

REGISTERED COMPANY NUMBER: 105861 (Ireland)
REGISTERED CHARITY NUMBER: CHY 6283



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Report of the Trustees and
Financial Statements For The Year Ended 31st August 2011
for

Watch Tower Bible and Tract
Society of Ireland

**Watch Tower Bible and Tract
Society of Ireland**

**Contents of the Financial Statements
for the Year Ended 31st August 2011**

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**Watch Tower Bible and Tract
Society of Ireland**

**Report of the Trustees
for the Year Ended 31st August 2011**

The trustees present their report with the financial statements of the charity for the year ended 31st August 2011.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
105861 (Ireland)

Registered Charity number
CHY 6283

Registered office

From January 1, 2011
Churchtown Cottage
Churchtown Road Upper
Dundrum
Dublin 14

Until December 31, 2010
Watchtower House
Newcastle
Greystones
Co Wicklow

Trustees

P Casey	- appointed 13.1.11
A E Matthews	
R D McCaslin	- resigned 13.1.11
A Murphy	- appointed 13.1.11
B O'Farrell	- appointed 13.1.11
M M O'Malley	
S Papps	- appointed 13.1.11
E G Watt	

Company Secretary

E G Watt	- appointed 1.12.10
A E Matthews	- resigned 1.12.10

Auditors

Calcutt Matthews Ltd
Chartered Accountants and Statutory Auditor
19 North Street
Ashford
Kent
TN24 8LF

Solicitors

Ferrys Solicitors
Inn Chambers
15 Upper Ormond Quay
Dublin 7

Bankers

Ulster Bank
63-64 Main Street
Bray
Co Wicklow

Ulster Bank
86 Hill Street
Newry
Co Down
BT34 1BT

**Watch Tower Bible and Tract
Society of Ireland**

**Report of the Trustees
for the Year Ended 31st August 2011**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Society, a company limited by guarantee and not having share capital, is governed by its Memorandum and Articles of Association which were adopted on September 26th, 1984. The Society was incorporated on February 19th, 1985.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

DIRECTORS

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

OBJECTIVES AND ACTIVITIES

The 115 congregations in Ireland have continued their charitable Bible educational activity during the past year. On average, 5,817 congregation members, who included 682 in full-time service, shared each month in this activity. They distributed without charge the following: 26,326 Bibles and books, 67,158 brochures, and 1,158,050 copies of The Watchtower and Awake! magazines. They also conducted on average 3,122 home Bible studies with interested persons. Besides those meetings conducted in English, there are congregations that conduct meetings and ministry activities in French, Polish, Romanian and Russian. Some congregations sponsor groups that conduct meetings and ministry activities in Chinese (Mandarin), Irish Sign Language and Portuguese. A number of assemblies and district convention sessions were also held in these languages during the course of the year.

FINANCIAL REVIEW

Income in the year derived from voluntary donations, grants and investments totalled €931,685. Total expenses amounted to €1,087,410. This includes €785,371 in allowances for 143 full-time ministers, and €56,855 for two conventions.

BOOKS OF ACCOUNTS

The books of accounts are held outside the State at IBSA House, The Ridgeway, London, NW7 1RN. As required by section 147(4) of the Companies Act 1963, information is held at the registered office that enables the directors to ascertain the present financial position of the company. The centre of control is within the State where the majority of the directors are resident.

SUBSEQUENT EVENTS


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

AUDITORS

The auditors, Calcutt Matthews Ltd, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

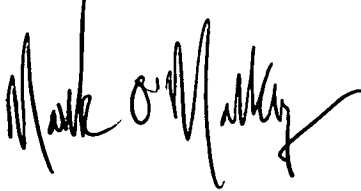
Calcutt Matthews were appointed as Auditors for this the year ending August 31st, 2011. The previous auditors Anthony Ryan & Son resigned from the position.

