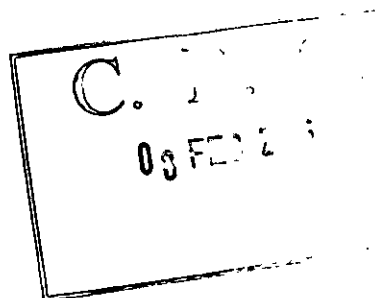


Registration Number 105861

**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Directors' Report and Financial Statements**

**for the year ended 31 August 2004**



**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Company Information**

<b>Directors</b>	Paul Casey Arthur Edward Matthews Peter George Andrews Kenneth McGuire Anthony Murphy Alwyn Smith
<b>Secretary</b>	Arthur Edward Matthews
<b>Company Number</b>	105861
<b>Registered Office</b>	Watchtower House Newcastle Greystones Co Wicklow
<b>Auditors</b>	Anne Brady DFK Iveagh Court Harcourt Road Dublin 2
<b>Business Address</b>	Watchtower House Newcastle Greystones Co Wicklow
<b>Solicitors</b>	Margetson & Green 35 Baggot Street Lower Dublin 2

**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

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**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Directors' Report**  
**for the year ended 31 August 2004**

Following is the annual report and statement of accounts presented by the directors' of the Society for the year ended 31 August 2004.

**Activities**

Good progress was seen during the year in the evangelising activities. A total of 4,897 shared in the public ministry. Of that number 468 were engaged in the full-time ministry with some 160 being involved as auxiliary full-time ministers. Seven circuit ministers visited the 114 congregations at least twice during the year to support and encouragement. Each of the seven circuits held a two-day circuit assembly and a one-day special assembly. In addition to the French congregation in Dublin there are now ten foreign language groups in Chinese, French, Portuguese, Romanian, Russian and Tagalog as well as an Irish Sign Language group. A Special Assembly Day in Chinese was also held in Belfast. As a result of these developments many congregation members are learning another language. To aid them in this undertaking three language instructors attended an accelerated learning course prepared by the Society. Another noteworthy feature of the public ministry was the increase in home Bible studies from 2,129 last year to 2,346 over the year. Distribution, without charge, of The Watchtower and Awake! magazines reached 1,263,950 and the distribution of Bibles, books and brochures amounted to 67,481.

**Financial Report**

Details of the Society's financial standing are set out in the Income and Expenditure Account and the Balance Sheet. Income during the year, derived from voluntary donations and earned interest, amounted to €526,578. Expenditure, including maintenance of property and general running expenses, was in the sum of €746,749. The main expenditure was €587,326 to cover reimbursements for 116 full-time volunteers, including missionaries and circuit ministers serving in conjunction with 124 congregations and groups. The cost of operating three district conventions was €52,774 but this was mainly offset by contributions at the conventions. Our reserves in the bank now stand at €264,885 and additionally, congregations are holding €649,206 in the form of repayable Kingdom Hall Loans.

**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Directors' Report**  
**for the year ended 31 August 2004**

**Review of Developments**

Once again we arranged three district conventions this year. They were held at the National Show Centre in Swords with a total attendance was 5,828 and 43 were baptised. In separate sections of the auditorium provision was made for the programme to be presented in French and in Irish Sign Language. The Regional Building Committee organised teams of experienced volunteers to assist congregations in remodeling and refurbishing their Kingdom Halls. In addition Kingdom Halls were built in Tralee, Ballyhaunig using the "quick-build" method. The Hospital Liaison Committees reported good cooperation in most hospitals in connection with bloodless surgery. Members of the Dublin Committee were invited to attend a conference of haemovigilance officers and surgeons held in Naas. In addition to many helpful discussions they also distributed a considerable number of the award-winning Transfusion Alternative Documentary Series on DVD. These were to be used mainly for training purposes and also to explore the medical, legal and ethical principles surrounding transfusion alternatives. Additionally many cartons of literature dealing with various aspects of bloodless surgery were distributed. Underlying all of this activity is the commission to preach the good news of God's Kingdom "in all the inhabited earth" and to "make disciples of people of all the nations" who would observe all that he commanded. - Matthews 24:14; 28:19; 20.

**Books of account**

The measures taken by the directors to ensure compliance with the requirements of section 202, Companies Act, 1990, regarding proper books of account include the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at Watchtower House, Newcastle, Greystones, Co. Wicklow.

**Directors Retiring**

In accordance with the Articles of Association, the directors are not required to retire by rotation.

**Subsequent Events**

There have been no circumstances or events subsequent to the year-end, which require adjustment to, or disclosure in the financial statements or in the notes thereto.

