

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



**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2016
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 2016**

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

**Report of the Trustees
for the Year Ended 31st August 2016**

The Trustees submit their annual report, together with the audited final financial statements, for the year ended 31st August 2016.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Watch Tower Bible and Tract Society of Ireland ("The Society"), contained in its Memorandum of Association, are to promote the Christian religion as practiced by the body of Christians known as Jehovah's Witnesses. This will be achieved by the dissemination of Bible truths, orally and by the printed page, and by the distribution of Bibles and the printing and publication of Bible study aids, tracts, pamphlets, papers, and other religious documents.

Grantmaking

Grants are made to organisations caring for the work of Jehovah's Witnesses in other countries. These organisations use funds for the same purposes as the Society. Funds held in excess of one month's operating expenses are considered for grant making.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Society covered the expenses of 129 full-time ministers who supported congregations in Ireland with their charitable Bible educational activity.

Internal Controls

These controls 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 the figures are recorded accurately and accounts are in balance. The internal audit programme has been achieved. All was found to be in order during the year.

FINANCIAL REVIEW

Income in the year derived from voluntary donations, grants and investments totalled €2,562,773

Total expenses amounted to €3,347,914. Grants were made to Jehovas Zeugen in Deutschland totalling €1,616,643.

ACCOUNTING RECORDS

The trustees acknowledge their responsibilities under section 281 to section 285 of the Companies Act 2014 to keep adequate accounting records for the company.

BOOKS OF ACCOUNTS

The books of accounts are not held at the registered office. 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Watch Tower Bible and Tract Society of Ireland ("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.

Recruitment, appointment, induction and training of new trustees

The Trustees of the Society who held office during the year, and at the date of this report, are set out above. The Trustees have the power to appoint or remove Trustees by a simple majority vote.

The recruitment and induction of new Trustees is arranged as follows. When necessary, the Trustees review potential candidates, on the basis set out in the Articles of Association. Their abilities and qualifications are evaluated by the Trustees.

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

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

**Report of the Trustees
for the Year Ended 31st August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The charity is constituted as a company limited by guarantee.

The trustees organise the running of the charity through a number of departments. Each department is headed up by a trained and experienced department overseer who will make regular reports to the Trustees. Policy decisions are made solely by the Trustees. In some cases, a separate committee is given a budget, and can make decisions within the approved budget.

Wider network

Charities with similar objects exist in many countries around the world. Cooperation with these charities facilitates an efficient and economic use of resources, and helps the Society to meet its stated objectives.

The Society reviews policies, procedures and guidelines used by entities of Jehovah's Witnesses globally and, where applicable, seeks to implement them.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

105861 (Ireland (Republic of))

Registered Charity number

CHY 6283

Registered office

Watch Tower House
Newcastle
Greystones
Co. Wicklow

Trustees

P Casey
A Murphy
N Novis - appointed 26.9.15
B O'Farrell
P G O'Kane
M M O'Malley
S Papps
E G Watt - resigned 21.9.15

Company Secretary

P G O'Kane

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

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

**Report of the Trustees
for the Year Ended 31st August 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Ulster Bank
63-64 Main Street
Bray
Co Wicklow

Ulster Bank
86 Hill Street
Newry
Co Down
BT34 1BT

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.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Watch Tower Bible and Tract Society of Ireland for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable Irish law and generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland.

Irish Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, 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, and state whether such have been followed;
- 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 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 to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Act, 2014. 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.

In so far as the trustees are aware:

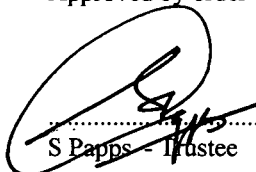
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Calcutt Matthews Ltd, have indicated their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

Calcutt Matthews were appointed as Auditors for the year ending August 31st, 2016.

Approved by order of the board of trustees on 20th MARCH 2017 and signed on its behalf by:


.....
S Papps - Trustee

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

We have audited the financial statements of The Watch Tower Bible and Tract Society of Ireland (The Society) for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

This report is made solely to the charitable company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable 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

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

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 Strategic Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities, and financial position of the charitable company as at 31 August 2016 and of its surplus for the year then ended: and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Trustees' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of trustees' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

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

Nicholas Hume FCA

Nicholas Hume FCA (Senior Statutory Auditor)
for and on behalf of Calcutt Mathews Ltd
Chartered Accountants and Statutory Auditor
19 North Street
Ashford
Kent
TN24 8LF

