

registered company number. 3858051
registered charity number: 1077961

**Report of the trustees and financial statements
Year Ended 31 August 2007**

Watch Tower Bible and Tract Society of Britain

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Watch Tower Bible and Tract Society of Britain

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For the year ended 31st August 2007

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Watch Tower Bible and Tract Society of Britain

Report of the trustees

For the year ended 31st August 2007

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 August 2007. 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

3858051

Registered Charity number

1077961

Registered office

IBSA House
The Ridgeway
London
NW7 1RN

Trustees

R Drage
J Dowson
P Ellis
B Vigo
P S Gillies

- appointed 22 8 07

Company Secretary

T P Cruse

Auditors

Calcutt Matthews
Chartered Accountants and Registered Auditors
2nd Floor Cardine House
30 North Street
Ashford
Kent
TN24 8JR

Bankers

Barclays Bank plc
PO Box 12820
London
BX3 2BB

Investment Advisers

Merrill Lynch International Bank Ltd
2 King Edward Street
London
EC1A 1HQ

Structure, governance and management

Governing document

The charity is controlled by its governing document, the memorandum and articles of the company dated 25th October 1999

Watch Tower Bible and Tract Society of Britain

Report of the trustees

For the year ended 31st August 2007

Structure, governance and management (continued)

Recruitment and appointment, induction and training of trustees

The recruitment and induction of new trustees is arranged as follows. On an annual basis 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. Trustees are given appropriate Charity Commission publications and training is arranged as part of the meetings of the trustees when the charity's policies are discussed. This is supplemented by an annual training session provided by Calcutt Matthews. Additionally, arrangements are made for new trustees to attend a comprehensive course that includes training in legal, organisational, and financial matters.

The trustees of the charity also have key managerial roles at the charity headquarters. They meet several times each month, and are in regular contact from day to day. Trustees are elected annually, by a simple majority of the members present at the AGM.

Organisational structure

The charity is a UK Company limited by guarantee.

The trustees organise the charity into a number of departments. Each department has an experienced, trained overseer who makes regular reports to the trustees.

Wider network

The charity is responsible for the spiritual welfare of Jehovah's Witnesses and those studying the Christian faith in Britain. Similar charities exist in many countries around the world. Co-ordination of spiritual affairs is through the Governing Body of Jehovah's Witnesses, located at their headquarters in the United States.

Related parties

Watch Tower Bible and Tract Society of Britain (the Society) works closely with International Bible Students Association (IBSA), which permits the Society to use its facilities for the Society's charitable activities, and provides accommodation for volunteers. IBSA makes a monthly service and maintenance charge to the Society for the facilities it uses and for providing accommodation for volunteers connected with the Society's activities. The Society passes to IBSA the cost incurred in printing and distributing the Bible-based religious literature manufactured and delivered to destinations on its behalf, and all other overhead costs.

Risk management

The major risks to which the charity is exposed have been 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. Serious risks include catastrophic loss and failure of internal controls.

Objectives and activities

Objectives and aims

The objects of the Society, contained in its Memorandum and Governing document, are to advance the Christian religion as practiced by the body of Christians known as Jehovah's Witnesses. This is accomplished by the following specific sub-objects:

- a promoting the preaching of the gospel of God's Kingdom under Jesus Christ in all nations as a witness to the name, word and supremacy of the Almighty God, JEHOVAH
- b producing and distributing Bibles and other religious literature, in any medium, and educating the public in respect thereof
- c promoting religious worship
- d promoting Christian missionary work
- e advancing religious education
- f maintaining one or more religious orders or communities of special ministers of Jehovah's Witnesses

The major areas of activities for the year in question have been:

- 1 printing and distributing Bibles and Bible-based literature in several languages which has served to advance religious education and educate the general public in spiritual and moral values
- 2 supporting congregations of Jehovah's Witnesses and others in Britain with their spiritual and material welfare, by advancing the Christian missionary work, which has promoted religious worship in local communities
- 3 supporting congregations of Jehovah's Witnesses and others abroad, primarily in developing countries, with their spiritual and material welfare, by making donations to local associations of Jehovah's Witnesses. The donations have been in the form of literature, goods, and services, as well as of funding for the construction of places of worship. All such donations have promoted religious education overseas.