ON BEHALF OF THE BOARD:


.....
Trustee

Stephen Papps

Date: 13/3/12



Mark O'Malley

**Report of the Independent Auditors to the Trustees 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 31st August 2011 which comprise the statement of financial activity, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland.)

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 Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with the Companies Act 1963 to 2009. 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 Trustees' 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 financial statements are in agreement with the books of account.

We report to you if, in our opinion, any information specified by law regarding trustees' remuneration and trustees' transactions is not disclosed, and, where practicable, include such information in our report. We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 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.

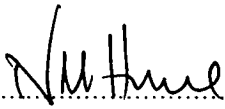
Opinion on financial statements

In our opinion the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31st August 2011 and of its deficit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2009 and Charities Act 2009.

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 Trustees' Report is consistent with the financial statements.

**Report of the Independent Auditors to the Trustees of
Watch Tower Bible and Tract
Society of Ireland**

Signed: 

N M Hume
Senior Statutory Auditor
For and on behalf of Calcutt Matthews Ltd
Chartered Accountants and Statutory Auditors
19 North Street
Ashford
Kent
TN24 8LF

Date: *13 March 2012*

**Watch Tower Bible and Tract
Society of Ireland**

**Statement of Financial Activities
for the Year Ended 31st August 2011**

	Notes	Unrestricted funds €	Restricted funds €	2011 Total funds €	2010 Total funds as restated €
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	862,082	64,896	926,978	796,763
Investment income	3	4,143	-	4,143	57,230
Other incoming resources		<u>-</u>	<u>564</u>	<u>564</u>	<u>-</u>
Total incoming resources		866,225	65,460	931,685	853,993
RESOURCES EXPENDED					
Charitable activities					
Promoting Christian missionary work	4	1,009,130	-	1,009,130	1,165,898
Provision of conventions for Bible education		56,855	-	56,855	42,816
Making donations to further religious education overseas		-	-	-	767,886
Governance costs	6	<u>21,425</u>	<u>-</u>	<u>21,425</u>	<u>28,994</u>
Total resources expended		1,087,410	-	1,087,410	2,005,594
NET INCOMING/(OUTGOING) RESOURCES					
		(221,185)	65,460	(155,725)	(1,151,601)
Other recognised gains					
Gains on investment assets		<u>669,904</u>	<u>-</u>	<u>669,904</u>	<u>-</u>
Net movement in funds		448,719	65,460	514,179	(1,151,601)
RECONCILIATION OF FUNDS					
As previously reported		1,608,405	-	1,608,405	3,018,019
Prior year adjustment	9	<u>(129,111)</u>	<u>2,461,772</u>	<u>2,332,661</u>	<u>2,074,648</u>
As Restated		<u>1,479,294</u>	<u>2,461,772</u>	<u>3,941,066</u>	<u>5,092,667</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,928,013</u>	<u>2,527,232</u>	<u>4,455,245</u>	<u>3,941,066</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

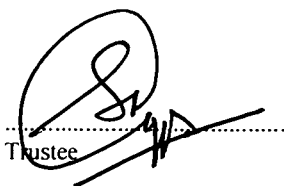
The notes form part of these financial statements