Date: 21 March 2017

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

**Statement of Financial Activities
for the Year Ended 31st August 2016**

| | Notes | Unrestricted funds € | Restricted funds € | 2016 Total funds € | 2015 Total funds € |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 2,530,173 | 1,700 | 2,531,873 | 5,251,866 |
| Investment income | 3 | - | - | - | 1 |
| Other income | | 30,900 | - | 30,900 | - |
| Total | | 2,561,073 | 1,700 | 2,562,773 | 5,251,867 |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Promoting Christian missionary work | 4 | 1,396,230 | 3,896 | 1,400,126 | 1,714,796 |
| Provision of conventions for Bible education | | 23,285 | - | 23,285 | 35,241 |
| Making donations to further religious education overseas | | 1,616,643 | - | 1,616,643 | 1,700,394 |
| Building places of worship | | - | 256,443 | 256,443 | 667,164 |
| Translation of Bible literature into local languages | | 51,417 | - | 51,417 | 27,082 |
| Disaster relief | | - | - | - | 311,100 |
| Other | | - | - | - | 10,577 |
| Total | | 3,087,575 | 260,339 | 3,347,914 | 4,466,354 |
| NET INCOME/(EXPENDITURE) | | (526,502) | (258,639) | (785,141) | 785,513 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 861,457 | 1,248,648 | 2,110,105 | 1,324,592 |
| TOTAL FUNDS CARRIED FORWARD | | 334,955 | 990,009 | 1,324,964 | 2,110,105 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements


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

**Balance Sheet
At 31st August 2016**

| | Notes | Unrestricted funds € | Restricted funds € | 2016 Total funds € | 2015 Total funds € |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | 2,915,179 | - | 2,915,179 | 3,051,721 |
| CURRENT ASSETS | | | | | |
| Stocks | 10 | 126,433 | - | 126,433 | 36,567 |
| Debtors | 11 | 33,446 | - | 33,446 | 23,188 |
| Cash at bank and in hand | | (889,754) | 990,009 | 100,255 | 340,980 |
| | | (729,875) | 990,009 | 260,134 | 400,735 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | (893,522) | - | (893,522) | (858,198) |
| NET CURRENT ASSETS/(LIABILITIES) | | | | | |
| | | (1,623,397) | 990,009 | (633,388) | (457,463) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | 1,291,782 | 990,009 | 2,281,791 | 2,594,258 |
| PROVISIONS FOR LIABILITIES | | | | | |
| | 14 | (956,827) | - | (956,827) | (484,153) |
| NET ASSETS | | | | | |
| | | 334,955 | 990,009 | 1,324,964 | 2,110,105 |
| FUNDS | | | | | |
| Unrestricted funds | 15 | | | 334,955 | 861,457 |
| Restricted funds | | | | 990,009 | 1,248,648 |
| TOTAL FUNDS | | | | | |
| | | | | 1,324,964 | 2,110,105 |

The financial statements were approved by the Board of Trustees on 20th March 2017 and were signed on its behalf by:


P G O'Kane - Trustee


S Papps - Trustee

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 2016**

| | Notes | 2016 € | 2015 € |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>(334,319)</u> | <u>231,369</u> |
| Net cash provided by (used in) operating activities | | <u>(334,319)</u> | <u>231,369</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (19,145) | (31,940) |
| Sale of tangible fixed assets | | 113,539 | - |
| Interest received | | - | 1 |
| Net cash provided by (used in) investing activities | | <u>94,394</u> | <u>(31,939)</u> |
| Cash flows from financing activities: | | | |
| Loans advanced by depositors | | 19,936 | 140,800 |
| Loans repaid to depositors on demand | | (20,736) | (151,844) |
| Net cash provided by (used in) financing activities | | <u>(800)</u> | <u>(11,044)</u> |
| Change in cash and cash equivalents in the reporting period | | <u>(240,725)</u> | <u>188,386</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>340,980</u> | <u>152,594</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>100,255</u></u> | <u><u>340,980</u></u> |

The notes form part of these financial statements

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

**Notes to the Cash Flow Statement
for the Year Ended 31st August 2016**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2016 | 2015 |
|---|-------------------------|-----------------------|
| | € | € |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (785,141) | 785,513 |
| Adjustments for: | | |
| Depreciation charges | 73,047 | 71,059 |
| (Profit)/loss on disposal of fixed assets | (30,900) | 849 |
| Interest received | - | (1) |
| Movement on conditional donations | 1,000,000 | 122,827 |
| Movement on provisions | (472,674) | (63,422) |
| Currency adjustments | (8,355) | 40,045 |
| Other non-cash donations received | (45,943) | (772,336) |
| Increase in stocks | (89,866) | (36,567) |
| (Increase)/decrease in debtors | (10,258) | 10,044 |
| Increase in creditors | 35,771 | 73,358 |
| | <u> </u> | <u> </u> |
| Net cash provided by (used in) operating activities | <u><u>(334,319)</u></u> | <u><u>231,369</u></u> |

**Notes to the Financial Statements
for the Year Ended 31st August 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The charitable company has applied the recommendations contained in the Charities Statement of Recommended Practice (FRS 102) effective January 2015.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Incoming resources

All incoming resources are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income is recognised on a receivable basis. Investment income includes income received on deposits held by the charitable company.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the 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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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.

