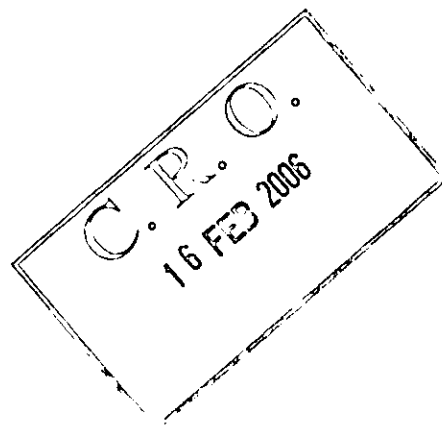


Registration number 105861

Watch Tower Bible and Tract Society of Ireland

Directors' Report and Financial Statements

for the year ended 31/08/05



Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

Company information

Directors	Arthur Edward Matthews Peter George Andrews Paul Casey Kenneth McGuire Anthony Murphy Alwyn Smith
Secretary	Arthur Edward Matthews
Company number	105861
Registered office	Watchtower House Newcastle Greystones County Wicklow
Auditors	Maxwell and Company 117 Baggot Court Dublin 2
Business address	Watchtower House Newcastle Greystones County Wicklow
Bankers	Ulster Bank 86 Main Street Bray County Wicklow Ulster Bank 86 Hill Street Newry County Down BT34 1BT
Solicitors	Margetson & Green 35 Baggot Street Lower Dublin 2

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

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Watch Tower Bible and Tract Society of Ireland

Directors' report for the year ended 31/08/05

Following is the annual report and statement of accounts presented by the directors of the Society for the year ended 31 August 2005.

Activities

Good progress was seen during the past year in our evangelising activities. A total of 5,096 shared in the public ministry. Of that number 785 were engaged in some aspect of the full-time ministry. Seven circuit ministers visited the 114 congregations and 12 groups at least twice during the year to give support and encouragement. During the year each of the seven circuits held a two-day circuit assembly and a one-day special assembly. A Special Assembly Day in Chinese was also held in the Belmont Kingdom Hall in Belfast. The number of foreign language groups has continued to grow. In particular there has been an influx of Witnesses from Poland and provision is being made for them to hold meetings in their own language. Many congregation members are attending accelerated learning courses in Chinese, Romanian and Russian. Considerable interest is also being shown in learning Portuguese, Tagalog, and French as well as the Irish Sign Language. A noteworthy feature of the public ministry was the distribution, without charge, of 1,226,044 copies of *The Watchtower* and *Awake!* Likewise 115,831 Bibles, books and brochures were distributed. On the average 2,295 home Bible studies were conducted each month.

Financial Report

Details of the Society's financial standing are shown in the Income and Expenditure Account and Balance Sheet. Income for the year, derived from voluntary donations and earned interest, amounted to €1,043,336. Expenditure, including maintenance of property and general running expenses, was in the sum of €824,029. The main expenditure was €654,503 to cover reimbursements for 95 full-time volunteers, including missionaries and circuit ministers, serving in conjunction with 126 congregations and groups. The cost of operating three district conventions was €57,784 but this was mainly offset by contributions at the conventions. Our current assets stand at €1,142,027 and our current liabilities amount to €996,317

Review of Developments

Once again we arranged three district conventions this year. They were held in the National Show Centre in Swords with a total attendance of 5,862 and 30 baptised. In separate sections of the auditorium provision was made for the programme to be presented in French and in the Irish Sign Language. The Regional Building Committee organised teams of experienced volunteers to assist nine congregations in remodelling or refurbishing their Kingdom Halls. In addition Kingdom Halls were built in Tralee and Wexford. The Hospital Liaison Committees reported good cooperation in most hospitals in connection with bloodless surgery. Members of the Cork and Waterford Committees were invited to attend a conference of haemovigilance officers and surgeons held in Cork. 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 then observe all that he commanded. – Matthew 24:14; 28:19, 20.

Books of Account

Books of account are maintained and kept at the Society's office at Watch Tower House, Newcastle, Greystones, County Wicklow. Measures taken by the directors to ensure compliance with section 202, Companies Act, 1990 have continued in effect

Watch Tower Bible and Tract Society of Ireland

Directors' report for the year ended 31/08/05

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.

Accounting records

The Directors acknowledge their responsibility under Section 202 of the Companies Act 1990 to keep proper books and records for the company. To this end, we employ a full-time book-keeper. Our books and records are kept at our registered office.

Directors' responsibilities

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 profit or loss 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.

Auditors

Anne Brady DFK resigned as auditors during the year and the directors appointed Maxwell and Company to fill the vacancy.