**Watch Tower Bible and Tract
Society of Ireland**

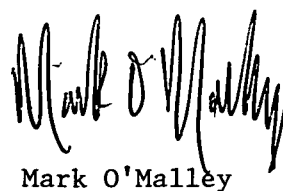
**Balance Sheet
At 31st August 2011**

	Notes	Unrestricted funds €	Restricted funds €	2011 Total funds €	2010 Total funds as restated €
FIXED ASSETS					
Tangible assets	10	-	-	-	3,831,496
Programme related investments	11	-	<u>1,221,306</u>	<u>1,221,306</u>	<u>1,328,747</u>
		-	1,221,306	1,221,306	5,160,243
CURRENT ASSETS					
Debtors: amounts falling due within one year	12	2,182	-	2,182	-
Investments	13	4,500,000	-	4,500,000	-
Cash at bank and in hand		<u>(1,189,586)</u>	<u>1,305,926</u>	<u>116,340</u>	<u>231,602</u>
		3,312,596	1,305,926	4,618,522	231,602
CREDITORS					
Amounts falling due within one year	14	(269,004)	-	(269,004)	(252,955)
NET CURRENT ASSETS/(LIABILITIES)		<u>3,043,592</u>	<u>1,305,926</u>	<u>4,349,518</u>	<u>(21,353)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,043,592	2,527,232	5,570,824	5,138,890
PROVISIONS FOR LIABILITIES	16	(1,115,579)	-	(1,115,579)	(1,197,824)
NET ASSETS		<u>1,928,013</u>	<u>2,527,232</u>	<u>4,455,245</u>	<u>3,941,066</u>
FUNDS					
17					
Unrestricted funds:					
General fund				1,258,109	1,479,294
Revaluation Reserve				<u>669,904</u>	-
Restricted funds				<u>1,928,013</u>	<u>1,479,294</u>
				<u>2,527,232</u>	<u>2,461,772</u>
TOTAL FUNDS				<u>4,455,245</u>	<u>3,941,066</u>

The financial statements were approved by the Board of Trustees on 13/3/12 and were signed on its behalf by:


Trustee

Stephen Papps


Mark O'Malley

The notes form part of these financial statements

**Watch Tower Bible and Tract
Society of Ireland**

**Cash Flow Statement
for the Year Ended 31st August 2011**

		2011	2010 as restated
	Notes	€	€
Net cash outflow from operating activities	19	(235,560)	(1,122,598)
Returns on investments and servicing of finance	20	732	57,230
Capital expenditure and financial investment	20	108,881	(649,006)
		<u>(125,947)</u>	<u>(1,714,374)</u>
Financing	20	10,685	23,085
		<u>(115,262)</u>	<u>(1,691,289)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	21		
Decrease in cash in the period		(115,262)	(1,691,289)
Cash inflow/(outflow) from increase/(decrease) in debt and lease financing		<u>(106,400)</u>	<u>(23,085)</u>
Change in net debt resulting from cash flows		<u>(221,662)</u>	<u>(1,714,374)</u>
Movement in net debt in the period		(221,662)	(1,714,374)
Net debt at 1st September		<u>208,517</u>	<u>1,922,891</u>
Net debt at 31st August		<u>(13,145)</u>	<u>208,517</u>

The notes form part of these financial statements

**Watch Tower Bible and Tract
Society of Ireland**

**Notes to the Financial Statements
for the Year Ended 31st August 2011**

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 1963 to 2009 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 and other similar charities. Donations in the form of assets are included at the market value on the date of the gift.

Legacies

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

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. The trustees are of the opinion that support costs are best allocated to the cost of promoting Christian missionary work.

Governance costs

Governance costs comprise external audit fees and other fees from consultants. All other administrative costs are re-charged.

Tangible fixed assets

Fixed assets are valued at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Land	-	Not depreciated
Buildings	-	2% on cost
Motor vehicles	-	20% on cost
Fixtures and fittings	-	20%/33% on cost

Impairment reviews are carried out on individual assets when there is some indication that the recoverable amount of a fixed asset is below its net book value.

Taxation

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

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. Where a restricted fund has fulfilled its purpose and excess funds remain, the balance will be transferred into unrestricted funds, provided that this was understood by the donors at the time of their donation.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Watch Tower Bible and Tract
Society of Ireland**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

1. ACCOUNTING POLICIES - continued

Deposits

The Society has an arrangement whereby individuals or congregations of Jehovah's Witnesses can deposit funds so that the Society can benefit, on the understanding that these funds can be requested back whenever the depositor wishes. Experience shows that only a small percentage of deposits (approximately 10%) will be called upon in any one year. However, as the amount held by the Society is relatively small, these have all been shown as short term creditors.