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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.

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

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

1. ACCOUNTING POLICIES - continued

Foreign currencies

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

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.

Grants payable

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, and cash on demand deposits.

Debtors

Debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method (less impairment losses for bad and doubtful debts), unless the effect of discounting would be immaterial, in which case they are stated at fair value less impairment losses.

Creditors

Creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. DONATIONS AND LEGACIES

| | 2016 € | 2015 € |
|-----------|------------------|------------------|
| Legacies | - | 58,468 |
| Grants | 349,063 | 2,437,965 |
| Donations | 2,182,810 | 2,755,433 |
| | <u>2,531,873</u> | <u>5,251,866</u> |

3. INVESTMENT INCOME

| | 2016 € | 2015 € |
|--------------------------|-----------|-----------|
| Deposit account interest | - | 1 |
| | <u>-</u> | <u>1</u> |

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

4. CHARITABLE ACTIVITIES COSTS

| | Direct costs | Grant funding of activities (See note 5) | Support costs (See note 6) | Totals |
|---|------------------|--|-------------------------------|------------------|
| | € | € | € | € |
| Promoting Christian missionary work | 1,284,000 | - | 116,126 | 1,400,126 |
| Provision of conventions for Bible education | 23,285 | - | - | 23,285 |
| Building places of worship | 248,079 | - | 8,364 | 256,443 |
| Translation of Bible literature into local languages | 50,439 | - | 978 | 51,417 |
| Making donations to further religious education overseas | - | 1,616,643 | - | 1,616,643 |
| | <u>1,605,803</u> | <u>1,616,643</u> | <u>125,468</u> | <u>3,347,914</u> |

5. GRANTS PAYABLE

| | 2016 | 2015 |
|--|------------------|------------------|
| | € | € |
| Making donations to further religious education overseas | 1,616,643 | 1,700,394 |
| Disaster relief | - | 311,100 |
| | <u>1,616,643</u> | <u>2,011,494</u> |

€1.6m of grants made to further religious education overseas were made to Jehovas Zeugen in Deutschland, a connected charity in Germany.

Grants made for disaster relief in the previous year were sent to Watch Tower Bible and Tract Society of the Philippines.

6. SUPPORT COSTS

| | Management | Other | Governance costs | Totals |
|---|---------------|---------------|---------------------|----------------|
| | € | € | € | € |
| Promoting Christian missionary work | 10,801 | 94,130 | 11,195 | 116,126 |
| Building places of worship | 8,364 | - | - | 8,364 |
| Translation of Bible literature into local languages | 978 | - | - | 978 |
| | <u>20,143</u> | <u>94,130</u> | <u>11,195</u> | <u>125,468</u> |

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2016 | 2015 |
|--|-----------------|---------------|
| | € | € |
| Auditors' remuneration | 7,619 | 6,730 |
| Depreciation - owned assets | 73,048 | 71,059 |
| (Surplus)/deficit on disposal of fixed asset | (30,900) | 849 |
| | <u>7,619</u> | <u>6,730</u> |
| | <u>73,048</u> | <u>71,059</u> |
| | <u>(30,900)</u> | <u>849</u> |

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

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2016 nor for the year ended 31st August 2015 .

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 2016 nor for the year ended 31st August 2015 .

