

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES

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

Registered number
1039414

Charles Stringer
Chartered Accountant
17 Frith Way
Hinckley
Leicestershire

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES
LEGAL & ADMINISTRATIVE INFORMATION

Trustees

Chairman
Secretary
Treasurer

David Warburton
John Oldham
Ian Hamilton

Custodian trustees holding the lease to the property

Derek Carter
Raymond Pople

Hall manager

David Warburton

Independent examiner

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

Solicitors

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

Bankers

The Royal Bank of Scotland Plc
Lapwing Lane
Didsbury
Manchester
M20 6UR

Assembly hall address

456 Palatine Road
Northenden
Manchester
M22 4DJ

Registered charity number

1039414

MANCHESTER 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.

STRUCTURE GOVERNANCE & MANAGEMENT

GOVERNING DOCUMENT

The charity is governed by a declaration of trust dated 16 July 1975, amended by a supplementary declaration of trust dated 21 June 1994. It is registered with the Charity Commission under charity number 1039414.

RECRUITMENT APPOINTMENT INDUCTION AND TRAINING OF TRUSTEES

These appointments are based on the trustees' long experience of the principles governing the activities of Jehovah's Witnesses. New trustees are given appropriate induction by more experienced trustees and all trustees receive regular training at kingdom ministry schools.

ORGANISATIONAL STRUCTURE

The following trustees served throughout the financial year: I Hamilton, J Oldham and D Warburton.

Derek Carter and Raymond Pople are the custodian trustees holding the title deeds to this property.

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.

OBJECTIVES & ACTIVITIES

The objectives 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.

AIMS

During the coming year the assembly hall aims to continue to pursue its purpose by holding regular assemblies for congregations and individuals for public worship of God and Bible study.

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES

TRUSTEES ANNUAL REPORT

OBJECTIVES FOR THE YEAR

Each year the trustees review our objectives and activities to ensure they continue to reflect our aims. Accordingly we have considered the Charity Commission's guidance on public benefit and the advancement of religion for public benefit.

The main objective for the year was the provision of facilities to educate Jehovah's Witnesses and others in the Christian religion found in God's word the Bible.

The charity recognises its continued reliance on the valuable services provided by Witnesses volunteering their time and skills to assist in the running of Christian gatherings and in maintaining the facilities. It would be impossible to put a cost on their invaluable work.

PUBLIC BENEFIT

The trustees consider the beliefs and practices of Christian religion as practised by Jehovah's Witnesses, assist in the advancement of religion for the purposes of charity law and promote morals and ethics of the Christian faith which can have a positive impact on society as a whole. The assembly hall is open to the public and has provided facilities to educate thousands of 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.

SIGNIFICANT ACTIVITIES FOR ACHIEVING OBJECTIVES

The charity is continuing to pursue the above activities through the provision of facilities for Christian gatherings for worship and the maintenance of the facilities to a standard that brings praise to our grand creator, Jehovah.

ACHIEVEMENTS & PERFORMANCE

This year extensive repair and improvement of the roof and gutters has been carried out with the addition of safety handrails on both the parapet walls down the sides of the building and on the fly tower roof. The main ventilation cupolas were replaced with maintenance free powder coated aluminium units. Also some emergency replacement of damaged and worn carpet was carried out to improve the health and safety of the building's users.

Work is still on-going with regard to the simplification of décor and replacement of the carpet and chairs in the main auditorium, but completion has been delayed until 2016.

In addition to the refurbishment of the décor, it has come to light that the heating and ventilation systems also require upgrading to comply with energy efficiency and building regulations. These works are planned for the summer of 2015 prior to the décor refurbishment.

The building is Grade 2 listed and is of art deco design which attracts a number of historical societies to visit on a pre-arranged basis. They are always appreciative of the work that goes on in maintaining the special features associated with the listing.

Continual upkeep and normal maintenance of the building and grounds continued during the year to maintain the general high standard of the Hall

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES
TRUSTEES ANNUAL REPORT

FINANCIAL REVIEW

The results are shown on page 5. There was a deficit of incoming resources over those expended of £3,360, last year a surplus of £23,787.

	2013	2012
	£	£
This was after charging refurbishment costs of	<u>77,775</u>	<u>64,870</u>

Bank and cash balances started the year at £180,213 and increased by £33,783 to close at £213,996. The trustees confirm the hall has sufficient funds to meet its obligations and continue serving the congregations.

RESERVES POLICY

It is our policy to continue 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.

At the year end the trustees determined the free reserves were roughly equivalent to 24 months working expenditure. It is the policy of the trustees to have free reserves on hand of not less than six months' working expenditure.