Watch Tower Bible and Tract Society of Britain

Report of the trustees

For the year ended 31st August 2007

Objectives and activities (continued)

Grant making

The charity's grant making policy is as follows. From time to time the charity is asked by the Governing Body of Jehovah's Witnesses to consider helping Jehovah's Witnesses in countries where a need exists. The charity first satisfies itself that the expenditure will further the religious work of Jehovah's Witnesses, and after confirming that sufficient funds are available, it then sends the money to the organisation caring for Jehovah's Witnesses in that country. Finally, reports are obtained to confirm the money was properly used.

Volunteers

The charity is run entirely by volunteers.

Achievement and performance

Charitable activities - Promoting Christian Missionary work

In assisting congregations of Jehovah's Witnesses and others in Britain with their spiritual and material welfare, the charity supports over 80 travelling ministers. These visit the congregations on a regular basis, usually twice a year, during which they provide pastoral care. One of the primary objectives of these visits is for the travelling minister to promote the Christian missionary work by providing leadership in the public ministry of Jehovah's Witnesses. Additionally, the charity supports over 140 full-time ministers who assist congregations to which the charity has assigned them. The assistance provided by these ministers enables local congregations of Jehovah's Witnesses to share fully in promoting and preaching the good news of God's Kingdom and teaching principles of Christian living. Such principles include respect for secular authority, persons, and property, and the maintenance of personal morality and family values and other facets of Christianity.

The charity also runs a training school for qualified ministers to better equip them to render spiritual and pastoral care in the community. This school, the Ministerial Training School, gives instruction in Bible teachings and in organisational matters. As a result of such training, some are assigned to serve where there is a need for ministers here in Britain, whereas others receive assignments in foreign countries. During the year 23 students graduated, bringing to 753 the number who have graduated since the school was inaugurated.

Charitable activities - Making donations to further religious education overseas

During the year the charity continued to support the construction of places of worship in Africa and areas of Asia through making grants totalling over £800,000. The completed places of worship will be centres for both local congregations of Jehovah's Witnesses and members of the local community who wish to benefit from the practical values contained in the Holy Bible, which promotes both the moral and spiritual edification of mankind.

The charity also provided material and financial assistance to Associations of Jehovah's Witnesses in several developing countries, who are responsible for the general oversight of the activities of Jehovah's Witnesses in that country. The funds, over £840,000 in total, were given to promote missionary activity, to support general oversight costs of the local Association, and to assist in the operation of local congregations of Jehovah's Witnesses. Additionally, literature with a value of over £2,400,000 was donated overseas, mainly to Africa, for use in advancing religious education.

Humanitarian aid of £90,000 was provided by the charity to those in need. This included funds to assist refugees returning to Burundi from refugee camps in Tanzania. Specifically, the funds were for the purchase of roof sheets, doors and shutters so that the refugees could construct modest homes for themselves. Some 100 families benefited from this aid. Clearly, much has been accomplished by the charity in the year to advance its objects. The activities confirm that the work of the charity continues to benefit both Jehovah's Witnesses and members of the community.

Fundraising activities

The charity's rotary presses have continued to produce The Watchtower and Awake! magazines, as well as other items of Bible-based literature. A total of 280 million publications were printed, which included 140 million copies of The Watchtower and Awake! magazines. The number of languages printed increased to 31 for The Watchtower and 12 for Awake! In total, the charity has sent Bible-based literature to 69 countries in 31 languages. There have been no major printing machinery purchases this year, as the charity has adequate equipment to meet its production needs. Machines run at approximately 80% capacity. All of this literature is used to advance religious education and educate the general public in spiritual and moral values. Funds are generated through the sale of a sizeable proportion of this production to IBSA.