By order of the directors:



**Arthur Edward Matthews**  
**Secretary**

**Date :** 31 JAN 2005



**Peter George Andrews**  
**Chairman**

**Watchtower Bible & Tract Society of Ireland**  
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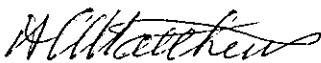
**Statement of Directors' Responsibilities**  
**for the year ended 31 August 2004**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that year. In preparing these the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2003. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



**Arthur Edward Matthews**  
**Director**



**Peter George Andrews**  
**Director**

**Date:** 31 JAN 2005

**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Independent Auditors' Report to the Shareholders of Watchtower Bible and Tract Society of Ireland**

We have audited the financial statements of Watchtower Bible and Tract Society of Ireland on pages 7 to 13 for the year ended 31 August 2004 which comprise the Income & Expenditure Account, Balance Sheet, Cash Flow and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's members, as a body in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and Irish Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards promulgated by the Auditing Practices Board in Ireland and the United Kingdom.

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 Companies Acts 1963 to 2003. We also report to you whether in our opinion: proper books of account have been kept by the company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet and its profit and loss account are in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law regarding directors' remuneration or directors' transactions is not given and, where practicable, include such information in our report.

**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Independent Auditors' Report to the Shareholders of Watchtower Bible and Tract Society of Ireland**

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 of the state of the company's affairs as at the 31 August 2004 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2003.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 1 - 2 is consistent with the financial statements.



**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Independent Auditors' Report to the Shareholders of Watchtower Bible and Tract Society of Ireland**

Section 40(1) of the Companies (Amendment) Act 1983 does not apply as the company is limited by guarantee.

*Anne Brady DFK*

**Anne Brady DFK**  
**Chartered Accountants and**  
**Registered Auditors**  
**Iveagh Court**  
**Harcourt Road**  
**Dublin 2**

**Date:** 31-1-05

**Watchtower Bible & Tract Society of Ireland**  
(being a company limited by guarantee and not having a share capital)

**Income and Expenditure Account  
for the year ended 31 August 2004**

	Notes	Continuing operations	
		2004 €	2003 €
Donations		524,859	567,164
Interest receivable and similar income	3	1,719	2,447
<b>Total Income</b>		526,578	569,611
Administrative expenses	4	(746,749)	(798,894)
<b>Excess of expenditure over income</b>		(220,171)	(229,283)
Retained surplus brought forward		3,504,596	3,733,879
Retained surplus carried forward		3,284,425	3,504,596

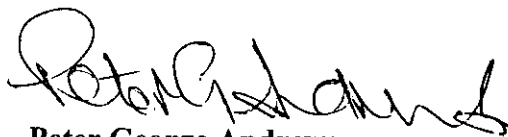
There are no recognised gains or losses other than the excess of income over expenditure for the above two financial periods.

The notes on pages 10 to 13 form part of these financial statements.

The financial statements were approved by the board on 31.01.05 and signed on its behalf by:



**Arthur Edward Matthews**  
Director



**Peter George Andrews**  
Director


**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*


**Balance Sheet**  
**as at 31 August 2004**

		2004		2003	
Notes	€	€	€	€	€
<b>Fixed Assets</b>					
Tangible assets	7		3,351,494		3,330,103
<b>Current Assets</b>					
Kingdom Hall Loans	8		649,206		575,988
Cash at bank and in hand			264,885		212,850
			914,091		788,838
<b>Creditors: amounts falling due within one year</b>	9		(981,160)		(614,345)
<b>Net Current (Liabilities)/Assets</b>			(67,069)		174,493
<b>Net Assets</b>			3,284,425		3,504,596
<b>Represented by :</b>					
Income and expenditure account			3,284,425		3,504,596
			3,284,425		3,504,596

The notes on pages 10 to 13 form part of these financial statements.

The financial statements were approved by the board on 31.01.05 and signed on its behalf by

  
**Arthur Edward Matthews**  
**Director**

  
**Peter George Andrews**  
**Director**

**Watchtower Bible & Tract Society of Ireland**  
*(being a company limited by guarantee and not having a share capital)*

**Cash Flow Statement**  
**for the year ended 31 August 2004**

	<b>Notes</b>	<b>2004</b>	<b>2003</b>
		<b>€</b>	<b>€</b>
<b>Reconciliation of operating deficit to net cash inflow from operating activities</b>			
Operating deficit		(221,890)	(231,730)
Depreciation		18,886	18,258
(Increase) / decrease in debtors		(73,218)	31,561
Increase in creditors		366,815	236,837
<b>Net cash inflow from operating activities</b>		<u>90,593</u>	<u>54,926</u>

**Cash Flow Statement**

Net cash inflow from operating activities	90,593	54,926
Returns on investments and servicing of finance	1,719	2,447
Taxation	-	-
Capital expenditure	(40,277)	(16,471)
<b>Decrease in cash in the year</b>	<u>(52,035)</u>	<u>(39,288)</u>