RESERVES

The financial statements show the assets and liabilities, all attributable to unrestricted funds. The fund balances amounted to:

	2013	2012
	£	£
Designated fund to replace fixed assets	150,000	150,000
General fund	788,993	792,353
Unrestricted funds	<u>938,993</u>	<u>942,353</u>

Tangible fixed assets are all held for use by the charity and we estimate that the current value is in the region of £3,000,000.

PRINCIPAL FUNDING SOURCES

The charity's principal funding continues to come from Jehovah's Witnesses attending the circuit assemblies and other meetings at the hall.

PLANS FOR FUTURE PERIODS

The plans for the year involve regular maintenance activities including, replacement of worn carpet.

Other activities involve detailed design development for the major refurbishment of the heating and ventilation systems and decor planned for the 2015 and 2016 service years.

This report was approved by the board of trustees on 30 June 2014 and signed on its behalf.

D Warburton
Chairman

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2013

	Note	2013 £	2012 £
INCOMING RESOURCES			
<i>Incoming resources from generated funds</i>			
Voluntary income		178,876	179,501
Investment income			
Bank interest receivable		115	82
Other incoming resources		-	4,500
TOTAL INCOMING RESOURCES		<u>178,991</u>	<u>184,083</u>
RESOURCES EXPENDED			
<i>Costs of charitable activities</i>			
Refurbishment costs		77,775	64,870
Costs of holding meetings		103,703	94,590
Governance costs		873	836
TOTAL RESOURCES EXPENDED		<u>182,351</u>	<u>160,296</u>
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS	2	<u>(3,360)</u>	<u>23,787</u>
Transfers		-	-
NET MOVEMENT IN FUNDS		<u>(3,360)</u>	<u>23,787</u>
Balances brought forward		942,353	918,566
BALANCES CARRIED FORWARD		<u>938,993</u>	<u>942,353</u>

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

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES

BALANCE SHEET

31 August 2013

	Note	2013	2012
		£	£
FIXED ASSETS			
Tangible assets	3	725,781	763,217
CURRENT ASSETS			
Debtors	4	20	-
Cash at bank and in hand:			
Investment accounts		35,384	30,664
Cash accounts and in hand		179,291	150,255
		<u>214,695</u>	<u>180,919</u>
CREDITORS: amounts falling due within one year	5	(1,483)	(1,783)
NET CURRENT ASSETS		<u>213,212</u>	<u>179,136</u>
NET ASSETS		<u>938,993</u>	<u>942,353</u>
Funds:			
UNRESTRICTED FUNDS			
Designated fund to replace fixed assets	6	150,000	150,000
General fund	7	788,993	792,353
		<u>938,993</u>	<u>942,353</u>

These accounts were approved and authorised for issue by the management committee and signed on its behalf on 30 June 2014

/ Hamilton
Treasurer

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES

CASH FLOW STATEMENT

for the year ended 31 August 2013

	2013		2012
	£	£	£
Reconciliation of net (outgoing)/incoming resources before transfers to net cash inflow from operating activities			
Net (outgoing)/incoming resources before transfers	(3,360)		23,787
Depreciation	40,880		40,380
Increase in debtors	(20)		-
(Decrease)/increase in creditors	(273)		273
Net inflow from operating activities	37,227		64,440
Capital expenditure			
Payments to acquire tangible fixed assets	(3,444)	-	
Net outflow from capital expenditure	(3,444)		-
Cash outflow before financing	33,783		64,440
INCREASE IN CASH	33,783		64,440
RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN CASH			
Net increase in cash for the year	33,783		64,440
Change in cash balances	33,783		64,440
Cash at bank and in hand less overdrafts at 1 September	180,213		115,773
Cash at bank and in hand less overdrafts at 31 August	213,996		180,213

	This year	Cash flows	Last year
Analysis of changes in net cash balances:			
Investment accounts	35,384	4,720	30,664
Cash accounts and in hand	179,291	29,036	150,255
Overdraft and credit cards	(679)	27	(706)
	<u>213,996</u>	<u>33,783</u>	<u>180,213</u>
Net incoming resources before transfers includes:			
Interest received	<u>115</u>		<u>82</u>

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

1 ACCOUNTING POLICIES

Basis of preparation

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 leasehold 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.

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

On 16 June 2000 the School of Property & Construction of the University of Central England valued the leasehold property on a depreciated replacement cost basis. This supersedes the valuation made on 1 September 1996 by the trustees.

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.

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

Equipment and furniture	20% - 25% straight line
Leasehold buildings and fixtures	Length of lease - 4% straight line

Leasing and hire

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

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.