The charity carries out all its activities in harmony with Christian principles, and thus aims to minimise the impact its printing activities have on the environment. It has thus launched a raft of energy saving measures which have resulted in an 8% decrease in its carbon footprint despite a 1.4% increase in production.

Watch Tower Bible and Tract Society of Britain

Report of the trustees

For the year ended 31st August 2007

Achievement and performance (continued)

Internal controls

To ensure the charity is able to achieve its objectives, appropriate internal controls have been established. These 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 figures are recorded accurately and the accounts are in balance.

The internal audit programme has been achieved. The internal auditor and his assistant, both drawn from the volunteer work force, have a set agenda to pursue throughout the year, and reported in writing to the trustees in October 2007. Approved recommendations were implemented.

Financial review

Reserves policy

Because of the nature and sources of the charity's income, the charity can plan confidently with relatively small reserves. The established policy is to ensure that it has on hand in liquid funds at least 3 months working expenditure. At the year-end, the liquid assets on hand were equivalent to 4.2 months of expenditure (2006: 4.2 months).

Principal funding sources

The primary funding activity is the manufacture and distribution of Bible-based religious literature on behalf of IBSA, the cost of which is passed on. The charity also relies to a large extent on voluntary donations to support its work, and has a consistent income base through Gift Aid. In addition, the charity has an active treasury management department to handle investments it has been bequeathed or converted.

Investment policy and objectives

In harmony with paragraphs 4.18 and 4.19 of the Memorandum and Articles, which give power to invest funds in any lawful manner having full regard to the suitability of the investments and the need for diversification, investments are selected with consideration for Christian principles. The objective is to preserve capital and achieve a real return of 4% plus inflation. This has not been achieved. The trustees, after considering the facts and noting that the investments comprise largely of fixed income and cash instruments, have taken advice on diversifying the investments further both by asset class, currency and region in order to achieve their objectives in coming years.

Future developments

The charity has been asked by the world headquarters of Jehovah's Witnesses to take the lead in supporting the maintenance of Hantscho presses in Argentina, Australia, Brazil, Canada, Colombia, Mexico, Nigeria, Philippines, and South Africa. These presses, as with the charity's own, are used to print Bible-based literature. Due to the age of these machines, and the difficulties in obtaining spare parts, many components are manufactured in-house and shipped to these branches. The charity is, therefore, strengthening its engineering workshop facilities and has on order two new lathes at a cost of £75,000.

Also on order for January 2008 are several new trucks and vans to the Euro 4 specification. These vehicles are necessary to satisfy the London Emissions Zone legislation coming on stream in February 2008. It is estimated that the charity shall spend £300,000 on these vehicles, which will be used to distribute the literature it produces.

The charity anticipates being able to continue to have a full share in funding the activities of Jehovah's Witnesses in developing countries and sharing in the construction of much needed places of worship in these countries. For example, it is anticipated that upwards of £400,000 worth of construction supplies will be donated to the Association of Jehovah's Witnesses in Liberia next year.

Watch Tower Bible and Tract Society of Britain

Report of the trustees

For the year ended 31st August 2007

Statement of trustees responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit 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,
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.


Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable Society's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable Society's auditors are aware of that information.

Auditors

The auditors, Calcutt Matthews, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the board:


Trustee

Date 16 January 2008

Watch Tower Bible and Tract Society of Britain

Report of the independent auditors to the members of Watch Tower Bible and Tract Society of Britain

For the year ended 31st August 2007

We have audited the financial statements of Watch Tower Bible and Tract Society of Britain for the year ended 31 August 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Charity Cash Flow Statement and the notes 1 to 20 on pages seven to fifteen

This report is made solely to the Society's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Society's trustees 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 Society and the Society's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages one to five.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Society's affairs as at 31 August 2007 and of incoming resources and application of resources including its income and expenditure for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Trustees is consistent with the financial statements.



