

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 2017  
for

Watch Tower Bible and Tract  
Society of Ireland

Contents of the Financial Statements  
for the Year Ended 31st August 2017

	Page
Report of the Trustees	1 to 4
Statement of Trustees Responsibilities	5
Report of the Independent Auditors	6 to 7
Statement of Financial Activities	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Financial Statements	11 to 16

**Report of the Trustees  
for the Year Ended 31st August 2017**

The Trustees submit their annual report, together with the audited final financial statements, for the year ended 31st August 2017.

**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 practised 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.

The Society helps to facilitate the activities of Jehovah's Witnesses. Places of worship and literature in many languages are made available so that members of the public can meet and worship together. This all helps Jehovah's Witnesses and others who associate with them to learn Godly values, promote well-being and respect for others, and practise qualities such as honesty and kindness.

**Significant activities**

The Charity's aim, to facilitate the activities of Jehovah's Witnesses, remains the same each year. Therefore, the short and long term objectives are synonymous with each other.

The major activities for the year in question have been:

1. Caring for and assisting full time Christian missionaries throughout Ireland.
2. Construction and refurbishment of places of worship for local congregations of Jehovah's Witnesses.
3. Supporting entities of Jehovah's Witnesses based abroad, who have similar aims and objectives, with their material welfare by making donations to them.

**Public benefit**

As evidenced in this report, much has been accomplished by the Charity to advance its objects for the public benefit. Places of worship have been constructed, which are open to all who wish to benefit from the practical values contained in the Holy Bible. The same is true of conventions which are facilitated by the Society.

**STRATEGIC REPORT**

**Achievement and performance**

*Charitable activities*

The Society covered the expenses of 123 full-time ministers who supported congregations in Ireland with their charitable Bible educational activity and with building places of worship.

During the year, construction work was carried out for 47 different congregations throughout Ireland, to build or improve places of worship. This work ranged from new builds to smaller refurbishment. This is in line with our objective to make places of worship available for those who wish to use them.

The combined peak attendance at 2 conventions held in Dublin was 7,599. All sessions were open to the public, and there was no charge for admission. These were a further opportunity for those to learn Bible truths, in line with the objectives and aims of the Charity.

All of the above continued to bring good results to beneficiaries, and society as a whole as stated in the objectives and public benefit paragraphs of this report.

*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**

*Financial position*

The Charity finished the period with a strong balance sheet position of over €1.5 million. This is represented mainly by Fixed Assets. The large creditors balance mainly includes funds left on deposit with the Society. Although these funds could be reclaimed by the donor, experience has shown that this does not happen very often.

The majority of current assets are earmarked for building projects which are generally the largest outflow from the charity.

## STRATEGIC REPORT

### Financial review

#### *Reserves policy*

The Charity currently holds cash reserves of approximately €82,000. These are currently earmarked for building projects as the general running costs of the Charity are relatively low, it is building projects which would be most likely to create an unexpected call on reserves.

High levels of reserves are not needed as, in the same way that this Charity can and has provided funds to other charities around the world with similar aims and objectives, funds can be claimed if ever necessary.

#### *Going concern*

There are no uncertainties about the Charity continuing as a going concern.

Income in the year derived from voluntary donations, grants and investments totalled €2,189,961.

Total expenses amounted to €1,971,855. Grants were made to Jehovas Zeugen in Deutschland totalling €379,254.

## 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.

### Principal risks and uncertainties

The principal risks and uncertainties are in the following areas: Health and safety and IT disaster recovery and planning.

#### Health and Safety

This risk is mitigated by a rigorous health and safety routine. Experts in this area give constant advice and direction as to how working and living practices can be made safer. The workers are continuously trained in the procedures they should undertake, and how they should carry out their tasks in the safest manner. Documented instructions are followed by those in oversight, and written materials are provided to the workers to assist them in maintaining health and safety.

#### IT disaster recovery and planning

The systems used to achieve the aims listed in the objectives system, are completely reliant on IT services. The potential for such services to be damaged or impeded in some way is a serious risk to the operations of the Society. This risk is mitigated by extremely detailed IT backup procedures. Offsite backups are regularly done, with sensitive data being backed up more frequently. Should a physical server be lost, remote servers are kept offsite that can take over and ensure the continued running of operations. In the unlikely event that the network goes down, a robust and remote infrastructure allows for operations to continue uninterrupted.