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

2 NET CASH OUTFLOW FROM OPERATIONS	2013	2012
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	40,880	40,380
Equipment hire	362	301
Ground rent	200	200
Independent examiner's fees for external scrutiny	873	836
	<hr/>	<hr/>
and crediting:		
Circuits using the assembly hall	158,186	159,570
Gift aid income tax refunds	12,066	11,394
Bank interest receivable	115	82
	<hr/>	<hr/>

3 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Equipment £	Total £
Cost or valuation			
At 1 September 2012	1,200,000	134,164	1,334,164
Additions	-	3,444	3,444
	<hr/>	<hr/>	<hr/>
At 31 August 2013	1,200,000	137,608	1,337,608
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 September 2012	456,772	114,175	570,947
Charge for the year	37,500	3,380	40,880
	<hr/>	<hr/>	<hr/>
At 31 August 2013	494,272	117,555	611,827
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2013	705,728	20,053	725,781
	<hr/>	<hr/>	<hr/>
At 31 August 2012	743,228	19,989	763,217
	<hr/>	<hr/>	<hr/>

The leasehold property, originally not capitalised when the lease was purchased in 1975, was valued by the trustees on 1 September 1996 on a replacement value basis at £1,500,000. On 16 June 2000 the School of Property & Construction of the University of Central England valued the leasehold property on a depreciated replacement cost basis at £1,200,000. On incorporating this revaluation into the 2000 accounts, an unrealised loss of £255,140 arose and was included in the Statement of Financial Activities.

Equipment originally not capitalised when purchased was valued by the trustees on 1 September 1995 on a replacement value basis at £19,712.

The lease of the hall building runs until 2032. 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 £2,294,272.

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. The charity's policy is not to revalue fixed assets. The trustees believe that the valuation has not materially changed.

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

Net additions since at cost are as follows:	Leasehold property	Equipment	
	£	£	
In 1996 to 2005	47,490	81,279	
In 2006	-	5,276	
In 2007	-	28,904	
In 2008	-	220	
In 2009	-	(1,000)	
In 2010	-	(227)	
In 2013	-	3,444	
	<u>47,490</u>	<u>117,896</u>	
4 DEBTORS		2013	2012
		£	£
Receivable from circuits		<u>20</u>	<u>-</u>
5 CREDITORS: amounts falling due within one year		2013	2012
		£	£
Bank loans and overdrafts		679	706
Trade creditors		-	273
Other creditors		804	804
		<u>1,483</u>	<u>1,783</u>
6 DESIGNATED FUND TO REPLACE FIXED ASSETS		2013	2012
		£	£
At 1 September 2012		150,000	100,000
Transfer from the general fund		-	50,000
		<u>150,000</u>	<u>150,000</u>
7 GENERAL FUND		2013	2012
		£	£
At 1 September 2012		792,353	818,566
Net (deficit)/income for the year		(3,360)	23,787
Transfer to the designated fund to replace fixed assets		-	(50,000)
		<u>788,993</u>	<u>792,353</u>

MANCHESTER ASSEMBLY HALL OF JEHOVAH'S WITNESSES

NOTES TO THE ACCOUNTS

for the year ended 31 August 2013

8 COMMITMENTS	2013	2012
	£	£
Expenditure has been approved, without entering into formal contracts for further refurbishment of the assembly hall to a total cost estimated at:	<u>5,000</u>	<u>75,000</u>

9 EMPLOYEE EMOLUMENTS

The charity does not have any employees.

10 TRANSACTIONS WITH TRUSTEES

During the year, one trustee, Mr D Warburton, received remuneration of £2,722 in connection with his on-going work in managing the hall. In addition, his wife received remuneration of £3,446. Last year no trustees received remuneration.

No trustees received expenses during the year, last year £457 for travel and accommodation costs.

11 NET ASSETS OF THE CHARITY

	£	£	£
The net assets belong to the various funds as follows:			
	Fixed assets	Net current assets	Fund balances
Unrestricted funds:			
Designated to replace fixed assets	-	150,000	150,000
General fund	725,781	63,212	788,993
	<u>725,781</u>	<u>213,212</u>	<u>938,993</u>

	At 1 September 2012 £	Income £	Expended £	Transfers £	At 31 August 2013 £
Unrestricted funds:					
Designated to replace fixed assets	150,000	-	-	-	150,000
General fund	792,353	178,991	(182,351)	-	788,993
	<u>942,353</u>	<u>178,991</u>	<u>(182,351)</u>	<u>-</u>	<u>938,993</u>

The general reserve 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.

12 CONTROL RELATIONSHIPS

The charity is under the control of the trustees detailed on page 1 throughout the current year.

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

I report on the accounts of Manchester Assembly Hall of Jehovah's Witnesses for the year ended 31 August 2013, which are set out on pages 5 to 11.

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

30 June 2014