Calcutt Matthews
Chartered Accountants and Registered Auditors
2nd Floor Cardine House
30 North Street
Ashford
Kent
TN24 8JR

Date 17 January 2008

Watch Tower Bible and Tract Society of Britain

Statement of financial activities

For the year ended 31st August 2007

	Notes	Unrestricted funds £'000	Restricted funds £'000	31 8 07 Total funds £'000	31 8 06 Total funds £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	13,125	2,103	15,228	11,259
Activities for generating funds	3	9,204	-	9,204	7,487
Investment income	4	<u>1,628</u>	<u>83</u>	<u>1,711</u>	<u>1,360</u>
Total incoming resources		23,957	2,186	26,143	20,106
Resources expended					
Costs of generating funds					
Fundraising trading cost of goods sold and other costs	5	11,521	-	11,521	10,916
Charitable activities					
Promoting Christian Missionary work	6	659	271	930	770
Making donations to further religious education overseas		5,386	900	6,286	5,313
Governance costs	7	<u>28</u>	<u>-</u>	<u>28</u>	<u>35</u>
Total resources expended		17,594	1,171	18,765	17,034
Net incoming resources		6,363	1,015	7,378	3,072
Other recognised gains/losses					
Gains/losses on investment assets		<u>(187)</u>	<u>-</u>	<u>(187)</u>	<u>(716)</u>
Net movement in funds		6,176	1,015	7,191	2,356
Reconciliation of funds					
Total funds brought forward		26,898	9,180	36,078	33,722
Total funds carried forward		<u>33,074</u>	<u>10,195</u>	<u>43,269</u>	<u>36,078</u>

Continuing operations

All incoming resources and resources expended arise from continuing activities

None of the charity's activities were acquired or discontinued during the current and previous years. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year together with the realised gains on investments of £7,267,980 (2006 £2,589,728)


Watch Tower Bible and Tract Society of Britain


Balance sheet

For the year ended 31st August 2007

	Notes	Unrestricted funds £'000	Restricted funds £'000	31 08 07 Total funds £'000	31 08 06 Total funds £'000
Fixed assets					
Tangible assets	10	5,777	468	6,245	6,673
Investments	11	<u>10,170</u>	<u>-</u>	<u>10,170</u>	<u>18,668</u>
		15,947	468	16,415	25,341
Current assets					
Stocks	12	1,118	-	1,118	869
Debtors	13	1,054	3,287	4,341	5,235
Investments	14	35,116	6,439	41,555	27,682
Cash at bank		<u>514</u>	<u>-</u>	<u>514</u>	<u>964</u>
		37,802	9,726	47,528	34,750
Creditors					
Amounts falling due within one year	15	(15,375)	1	(15,374)	(14,339)
		<u>22,427</u>	<u>9,727</u>	<u>32,154</u>	<u>20,411</u>
Net current assets					
		38,374	10,195	48,569	45,752
Total assets less current liabilities					
Creditors					
Amounts falling due after more than one year	16	(5,300)	-	(5,300)	(9,674)
		<u>33,074</u>	<u>10,195</u>	<u>43,269</u>	<u>36,078</u>
Net assets					
Funds					
Unrestricted funds	18			33,074	26,898
Restricted funds				<u>10,195</u>	<u>9,180</u>
Total funds					
				<u>43,269</u>	<u>36,078</u>

The financial statements were approved by the Board of Trustees on 16 January 2008 and were signed on its behalf by


 P.S. Jellis
 Trustee


 Trustee

Watch Tower Bible and Tract Society of Britain

Cash flow statement

For the year ended 31st August 2007

		2007	2006
	Notes	£'000	£'000
Net cash inflow from operating activities	20	9,694	4,572
Returns on investments and servicing of finance		8,666	(1,700)
Capital expenditure & financial investment		(18,810)	(2,656)
(Decrease)/Increase in cash in the period		(450)	216

Reconciliation Of Net Cash Flow To Movement In Net Funds

Movement In Net Funds In The Period			
Net Funds At 1st September 2006		964	748
Net Funds At 31st August 2007		514	964
(Decrease)/Increase in cash in the period		(450)	216

Watch Tower Bible and Tract Society of Britain

Notes to the financial statements

For the year ended 31st August 2007

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Donations receivable

All incoming resources are included in the Statement of Financial Activities (SOFA) 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 of Jehovah's Witnesses and other connected charities.