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 is returned, but prudently the charity provides for fifty percent.

Connected charities

Transactions are on an arms length and accruals basis. Most other countries have an administrative office of Jehovah's Witnesses.

Grants payable

Grants payable to other institutions are recognised at the point when their payment has been approved by the trustees.

Other recognised gains and losses

These comprise unrealised and realised gains and losses on investments. Unrealised gains and losses represent the difference between the market value brought forward (or cost, for assets bought within this financial year) and the market value at the balance sheet date. Realised gains and losses represent the difference between sales proceeds and market value brought forward (or cost, for assets bought within this financial year.)

2. VOLUNTARY INCOME

	2011	2010 as restated
	€	€
Grants	262,810	-
Donated services and facilities	992	-
Donations	<u>663,176</u>	<u>796,763</u>
	<u>926,978</u>	<u>796,763</u>

3. INVESTMENT INCOME

	2011	2010 as restated
	€	€
Rents received	3,411	-
Deposit account interest	<u>732</u>	<u>57,230</u>
	<u>4,143</u>	<u>57,230</u>

**Watch Tower Bible and Tract
Society of Ireland**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

4. CHARITABLE ACTIVITIES COSTS

	Direct costs €	Support costs (See note 5) €	Totals €
Promoting Christian missionary work	853,134	155,996	1,009,130
Provision of conventions for Bible education	<u>56,855</u>	<u>-</u>	<u>56,855</u>
	<u>909,989</u>	<u>155,996</u>	<u>1,065,985</u>

5. SUPPORT COSTS

	Management €	Other €	Totals €
Promoting Christian missionary work	<u>142,410</u>	<u>13,586</u>	<u>155,996</u>

6. GOVERNANCE COSTS

	2011 €	2010 as restated €
Legal fees	9,560	21,129
Auditors' remuneration	<u>11,865</u>	<u>7,865</u>
	<u>21,425</u>	<u>28,994</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2011 €	2010 as restated €
Auditors' remuneration	11,865	7,865
Depreciation - owned assets	-	104,735
Surplus on disposal of fixed asset	<u>(41)</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2011 nor for the year ended 31st August 2010.

The trustees confirm that they have not been involved with any transactions of the charity.

The trustees of the Society receive no payments or reimbursements in their capacity as trustees.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st August 2011 nor for the year ended 31st August 2010.

**Watch Tower Bible and Tract
Society of Ireland**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

9. PRIOR YEAR ADJUSTMENT

Provisions for liabilities and charges

The full balance received under the conditional donation arrangement was previously shown as a short term creditor. As historic performance has shown that so few conditional donations are ever requested back, it is considered by the trustees that it is appropriate to recognise them as income. A provision for repayment of conditional donations has been made, equivalent to 50% of the balance of conditional donations. This has increased the unrestricted funds brought forward by €1,197,824.

Programme related investments

Loans to congregations and individuals made for the purpose of furthering the charity's objectives have been reclassified from short- term debtors to programme related investments. This is in accordance with the SORP, paragraph 308.

Fund accounting

In previous years, restricted funds have been shown as a creditor rather than as part of the funds of the charity. This has now been corrected. This has increased the funds of the charity brought forward by €2,461,772.

10. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Motor vehicles	Totals
	€	€	€	€
COST				
At 1st September 2010	3,845,764	241,782	36,000	4,123,546
Disposals	-	(51,388)	-	(51,388)
Reclassification	<u>(3,845,764)</u>	<u>(190,394)</u>	-	<u>(4,036,158)</u>
At 31st August 2011	<u>-</u>	<u>-</u>	<u>36,000</u>	<u>36,000</u>
DEPRECIATION				
At 1st September 2010	74,477	181,573	36,000	292,050
Eliminated on disposal	-	(49,989)	-	(49,989)
Reclassification/transfer	<u>(74,477)</u>	<u>(131,584)</u>	-	<u>(206,061)</u>
At 31st August 2011	<u>-</u>	<u>-</u>	<u>36,000</u>	<u>36,000</u>
NET BOOK VALUE				
At 31st August 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st August 2010	<u>3,771,287</u>	<u>60,209</u>	<u>-</u>	<u>3,831,496</u>

The land and buildings owned by the charity are no longer being used to further the charity's objectives, and are in the process of being disposed of. They have therefore been classed as current assets. They have been valued by the estate agents for the sale at €4,500,000.