## 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. New Trustees are given training in both operational and financial matters with the aid of the existing 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 2017**

**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 with similar aims and objectives, 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  
B O'Farrell  
P G O'Kane  
M M O'Malley  
S Papps

**Company Secretary**  
P G O'Kane

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

**Solicitors**  
Ferry's 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 2017

**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.

**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, 2017.

Report of the Trustees, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on  
.....~~SECRET~~..... and signed on the board's behalf by:

  
.....  
S Pappas - Trustee

Statement of Trustees Responsibilities  
for the Year Ended 31st August 2017

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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

We have audited the financial statements of Watch Tower Bible & Tract Society of Ireland for the year ended 31st August 2017, which comprise the Statement of financial activities, the Statement of other comprehensive income, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 "The financial reporting standards applicable to the UK and Republic of Ireland".

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 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 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.

## Responsibilities of the trustees

As explained more fully in the Trustees Responsibility Statement, the trustees are responsible for the preparation of the financial statements giving a true and fair view and otherwise comply with the Companies Act 2014 and for such internal controls as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Responsibilities of the auditors

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 Ethical Standards for Auditors. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent 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 mis-statement, 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 have read all the financial and non-financial information in the Trustees Report 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 mis-statements or inconsistencies, we consider the implications for our report.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland and applicable Irish law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**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 assets, liabilities and financial position of the charitable company at 31 August 2017 and of its surplus for the year then ended; and
- have been properly prepared in accordance with 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 considered necessary for the purposes of our audit.
- The accounting records of the charitable 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 the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of Trustees remuneration and transactions specified by law made.

*Nicholas Mark Hume*

Nicholas Mark Hume  
For and on behalf of  
Calcutt Matthews  
Chartered Accountants  
Registered Auditors  
19 North Street  
Ashford  
Kent, TN24 8JR  
England

14 February 2018



Watch Tower Bible and Tract  
Society of Ireland

Statement of Financial Activities  
for the Year Ended 31st August 2017

	Notes	Unrestricted funds €	Restricted funds €	2017 Total funds €	2016 Total funds €
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	2,189,252	709	2,189,961	2,531,873
Other income		-	-	-	30,900
<b>Total</b>		<b>2,189,252</b>	<b>709</b>	<b>2,189,961</b>	<b>2,562,773</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Promoting Christian missionary work	3	1,000,205	27,211	1,027,416	1,400,126
Provision of conventions for Bible education		22,757	-	22,757	23,285
Making donations to further religious education overseas		379,254	-	379,254	1,616,643
Building places of worship		-	498,957	498,957	256,443
Translation of Bible literature into local languages		43,471	-	43,471	51,417
<b>Total</b>		<b>1,445,687</b>	<b>526,168</b>	<b>1,971,855</b>	<b>3,347,914</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>743,565</b>	<b>(525,459)</b>	<b>218,106</b>	<b>(785,141)</b>
Transfers between funds	15	(915)	915	-	-
<b>Net movement in funds</b>		<b>742,650</b>	<b>(524,544)</b>	<b>218,106</b>	<b>(785,141)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		334,955	990,009	1,324,964	2,110,105
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>1,077,605</u></b>	<b><u>465,465</u></b>	<b><u>1,543,070</u></b>	<b><u>1,324,964</u></b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

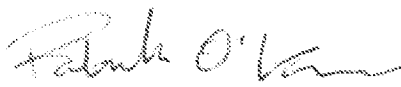
The notes form part of these financial statements

Watch Tower Bible and Tract  
Society of Ireland

Balance Sheet  
At 31st August 2017

	Notes	Unrestricted funds €	Restricted funds €	2017 Total funds €	2016 Total funds €
<b>FIXED ASSETS</b>					
Tangible assets	8	3,028,488	10,597	3,039,085	2,915,179
<b>CURRENT ASSETS</b>					
Stocks	9	246,028	-	246,028	126,433
Debtors	10	17,146	374,508	391,654	33,446
Cash at bank and in hand		<u>(153)</u>	<u>82,310</u>	<u>82,157</u>	<u>100,255</u>
		263,021	456,818	719,839	260,134
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>(768,265)</u>	<u>(1,950)</u>	<u>(770,215)</u>	<u>(336,193)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>					
		<u>(505,244)</u>	<u>454,868</u>	<u>(50,376)</u>	<u>(76,059)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		2,523,244	465,465	2,988,709	2,839,120
<b>CREDITORS</b>					
Amounts falling due after more than one year	12	<u>(476,505)</u>	-	<u>(476,505)</u>	<u>(557,329)</u>
<b>PROVISIONS FOR LIABILITIES</b>					
	14	<u>(969,134)</u>	-	<u>(969,134)</u>	<u>(956,827)</u>
<b>NET ASSETS</b>					
		<u>1,077,605</u>	<u>465,465</u>	<u>1,543,070</u>	<u>1,324,964</u>
<b>FUNDS</b>					
Unrestricted funds	15			1,077,605	334,955
Restricted funds				<u>465,465</u>	<u>990,009</u>
<b>TOTAL FUNDS</b>					
				<u>1,543,070</u>	<u>1,324,964</u>