Activities for generating funds

Income from literature arises from literature sold to International Bible Students Association (IBSA), a connected charity on a cost basis in line with the charity's objects.

Legacies

Legacies are recognised at the earlier of the date of notification or being received.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under the headings with all aggregate costs related to that 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. The trustees are of the opinion that support costs are best allocated to the cost of producing literature as a fund raising cost.

Cost of generating funds

This represents the cost of printing magazines, Bibles and other literature sold to IBSA.

Grant Making

Our grant making policy (donations) is as follows. From time to time the charity is asked by the Governing Body of Jehovah's Witnesses to consider helping Jehovah's Witnesses in countries where a need exists. The charity first considers whether sufficient funds are available to proceed with the request from the Governing Body. Grants payable are recognised in the accounts at the date at which funds are approved by the trustees to be sent.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Items are capitalised when their cost is greater than £1,000.

Land & Buildings	-2% on cost
Plant and machinery	-10% on cost
Motor vehicles	-25% on reducing balance

Stocks

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

Current Asset Investments

All investments are carried at market value and at the year end comprised cash, U.K. bonds and U.K. equities. The surplus or deficit arising from revaluations is recognised through the SOFA.

Taxation

The charity is exempt from corporation tax on its charitable activities. The charity is registered for VAT.

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Conditional Donations

The charity receives some donations where the donor reserves the right to receive the funds back. Experience has shown that only a small percentage are returned, but prudently the charity provides for fifty percent.

Connected Charities

Transactions are on an arms length and accruals basis. Note 9 sets out the relationship with IBSA. Most other countries have a branch office of Jehovah's Witnesses.

Watch Tower Bible and Tract Society of Britain

Notes to the financial statements - Continued

For the year ended 31st August 2007

2 Voluntary income

	31 8 07	31 8 06
	£'000	£'000
Donations of cash and goods	11,118	6,182
Donations of literature	1,576	1,318
Legacies	<u>2,534</u>	<u>3,759</u>
	<u>15,228</u>	<u>11,259</u>

Donations of cash and goods in 2007 includes a loan from Spain branch office of Jehovah's Witnesses that was converted to a donation on the 31st December 2006

3. Activities for generating funds

	31 8 07	31 8 06
	£'000	£'000
Income from literature donated overseas	2,710	1,906
Income from literature sold to IBSA	<u>6,494</u>	<u>5,581</u>
	<u>9,204</u>	<u>7,487</u>

4. Investment income

	31 8 07	31 8 06
	£'000	£'000
Interest and dividends receivable	<u>1,711</u>	<u>1,360</u>

5. Fundraising trading cost of goods sold and other costs

	31 08 07	31 08 06
	£000	£000
	Direct costs	Support costs
	£000	£000
Cost of producing literature	<u>7,446</u>	<u>4,075</u>
	<u>11,521</u>	<u>10,916</u>

Support cost comprise accommodation charges and administration costs

6 Charitable activities costs

	31 08 07	31 08 06
	£'000	£'000
Promoting Christian Missionary work	930	770
Making donations to further religious education overseas	<u>6,286</u>	<u>5,313</u>
	<u>7,216</u>	<u>6,083</u>

7. Governance costs

	31 8 07	31 8 06
	£'000	£'000
Legal fees	17	24
Auditors' remuneration	<u>11</u>	<u>11</u>
	<u>28</u>	<u>35</u>

Watch Tower Bible and Tract Society of Britain

Notes to the financial statements - Continued

For the year ended 31st August 2007

8 Net incoming/(outgoing) resources

Net resources are stated after charging/(crediting)

	31 8 07	31 8 06
	£'000	£'000
Auditors' remuneration	11	11
Depreciation - owned assets	<u>823</u>	<u>873</u>

9 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 August 2007 nor for the year ended 31 August 2006

The trustees confirm that they have not been involved with any transactions of the charity. The Society has close connections with International Bible Students Association charity number 216647 (IBSA) which is a registered charity and has similar objects. This charity has the same registered office as that of the Society.