**Watch Tower Bible and Tract
Society of Ireland**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

11. PROGRAMME RELATED INVESTMENTS

	Loans €	Totals €
MARKET VALUE		
At 1st September 2010	1,328,747	1,328,747
Additions	100,178	100,178
Disposals	<u>(207,619)</u>	<u>(207,619)</u>
At 31st August 2011	<u>1,221,306</u>	<u>1,221,306</u>
 NET BOOK VALUE		
At 31st August 2011	<u>1,221,306</u>	<u>1,221,306</u>
At 31st August 2010	<u>1,328,747</u>	<u>1,328,747</u>

Congregation loans

These investments comprise funds loaned to congregations of Jehovah's Witnesses in Ireland for the purpose of purchasing, constructing or renovating buildings as places of worship. The ability of the congregation to repay such monies is assessed prior to the funds being extended. All such loans are on an interest free basis. These loans enable the Society to further its aims of promoting religious education and worship.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 €	2010 as restated €
Other debtors	<u>2,182</u>	<u>-</u>

13. CURRENT ASSET INVESTMENTS

	2011 €	2010 as restated €
Property in course of disposal	<u>4,500,000</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 €	2010 as restated €
Other loans (see note 15)	129,485	23,085
Other creditors	135,519	177,487
Accrued expenses	<u>4,000</u>	<u>52,383</u>
	<u>269,004</u>	<u>252,955</u>

**Watch Tower Bible and Tract
Society of Ireland**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

15. LOANS

An analysis of the maturity of loans is given below:

	2011	2010 as restated
	€	€
Amounts falling due within one year on demand:		
Deposits	<u>129,485</u>	<u>23,085</u>

16. PROVISIONS FOR LIABILITIES

	2011	2010 as restated
	€	€
Conditional donations	<u>1,115,579</u>	<u>1,197,824</u>

	€
Provision at 1 September 2010	1,197,824
Provision released on conditional donations converted into deposits	(48,253)
Provision released on conditional donations converted into donations	(27,673)
Provision released on conditional donations repaid	(5,000)
Provision adjustment for foreign currency movements	<u>(1,319)</u>

Provision at 31 August 2011	<u>1,115,579</u>
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Conditional donations are donations made by individuals on the understanding that they may be recalled should the donor require such funds in the future. The donor retains an option over their donation until they die or write to convert it into an outright donation. While it is considered probable that some of these conditional donations will need to be repaid, it is unknown when this liability will crystallise or how large it will be. The trustees have therefore prudently made a provision for 50% of the balance of conditional donations as shown above. €10,000 was requested back in 2011 (2010: €231,000). The remaining €1.1 million is a contingent liability.

17. MOVEMENT IN FUNDS

	At 1.9.10 €	Prior year adjustment €	Net movement in funds €	At 31.8.11 €
Unrestricted funds				
General fund	1,608,405	(129,111)	(221,185)	1,258,109
Revaluation Reserve	-	-	<u>669,904</u>	<u>669,904</u>
	1,608,405	(129,111)	448,719	1,928,013
Restricted funds				
Kingdom Hall Assistance Arrangement	-	324,640	13,016	337,656
Relief Fund	-	257,681	12,343	270,024
Kingdom Hall Construction Worldwide	-	<u>1,879,451</u>	<u>40,101</u>	<u>1,919,552</u>
	-	2,461,772	65,460	2,527,232
TOTAL FUNDS	<u>1,608,405</u>	<u>2,332,661</u>	<u>514,179</u>	<u>4,455,245</u>