The financial statements were approved by the Board of Trustees on 9 FEBRUARY 2018 and were signed on its behalf by:



P G O'Kane - Trustee



S Pappas - 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 2017

	Notes	2017 €	2016 €
<b>Cash flows from operating activities:</b>			
Cash generated from operations	17	<u>171,463</u>	<u>(334,319)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>171,463</u>	<u>(334,319)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(201,065)	(19,145)
Sale of tangible fixed assets		<u>7</u>	<u>113,539</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(201,065)</u>	<u>94,394</u>
<b>Cash flows from financing activities:</b>			
Deposits advanced by depositors		22,422	19,936
Deposits repaid to depositors on demand		<u>(10,918)</u>	<u>(20,736)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>11,504</u>	<u>(800)</u>
		<u>-----</u>	<u>-----</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(18,098)	(240,725)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>100,255</u>	<u>340,980</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>82,157</u>	<u>100,255</u>

The notes form part of these financial statements

## 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.

### Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgments, estimations and assumptions to be made that affect the reported values of assets, liabilities, income and expenditure. The nature of estimation and judgment means that actual outcomes could differ from expectation. Significant areas of estimation and judgment include; support costs which cannot be attributed to one specific activity have been allocated on a basis consistent with use of resources, and also a provision is made based on 50% of conditional donations currently held as detailed in Note 13 to the 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.

### 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:

Freehold Properties	-	Land - Not depreciated. Buildings - 2% on cost
Plant and machinery	-	20% on cost
Motor vehicles	-	20% on cost
Fixtures and fittings	-	20% / 33% on cost
Computer equipment	-	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.

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. Therefore, 90% of these amounts held are recognised as falling due after one year. This adjustment represents a change in accounting policy in the current year.

**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

	2017	2016
	€	€
Legacies	2,471	-
Grants	301,501	349,063
Donations	<u>1,885,989</u>	<u>2,182,810</u>
	<u>2,189,961</u>	<u>2,531,873</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 4)	Support costs (See note 5)	Totals
	€	€	€	€
Promoting Christian missionary work	749,258	-	278,158	1,027,416
Provision of conventions for Bible education	22,757	-	-	22,757
Building places of worship	491,552	-	7,405	498,957
Translation of Bible literature into local languages	39,672	-	3,799	43,471
Making donations to further religious education overseas	-	<u>379,254</u>	-	<u>379,254</u>
	<u>1,303,239</u>	<u>379,254</u>	<u>289,362</u>	<u>1,971,855</u>

Watch Tower Bible and Tract  
Society of Ireland

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2017

4. GRANTS PAYABLE

	2017	2016
	€	€
Making donations to further religious education overseas	<u>379,254</u>	<u>1,616,643</u>

Grants made to further religious education overseas were made to Jehovas Zeugen in Deutschland, a connected charity in Germany.

5. SUPPORT COSTS

	Management €	Finance €	Other €	Governance costs €	Totals €
Promoting Christian missionary work	179,564	3,438	66,283	28,873	278,158
Building places of worship	7,405	-	-	-	7,405
Translation of Bible literature into local languages	<u>3,799</u>	-	-	-	<u>3,799</u>
	<u>190,768</u>	<u>3,438</u>	<u>66,283</u>	<u>28,873</u>	<u>289,362</u>

6. NET INCOME/(EXPENDITURE)

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

	2017	2016
	€	€
Auditors' remuneration	9,041	7,619
Depreciation - owned assets	76,835	73,048
Deficit/(surplus) on disposal of fixed asset	<u>324</u>	<u>(30,900)</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st August 2017 nor for the year ended 31st August 2016.

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 2017 nor for the year ended 31st August 2016.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2017

8. TANGIBLE FIXED ASSETS

	Freehold property €	Fixtures and fittings €	Motor vehicles €	Computer equipment €	Totals €
<b>COST</b>					
At 1st September 2016	3,301,319	126,304	74,953	5,336	3,507,912
Additions	150,000	23,872	27,193	-	201,065
Disposals	-	(3,240)	-	-	(3,240)
At 31st August 2017	<u>3,451,319</u>	<u>146,936</u>	<u>102,146</u>	<u>5,336</u>	<u>3,705,737</u>
<b>DEPRECIATION</b>					
At 1st September 2016	445,119	100,058	42,220	5,336	592,733
Charge for year	63,589	5,827	7,419	-	76,835
Eliminated on disposal	-	(2,916)	-	-	(2,916)
At 31st August 2017	<u>508,708</u>	<u>102,969</u>	<u>49,639</u>	<u>5,336</u>	<u>666,652</u>
<b>NET BOOK VALUE</b>					
At 31st August 2017	<u>2,942,611</u>	<u>43,967</u>	<u>52,507</u>	<u>-</u>	<u>3,039,085</u>
At 31st August 2016	<u>2,856,200</u>	<u>26,246</u>	<u>32,733</u>	<u>-</u>	<u>2,915,179</u>