This report was approved by the Board on 02/02/06 and signed on its behalf by



Arthur Edward Matthews
Director



Peter George Andrews
Director

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

Independent auditors' report to the members of Watch Tower Bible and Tract Society of Ireland

We have audited the financial statements of Watch Tower Bible and Tract Society of Ireland for the year ended 31/08/05 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Irish Accounting Standards.

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 income and expenditure account are in agreement with the books of account and returns.

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

We read the directors' report 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 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.

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

Independent auditors' report to the members of Watch Tower Bible and Tract Society of Ireland
continued

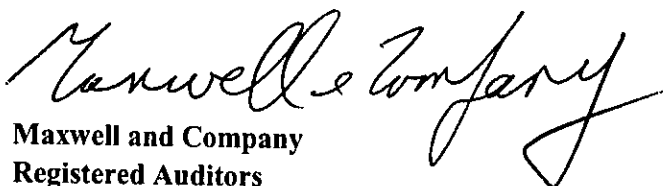
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31/08/05 and of its surplus and cash flows 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 that 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 is consistent with the financial statements.

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



Maxwell and Company
Registered Auditors
02/02/06

117 Baggot Court
Dublin 2


Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)


**Income and Expenditure account
for the year ended 31/08/05**

	Notes	Continuing operations	
		2005	2004
		€	€
Donations	2	1,043,366	524,859
Administrative expenses		(824,029)	(746,749)
Operating surplus/(deficit)	3	<u>219,337</u>	<u>(221,890)</u>
Other interest receivable and similar income		1,524	1,719
Surplus/(deficit) on ordinary activities		<u>220,861</u>	<u>(220,171)</u>
Retained surplus/(deficit) for the year		<u>220,861</u>	<u>(220,171)</u>
Retained surplus brought forward		3,284,425	3,504,596
Retained surplus carried forward		<u><u>3,505,286</u></u>	<u><u>3,284,425</u></u>

There are no recognised gains or losses other than the surplus/(deficit) for the above two financial years.

On behalf of the board


Arthur Edward Matthews
Director


Peter George Andrews
Director

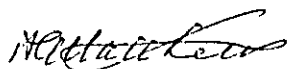
The notes on pages 8 to 11 form an integral part of these financial statements.

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)


Balance sheet
as at 31/08/05

		2005		2004	
Notes	€	€	€	€	€
Fixed assets					
Tangible assets	5		3,359,576		3,351,494
Current assets					
Debtors	6	817,436		649,206	
Cash at bank and in hand		324,591		264,885	
		1,142,027		914,091	
Creditors: amounts falling due within one year	7	(996,317)		(981,160)	
Net current assets/(liabilities)			145,710		(67,069)
Net assets			3,505,286		3,284,425
Capital and reserves					
Income and expenditure account			3,505,286		3,284,425
Income and expenditure account	8		3,505,286		3,284,425

On behalf of the board



Arthur Edward Matthews
Director



Peter George Andrews
Director

The notes on pages 8 to 11 form an integral part of these financial statements.

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

**Cash flow statement
for the year ended 31/08/05**

	Notes	2005 €	2004 €
Reconciliation of operating surplus/(deficit) to net cash inflow from operating activities			
Operating surplus/(deficit)		219,337	(221,890)
Depreciation		35,072	14,463
(Increase) in debtors		(168,230)	(73,218)
Increase in creditors		695	366,815
Net cash inflow from operating activities		<u>86,874</u>	<u>86,170</u>
Cash flow statement			
Net cash inflow from operating activities		86,874	86,170
Returns on investments and servicing of finance	9	1,524	1,719
Capital expenditure	9	(43,154)	(35,854)
Increase in cash in the year		<u>45,244</u>	<u>52,035</u>
Reconciliation of net cash flow to movement in net funds (Note 10)			
Increase in cash in the year		45,244	52,035
Net funds at 01/09/04		264,885	212,850
Net funds at 31/08/05		<u>310,129</u>	<u>264,885</u>

Watch Tower Bible and Tract Society of Ireland

Notes to the financial statements
for the year ended 31/08/05

..... continued

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Donations

Donations represent the total amount of monies received during the year.

1.3. 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:

Computer Equipment	-	33% Straight Line
Fixtures, fittings and equipment	-	20% Straight Line
Motor vehicles	-	20% Straight Line

1.4. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Income & Expenditure account.

2. Donations

The total amount of donations received for the year has been derived from its principal activity wholly undertaken in Ireland.