**Watch Tower Bible and Tract
Society of Ireland**

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

17. 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 €
Unrestricted funds				
General fund	866,225	(1,087,410)	-	(221,185)
Revaluation Reserve	-	-	669,904	669,904
	<u>866,225</u>	<u>(1,087,410)</u>	<u>669,904</u>	<u>448,719</u>
Restricted funds				
Kingdom Hall Assistance Arrangement	13,016	-	-	13,016
Relief Fund	12,343	-	-	12,343
Kingdom Hall Construction Worldwide	40,101	-	-	40,101
	<u>65,460</u>	<u>-</u>	<u>-</u>	<u>65,460</u>
TOTAL FUNDS	<u>931,685</u>	<u>(1,087,410)</u>	<u>669,904</u>	<u>514,179</u>

Kingdom Hall Assistance Arrangement

The Kingdom Hall Assistance Arrangement (KHAA) exists to give aid where losses and damages have been suffered by congregations or individuals. Many congregations and certain individuals pay into this fund on the understanding that the Society will give them financial assistance in the event of loss or damage to their property. This fund operates world wide, so that if any one local branch office of Jehovah's Witnesses is unable to meet the demands on its Kingdom Hall Assistance Arrangement, it can request other branches to contribute from their own KHAA funds. This creates a contingent liability within the Society's accounts, limited to the value of the fund locally, currently €337,656.

Kingdom Hall Construction Worldwide

This was set up to provide monies to assist with the purchase of places of worship.

Relief Fund

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

18. RELATED PARTY DISCLOSURES

The charity has close links to Watch Tower Bible and Tract Society of Britain and International Bible Students Association, two charities registered in England and Wales. These charities are administered from the same premises. There were no transactions between Watch Tower Bible and Tract Society of Ireland and either of these two related parties.

19. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011 €	2010 as restated €
Net outgoing resources	(155,725)	(1,151,601)
Depreciation charges	-	104,735
Profit on disposal of fixed assets	(41)	-
Interest received	(732)	(57,230)
Movement on conditional donations	(10,000)	(472,938)
Carried forward	(166,498)	(1,577,034)

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**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

19. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES - continued

	2011	2010 as restated
	€	€
Brought forward	(166,498)	(1,577,034)
Movement on provisions	82,245	236,469
Currency adjustments	(3,430)	-
Other non-cash donations received	(55,344)	-
Increase in debtors	(2,182)	-
(Decrease)/increase in creditors	<u>(90,351)</u>	<u>217,967</u>
Net cash outflow from operating activities	<u>(235,560)</u>	<u>(1,122,598)</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011	2010 as restated
	€	€
Returns on investments and servicing of finance		
Interest received	<u>732</u>	<u>57,230</u>
Net cash inflow for returns on investments and servicing of finance	<u>732</u>	<u>57,230</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(552,460)
Programme related investments advanced	(100,178)	(96,546)
Sale of tangible fixed assets	1,440	-
Programme related investments repaid	<u>207,619</u>	<u>-</u>
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>108,881</u>	<u>(649,006)</u>
Financing		
Loans advanced by depositors	70,685	23,085
Loans repaid to depositors on demand	<u>(60,000)</u>	<u>-</u>
Net cash inflow from financing	<u>10,685</u>	<u>23,085</u>

**Watch Tower Bible and Tract
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**Notes to the Financial Statements - continued
for the Year Ended 31st August 2011**

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.10 €	Cash flow €	At 31.8.11 €
Net cash:			
Cash at bank and in hand	231,602	(115,262)	116,340
Debt:			
Debts falling due within one year	(23,085)	(106,400)	(129,485)
	<u> </u>	<u> </u>	<u> </u>
Total	<u>208,517</u>	<u>(221,662)</u>	<u>(13,145)</u>