The trustees of Watch Tower receive no payments or reimbursements in their capacity as trustees. The trustees are also volunteer workers at IBSA's premises, they receive personal expense allowances of £82 per month and a personal expense gift of £300 per year with free board and lodging as indeed do all volunteers.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 August 2007 or for the year ended 31 August 2006

10 Tangible fixed assets

	Land & Buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Totals £'000
Cost				
At 1 September 2006	286	8,717	1,680	10,683
Additions	-	154	409	563
Disposals	<u>-</u>	<u>(68)</u>	<u>(449)</u>	<u>(517)</u>
At 31 August 2007	<u>286</u>	<u>8,803</u>	<u>1,640</u>	<u>10,729</u>
Depreciation				
At 1 September 2006	23	3,257	730	4,010
Charge for year	5	557	261	823
Eliminated on disposal	<u>-</u>	<u>(57)</u>	<u>(292)</u>	<u>(349)</u>
At 31 August 2007	<u>28</u>	<u>3,757</u>	<u>699</u>	<u>4,484</u>
Net book value				
At 31 August 2007	<u>258</u>	<u>5,046</u>	<u>941</u>	<u>6,245</u>
At 31 August 2006	<u>263</u>	<u>5,460</u>	<u>950</u>	<u>6,673</u>

11 Fixed asset investments

	31 8 07	31 8 06
	£'000	£'000
Loans to a connected charity - IBSA	<u>10,170</u>	<u>18,668</u>

Watch Tower Bible and Tract Society of Britain

Notes to the financial statements - Continued

For the year ended 31st August 2007

11 Fixed asset investments - continued

	Loan to connected charity-IBSA £'000	Totals £'000
At 1 September 2006	18,668	18,668
Repayments in year	<u>(8,498)</u>	<u>(8,498)</u>
At 31 August 2007	<u>10,170</u>	<u>10,170</u>

There were no investment assets outside the UK

The loan comprises monies advanced to a connected charity, IBSA, to assist in the purchase of buildings. During the year IBSA sold some of its buildings and therefore repaid part of this loan.

The trustees have made no interest charge to IBSA on the loan. This is on the basis that both charities have similar objects and the interest is to be treated as a donation to the charity.

12. Stocks

	31 8 07 £'000	31 8 06 £'000
Bibles and other literature	<u>1,118</u>	<u>869</u>

13 Debtors - amounts falling due within one year

	31 8 07 £'000	31 8 06 £'000
Trade debtors	9	16
Due from congregations	3,287	3,882
Other debtors	302	334
Due from connected charity	329	521
Due from overseas branches	156	156
Prepayments and accrued income	<u>258</u>	<u>326</u>
	<u>4,341</u>	<u>5,235</u>

The £3,287,000 due from congregations (2006 £3,882,000) comprises £647,060 due in the next 12 months and £2,640,333 due after more than one year.

14 Current asset investments

	31 8 07 £'000	31 8 06 £'000
Bonds and cash	25,896	10,338
Equities	<u>15,659</u>	<u>17,344</u>
	<u>41,555</u>	<u>27,682</u>
	31 8 07 £'000	31 8 06 £'000
Historic cost	41,742	28,398
Unrealised loss	<u>(187)</u>	<u>(716)</u>
Market value	<u>41,555</u>	<u>27,682</u>

During the year the charity received investments from IBSA as payment to satisfy loans made by the charity. Title to these investments has been transferred.