3. Operating surplus/(deficit)

Operating surplus/(deficit) is stated after charging:

	2005	2004
	€	€
Depreciation and other amounts written off tangible assets	34,326	18,886
Loss on disposal of tangible fixed assets	746	(4,423)
Loss on foreign currencies	2,642	1,036
Auditors' remuneration	5,445	5,207

4. Interest receivable and similar income

Other interest

	2005	2004
	€	€
	1,524	1,719

Watch Tower Bible and Tract Society of Ireland

**Notes to the financial statements
for the year ended 31/08/05**

5. Tangible fixed assets	Land and buildings freehold	Fixtures, fittings and equipment	Motor vehicles	Total
	€	€	€	€
Cost				
At 01/09/04	3,301,319	94,210	32,811	3,428,340
Additions	-	24,304	19,000	43,304
Disposals	-	-	(6,221)	(6,221)
At 31/08/05	<u>3,301,319</u>	<u>118,514</u>	<u>45,590</u>	<u>3,465,423</u>
Depreciation				
At 01/09/04	-	51,389	25,457	76,846
On disposals	-	-	(5,325)	(5,325)
Charge for the year	-	25,208	9,118	34,326
At 31/08/05	<u>-</u>	<u>76,597</u>	<u>29,250</u>	<u>105,847</u>
Net book values				
At 31/08/05	<u>3,301,319</u>	<u>41,917</u>	<u>16,340</u>	<u>3,359,576</u>
At 31/08/04	<u>3,301,319</u>	<u>42,821</u>	<u>7,354</u>	<u>3,351,494</u>

6. Debtors	2005	2004
	€	€
Other debtors	817,436	649,206
	<u>817,436</u>	<u>649,206</u>
7. Creditors: amounts falling due within one year	2005	2004
	€	€
Bank overdraft	14,462	-
Trade creditors	-	5,200
Accruals and deferred income	981,855	975,960
	<u>996,317</u>	<u>981,160</u>

Watch Tower Bible and Tract Society of Ireland

**Notes to the financial statements
for the year ended 31/08/05**

..... continued

8. Reconciliation of movements in income and expenditure account		2005	2004
		€	€
Surplus/(deficit) for the year		220,861	(220,171)
Opening surplus funds		3,284,425	3,504,596
Closing surplus funds		<u>3,505,286</u>	<u>3,284,425</u>
9. Gross cash flows		2005	2004
		€	€
Returns on investments and servicing of finance			
Interest received		1,524	1,719
Capital expenditure			
Payments to acquire tangible assets		(43,304)	(40,277)
Receipts from sales of tangible assets		150	4,423
		<u>(43,154)</u>	<u>(35,854)</u>
10. Analysis of changes in net funds			
	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	264,885	59,706	324,591
Overdrafts	-	(14,462)	(14,462)
	<u>264,885</u>	<u>45,244</u>	<u>310,129</u>
Net funds	<u>264,885</u>	<u>45,244</u>	<u>310,129</u>

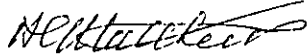
Watch Tower Bible and Tract Society of Ireland

**Notes to the financial statements
for the year ended 31/08/05**

..... continued

11. Approval of financial statements

The financial statements were approved by the Board on 2 February 2006 and signed on its behalf by



**Arthur Edward Matthews
Director**



**Peter George Andrews
Director**

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

The following pages do not form part of the statutory accounts.

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

**Detailed Income & Expenditure account
for the year ended 31/08/05**

	2005		2004	
	€	€	€	€
Income				
Donations		1,043,366		524,859
		1,043,366		524,859
Administrative expenses	824,029		746,749	
		(824,029)		(746,749)
Operating surplus/(deficit)	21%	219,337	42%	(221,890)
Other income and expenses				
Interest receivable				
Other interest	1,524		1,719	
		1,524		1,719
Net surplus/(deficit) for the year		220,861		(220,171)

Watch Tower Bible and Tract Society of Ireland
(being a company limited by guarantee and not having a share capital)

**Administrative expenses
for the year ended 31/08/05**

	2005	2004
	€	€
Administrative expenses		
Insurance	7,039	-
Light and heat	37,787	24,893
Costs of maintaining branch	126	34,901
Printing, postage and stationery	5,250	5,828
Telephone	4,701	3,951
Motor, travel & subsistence	9,362	12,314
Field activities	654,503	587,326
Conventions	57,784	52,774
Carriage	2,008	3,723
Legal and professional	1,500	-
Audit	5,445	5,207
Bank charges	336	319
Profit/loss on exchange	2,642	1,036
General expenses	474	14
Depreciation on FF & Equipment	25,208	14,101
Depreciation on motor vehicles	9,118	4,785
Profits/losses on disp of tangibles	746	(4,423)
	<u>824,029</u>	<u>746,749</u>