
Bank interest receivable	10	13
	<hr/>	<hr/>

3 TANGIBLE FIXED ASSETS

	Land and buildings £	Equipment £	Total £
Cost or valuation			
At 1 September 2012	1,767,457	221,527	1,988,984
Additions	-	82,028	82,028
Disposals	-	(17,470)	(17,470)
	<hr/>	<hr/>	<hr/>
At 31 August 2013	1,767,457	286,085	2,053,542
Depreciation			
At 1 September 2012	436,077	119,900	555,977
Charge for the year	24,000	16,403	40,403
On disposals	-	(13,016)	(13,016)
	<hr/>	<hr/>	<hr/>
At 31 August 2013	460,077	123,287	583,364
Net book value			
At 31 August 2013	<hr/>	<hr/>	<hr/>
	1,307,380	162,798	1,470,178
At 31 August 2012	<hr/>	<hr/>	<hr/>
	1,331,380	101,627	1,433,007

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

The leasehold property comprising the hall and the surrounding land was purchased in 1976 and the freehold was purchased in 1981. The property was not originally capitalised. It was valued by Lee, Shaw & Millsum Chartered Surveyors of Stone Street, Dudley on 7 March 1994 on a depreciated replacement cost basis at £1,730,000. The freehold property included freehold land of £530,000 that is not depreciated.

The tangible fixed assets are all held or used by the charity and the trustees estimate that the current value of the land and building is in the region of £3,000,000, a surplus of £1,692,620.

The trustees have considered FRS 15 Tangible Fixed Assets, and are of the opinion that it would be uneconomic and inappropriate use of the charity's funds to continue on a revaluation basis. Henceforth it is the charity's policy not to revalue fixed assets. The trustees believe that the valuation has not materially changed.

Net additions since at cost are as follows:	Freehold property	
	£	
In 1996 - land	11,732	
In 2000 - land	25,725	
	<u>37,457</u>	
	2013	2012
	£	£
The value of land not depreciated in land and buildings	<u>567,457</u>	<u>567,457</u>
4 DEBTORS	2013	2012
	£	£
Congregations using the kingdom hall	1,988	125
Sundry debtors	2,435	2,000
Prepayments	1,393	2,441
	<u>5,816</u>	<u>4,566</u>
5 CREDITORS: amounts falling due within one year	2013	2012
	£	£
Interest free loan	3,000	3,000
Trade creditors	2,950	768
Accruals	8,507	6,741
	<u>14,457</u>	<u>10,509</u>
6 BIBLE SCHOOL FOR SINGLE BROTHERS	2013	2012
	£	£
Balance brought forward	11,833	3,533
Transfer	8,300	8,300
	<u>20,133</u>	<u>11,833</u>

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

7 DESIGNATED FUND TO REPLACE FIXED ASSETS	2013	2012
	£	£
At 1 September 2012	386,765	318,887
Transfer from the general fund	67,878	67,878
At 31 August 2013	<u>454,643</u>	<u>386,765</u>

8 GENERAL FUND	2013	2012
	£	£
At 1 September 2012	1,642,383	1,659,278
Net income for the year	28,339	59,283
Transfer to the Ministerial Training School	(8,300)	(8,300)
Transfer to the designated fund to replace fixed assets	(67,878)	(67,878)
At 31 August 2013	<u>1,594,544</u>	<u>1,642,383</u>

9 CAPITAL COMMITMENTS

At the year end, there were no contracts for further capital expenditure.

10 EMPLOYEE EMOLUMENTS

The charity does not have any employees.

11 TRANSACTIONS WITH TRUSTEES

During the year one trustee, Mr F Collins, received remuneration of £2,964 in connection with his on-going work in managing the hall. In addition, his wife received remuneration of £2,964.

12 INVESTMENT ACCOUNTS	2013	2012
	£	£
These include monies advanced to the Watch Tower Bible and Tract Society of Britain and held with the Society until we have a need. The trustees view this arrangement as if it were a deposit account at a bank. The Society is serving the interests of Jehovah's Witnesses and is in harmony with the Charity's objectives. The advances are repayable on demand. At the year end the balance was:		
	<u>530,105</u>	<u>330,105</u>

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

13 NET ASSETS OF THE CHARITY

	£	£	£
The net assets belong to the various funds as follows:			
	Fixed assets	Net current assets	Fund balances
Restricted fund:			
Bible School for Single Brothers	-	20,133	20,133
Unrestricted funds:			
Designated to replace fixed assets	-	454,643	454,643
General fund	1,470,178	124,366	1,594,544
	<u>1,470,178</u>	<u>599,142</u>	<u>2,069,320</u>

	At 1 September 2012 £	Income £	Expended £	Transfers £	At 31 August 2013 £
Restricted fund:					
Bible School for Single Brothers	11,833	-	-	8,300	20,133
Unrestricted funds:					
Designated to replace fixed assets	386,765	-	-	67,878	454,643
General fund	1,642,383	188,907	(160,568)	(76,178)	1,594,544
	<u>2,040,981</u>	<u>188,907</u>	<u>(160,568)</u>	<u>-</u>	<u>2,069,320</u>

The general fund represents those funds that are unrestricted and not designated for other purposes. The designated fund is set aside and earmarked for the future replacement of fixed assets without resorting to outside finance.

The Bible School for Single Brothers was inaugurated in Britain in 1990 as the Ministerial Training School and is held every three years. It is an opportunity for single brothers who serve as elders or ministerial servants in the congregations to receive specialised schooling, with a view to serving wherever they might be needed in the global field. The eight-week school course balances instruction in Bible teachings and organisational matters.

The benefits of this school are being extended to qualified married couples who will similarly be able to serve wherever the need may be in the global field.

INDEPENDENT EXAMINERS REPORT TO THE BOARD OF TRUSTEES OF THE DUDLEY ASSEMBLY HALL OF JEHOVAH'S WITNESSES

I report on the accounts of The Dudley Assembly Hall of Jehovah's Witnesses for the year ended 31 August 2013, which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- ~ examine the accounts under section 145 of the 2011 Act;
- ~ follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act); and
- ~ state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a true and fair view, and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1 which gives me reasonable cause to believe that, in any material respect, the requirements:

- ~ to keep accounting records in accordance with section 130 of the 2011 Act; and
- ~ to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met, or

2 to which in my opinion, attention should be drawn in order to enable proper understanding of the accounts to be reached.

Charles Stringer

Chartered Accountant

17 Frith Way
Hinckley
Leicestershire
LE10 0JE

28 February 2014