Watch Tower Bible and Tract Society of Britain

Notes to the financial statements - Continued

For the year ended 31st August 2007

15 Creditors amounts falling due within one year

	31 8 07	31 8 06
	£'000	£'000
Trade creditors	256	253
Other creditors	297	277
Deposits	13,999	12,841
Conditional donations (note 19)	742	556
Due to connected charities	-	329
Accrued expenses	<u>80</u>	<u>83</u>
	<u>15,374</u>	<u>14,339</u>

16 Creditors amounts falling due after more than one year

	31 8 07	31 8 06
	£'000	£'000
Deposits (see note 17)	<u>5,300</u>	<u>9,674</u>

17 Loans

An analysis of the maturity of loans is given below

	31 8 07	31 8 06
	£'000	£'000
Amounts falling between one and two years		
Loan from Spain branch office of Jehovah's Witnesses	-	4,374
Deposits	<u>5,300</u>	<u>5,300</u>
	<u>5,300</u>	<u>9,674</u>

The loan from Spain branch office of Jehovah's Witnesses was cancelled on the 31st December 2006 and was converted to a donation as recognised in note 2

Deposits comprise monies received from individuals and congregations and held with the Society until they have a need
Deposits due after more than one year comprise deposits where the lender has agreed to forego the right to receive funds back within 12 months

18 Movement in funds

	At 1 9 06	Net movement	At 31 8 07
	£'000	in funds	£'000
		£'000	
Unrestricted funds			
General fund	26,898	6,176	33,074
Restricted funds			
Travelling Overseers Assistance Arrangement	321	379	700
Kingdom Hall Assistance Arrangement	3,475	275	3,750
The Society Kingdom Hall Fund	5,172	427	5,599
Distress Relief Fund	<u>212</u>	<u>(66)</u>	<u>146</u>
	9,180	1,015	10,195
	<u> </u>	<u> </u>	<u> </u>
Total funds	<u>36,078</u>	<u>7,191</u>	<u>43,269</u>

Watch Tower Bible and Tract Society of Britain

Notes to the financial statements - Continued

For the year ended 31st August 2007

18. 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
	£'000	£'000	£'000	£'000
Unrestricted funds				
General fund	23,957	(17,594)	(187)	6,176
Restricted funds				
Travelling Overseers Assistance Arrangement	516	(137)	-	379
Kingdom Hall Assistance Arrangement	408	(133)	-	275
The Society Kingdom Hall Fund	1,237	(810)	-	427
Distress Relief Fund	<u>25</u>	<u>(91)</u>	<u>-</u>	<u>(66)</u>
	2,186	(1,171)	-	1,015
	<u>26,143</u>	<u>(18,765)</u>	<u>(187)</u>	<u>7,191</u>

Travelling Overseers Assistance Arrangement

This fund was formerly named the Ministers car fund and was set up for the provision of motor vehicles for travelling ministers in the British field

Kingdom Hall Assistance Arrangement

The Kingdom Hall upkeep and assistance arrangement exists to give aid where losses and damages have been suffered by congregations of Jehovah's Witnesses or individuals

The Society Kingdom Hall Fund

The Society Kingdom Hall fund was set up to provide monies to assist with the purchase of places of worship

Distress Relief Fund

This fund exists for the purpose of giving support to areas experiencing distress or natural disaster

19. Contingent liabilities

Note 15 includes creditors of £742,000 (2006 £556,000) This represents 50% of the value of deposits made by individuals or congregations of Jehovah's Witnesses where they have reserved a right to have the monies returned to them if a crisis arises. The reason that the charity only provides for 50% to be repayable is because in reality a very low percentage of funds are requested back - in recent years an average of only 13% has been requested back. The trustees acknowledge that in theory, however, there is a contingent liability for the other 50% of conditional donations

20. Net cash inflow from operating activities

	31 08 07	31 08 06
	£000	£000
Net incoming resources and investment gains/(losses)	7,191	2,356
(Increase) in Stocks	(249)	(45)
Decrease in Debtors	894	249
Increase in Creditors	1,035	1,139
Depreciation	<u>823</u>	<u>873</u>
	<u>9,694</u>	<u>4,572</u>