9. STOCKS

	2017 €	2016 €
Work-in-progress	<u>246,028</u>	<u>126,433</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 €	2016 €
Other debtors	<u>391,654</u>	<u>33,446</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 €	2016 €
Deposits (see note 13)	52,945	61,925
Trade creditors	56,850	-
Other creditors	616,035	251,648
Accrued expenses	<u>44,685</u>	<u>22,620</u>
	<u>770,215</u>	<u>336,193</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 €	2016 €
Deposits (see note 13)	<u>476,505</u>	<u>557,329</u>

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 has demonstrated that only a small percentage of these amounts are being reclaimed in a given year. Therefore we now classify the above amount as creditors due after more than one year. This represents a change in accounting policy and prior year figures have been reclassified accordingly.



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2017

13. DEPOSITS

No maturity analysis is provided for these deposits due to their nature described in the above notes.

14. PROVISIONS FOR LIABILITIES

	2017 €	2016 €
Conditional donations	<u>969,134</u>	<u>956,827</u>
Provision at 1st September 2016		€
Provision on new conditional donations received		956,827
Provision released on conditional donations returned		14,152
Exchange rate difference		-
		<u>(1,845)</u>
Provision at 31st August 2017		<u>969,134</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 €969,134 is a contingent liability.

15. MOVEMENT IN FUNDS

	At 1.9.16 €	Net movement in funds €	Transfers between funds €	At 31.8.17 €
<b>Unrestricted funds</b>				
General fund	334,955	743,565	(915)	1,077,605
<b>Restricted funds</b>				
Kingdom Hall Assistance Arrangement	374,508	-	-	374,508
Relief Fund	26	-	-	26
Kingdom Hall Construction Worldwide	579,291	(498,957)	-	80,334
Travelling Overseers' Assistance Arrangement	<u>36,184</u>	<u>(26,502)</u>	<u>915</u>	<u>10,597</u>
	990,009	(525,459)	915	465,465
<b>TOTAL FUNDS</b>	<u>1,324,964</u>	<u>218,106</u>	<u>-</u>	<u>1,543,070</u>

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

	Incoming resources €	Resources expended €	Movement in funds €
<b>Unrestricted funds</b>			
General fund	2,189,252	(1,445,687)	743,565
<b>Restricted funds</b>			
Travelling Overseers' Assistance Arrangement	709	(27,211)	(26,502)
Kingdom Hall Construction Worldwide	<u>-</u>	<u>(498,957)</u>	<u>(498,957)</u>
	709	(526,168)	(525,459)
<b>TOTAL FUNDS</b>	<u>2,189,961</u>	<u>(1,971,855)</u>	<u>218,106</u>

15. MOVEMENT IN FUNDS – continued

**Kingdom Hall Assistance Arrangement**

The Kingdom Hall Assistance Arrangement (KHAA) existed to give aid where losses and damages have been suffered by congregations or individuals. This fund has now been replaced by a more flexible arrangement through the general funds of the Charity. Approval was given by the Charities Regulatory Authority to apply these funds *cy pres*, and release them to the general fund. Public notice was given of this matter and no objections arose.

**Kingdom Hall Construction Worldwide**

This was set up to provide monies to assist with the purchase and build of places of worship. This fund has also been replaced by a more flexible arrangement, however remaining funds are currently being spent on ongoing building projects.

**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.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2017.

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

	2017 €	2016 €
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	218,106	(785,141)
Adjustments for:		
Depreciation charges	76,835	73,047
Loss/(profit) on disposal of fixed assets	324	(30,900)
Movement on conditional donations	28,304	1,000,000
Movement on provisions	(12,307)	(472,674)
Currency Movements	(6,798)	(8,355)
Other non-cash donations received	(98,200)	(45,943)
Increase in stocks	(119,595)	(89,866)
Increase in debtors	(358,208)	(10,258)
Increase in creditors	<u>443,002</u>	<u>35,771</u>
Net cash provided by (used in) operating activities	<u>171,463</u>	<u>(334,319)</u>