9. TANGIBLE FIXED ASSETS

| | Freehold property € | Fixtures and fittings € | Motor vehicles € | Computer equipment € | Totals € |
|------------------------|---------------------------|-------------------------------|---------------------|----------------------------|------------------|
| COST | | | | | |
| At 1st September 2015 | 3,395,764 | 126,304 | 55,808 | 5,336 | 3,583,212 |
| Additions | - | - | 19,145 | - | 19,145 |
| Disposals | (94,445) | - | - | - | (94,445) |
| At 31st August 2016 | <u>3,301,319</u> | <u>126,304</u> | <u>74,953</u> | <u>5,336</u> | <u>3,507,912</u> |
| DEPRECIATION | | | | | |
| At 1st September 2015 | 392,864 | 95,211 | 38,080 | 5,336 | 531,491 |
| Charge for year | 64,061 | 4,847 | 4,140 | - | 73,048 |
| Eliminated on disposal | (11,806) | - | - | - | (11,806) |
| At 31st August 2016 | <u>445,119</u> | <u>100,058</u> | <u>42,220</u> | <u>5,336</u> | <u>592,733</u> |
| NET BOOK VALUE | | | | | |
| At 31st August 2016 | <u>2,856,200</u> | <u>26,246</u> | <u>32,733</u> | <u>-</u> | <u>2,915,179</u> |
| At 31st August 2015 | <u>3,002,900</u> | <u>31,093</u> | <u>17,728</u> | <u>-</u> | <u>3,051,721</u> |

10. STOCKS

| | 2016 € | 2015 € |
|------------------|----------------|---------------|
| Work-in-progress | <u>126,433</u> | <u>36,567</u> |

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 € | 2015 € |
|---------------|---------------|---------------|
| Other debtors | <u>33,446</u> | <u>23,188</u> |

Notes to the Financial Statements - continued
for the Year Ended 31st August 2016

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|---------------------------|----------------|----------------|
| | € | € |
| Other loans (see note 13) | 619,254 | 619,701 |
| Other creditors | 251,648 | 233,497 |
| Accrued expenses | 22,620 | 5,000 |
| | <u>893,522</u> | <u>858,198</u> |

13. LOANS

An analysis of the maturity of loans is given below:

| | 2016 | 2015 |
|--|----------------|----------------|
| | € | € |
| Amounts falling due within one year on demand: | | |
| Deposits | <u>619,254</u> | <u>619,701</u> |

14. PROVISIONS FOR LIABILITIES

| | 2016 | 2015 |
|--|----------------|----------------|
| | € | € |
| Conditional donations | <u>956,827</u> | <u>484,153</u> |
| | | € |
| Provision at 1st September 2015 | | 484,153 |
| Provision on new conditional donations received | | 500,000 |
| Provision released on conditional donations returned | | (25,833) |
| Exchange rate difference | | (1,493) |
| | | <u>956,827</u> |
| Provision at 31st August 2016 | | <u>956,827</u> |

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. The remaining €956,827 is a contingent liability.

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

15. MOVEMENT IN FUNDS

| | At 1.9.15 € | Net movement in funds € | At 31.8.16 € |
|--|------------------|-------------------------------|------------------|
| Unrestricted funds | | | |
| General fund | 861,457 | (526,502) | 334,955 |
| Restricted funds | | | |
| Kingdom Hall Assistance Arrangement | 378,205 | (3,697) | 374,508 |
| Relief Fund | 26 | - | 26 |
| Kingdom Hall Construction Worldwide | 835,734 | (256,443) | 579,291 |
| Travelling Overseers' Assistance Arrangement | 34,683 | 1,501 | 36,184 |
| | <u>1,248,648</u> | <u>(258,639)</u> | <u>990,009</u> |
| TOTAL FUNDS | <u>2,110,105</u> | <u>(785,141)</u> | <u>1,324,964</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources € | Resources expended € | Movement in funds € |
|--|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 2,561,073 | (3,087,575) | (526,502) |
| Restricted funds | | | |
| Kingdom Hall Assistance Arrangement | - | (3,697) | (3,697) |
| Travelling Overseers' Assistance Arrangement | 1,700 | (199) | 1,501 |
| Kingdom Hall Construction Worldwide | - | (256,443) | (256,443) |
| | <u>1,700</u> | <u>(260,339)</u> | <u>(258,639)</u> |
| TOTAL FUNDS | <u>2,562,773</u> | <u>(3,347,914)</u> | <u>(785,141)</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 €374,508.

Kingdom Hall Construction Worldwide

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

Relief Fund

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

Travelling Overseers Assistance Arrangement

This fund was set up for the provision of motor vehicles for travelling ministers in the Irish field.

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2016**

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2016.

17. TRANSITION TO FRS 102

No comparative figures in respect of the 2015 financial statements were restated on the charitable company's adoption of FRS 102.

The charitable company did not revise estimates on transition to reflect new information subsequent to original estimates.

Transitional relief

The reconciliation of the Statement of Financial Activities prepared in accordance with Irish GAAP and in accordance with FRS 102 for the year ended 31 August 2015 and the reconciliation of the amount of total equity at 31 August 2015, before and after the application of FRS 102, has been carried out and no transitional adjustments have been identified.