**Reconciliation of net cash flow to movement in net funds (Note 10)**

<b>Decrease in cash in the year</b>	52,035	39,288
<b>Net funds at 1 September 2003</b>	<u>212,850</u>	<u>173,562</u>
<b>Net funds at 31 August 2004</b>	<u>264,885</u>	<u>212,850</u>

## Watchtower Bible and Tract Society of Ireland

### Notes to the Financial Statements for the year ended 31 August 2004

#### 1. Accounting Policies

##### 1.1 Accounting convention

The financial statements are prepared in accordance with generally accepted accounting principles under the cost convention, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

##### 1.2. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Nil
Old Office Equipment	-	25% Straight Line
New Equipment	-	20% Straight Line
Motor Vehicles	-	20% Straight Line
New Computers	-	33% Straight Line
Telephone System	-	20% Straight Line

##### 1.3. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies have been converted into Euro at the average rate for the year. All differences are taken to the Income and Expenditure account.

#### 2. Continuing operations

The income and expenditure account has been prepared on the basis that the society has only continuing operations in accordance with the Companies (Amendment) Acts, 1983 and 1986.

#### 3. Interest receivable and similar income

	2004	2003
	€	€
Bank Interest	<u>1,719</u>	<u>2,447</u>

**Watchtower Bible and Tract Society of Ireland**

**Notes to the Financial Statements  
for the year ended 31 August 2004**

..... continued

<b>4. Operating deficit</b>	<b>2004</b>	<b>2003</b>
	<b>€</b>	<b>€</b>
Operating deficit is stated after charging:		
Depreciation of tangible assets	18,886	16,644
Loss on foreign currencies	1,036	10,548
Auditors' remuneration	5,207	5,050
	<u>          </u>	<u>          </u>
and after crediting:		
Profit / (loss) on disposal of tangible fixed assets	4,423	(1,614)
	<u>          </u>	<u>          </u>

**5. Employees & Directors' emoluments**

The company has no employees. The directors are not remunerated.

**6. Taxation**

The company is exempt from Corporation Tax because of having a charitable status.

**Watchtower Bible and Tract Society of Ireland**

**Notes to the Financial Statements  
for the year ended 31 August 2004**

..... continued

<b>7. Tangible assets</b>	<b>Land and buildings freehold €</b>	<b>Office furniture equipment €</b>	<b>Motor vehicles €</b>	<b>Total €</b>
<b>Cost</b>				
At 1 September 2003	3,301,319	53,933	65,011	3,420,263
Additions	-	40,277	-	40,277
Disposals	-	-	(32,200)	(32,200)
At 31 August 2004	<u>3,301,319</u>	<u>94,210</u>	<u>32,811</u>	<u>3,428,340</u>
<b>Depreciation</b>				
At 1 September 2003	-	37,288	52,872	90,160
On disposals	-	-	(32,200)	(32,200)
Charge for the year	-	14,101	4,785	18,886
At 31 August 2004	<u>-</u>	<u>51,389</u>	<u>25,457</u>	<u>76,846</u>
<b>Net book value</b>				
At 31 August 2004	<u>3,301,319</u>	<u>42,821</u>	<u>7,354</u>	<u>3,351,494</u>
At 31 August 2003	<u>3,301,319</u>	<u>16,645</u>	<u>12,139</u>	<u>3,330,103</u>

<b>8. Debtors</b>	<b>2004 €</b>	<b>2003 €</b>
Kingdom Hall Loans - ROI	641,562	516,465
Kingdom Hall Loans - NI	7,644	59,523
	<u>649,206</u>	<u>575,988</u>

**Watchtower Bible and Tract Society of Ireland**

**Notes to the Financial Statements  
for the year ended 31 August 2004**


..... continued


<b>9. Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>€</b>	<b>€</b>
Accrued Expenses	5,200	9,754
Circuit Fund	5,497	5,497
K.H Insurance Fund	184,937	162,628
K.H Reserve Fund	46,050	31,435
K.H Assistance Fund	644	-
Relief Fund	41,986	32,027
Eastern European Fund	102,890	64,570
Missionary Fund	13,240	12,973
Conditional Loan ROI	167,393	167,393
Conditional Loan NI	413,323	128,068
	<u>981,160</u>	<u>614,345</u>

<b>10. Analysis of changes in net funds</b>	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank and in hand	212,850	52,035	264,885
Net funds	<u>212,850</u>	<u>52,035</u>	<u>264,885</u>

**11. Approval of financial statements**

The financial statements were approved by the board on *31.01.05* and signed on its behalf by :

  
**Arthur Edward Matthews**  
Director

  
**Peter George Andrews**  
Director