

REGISTERED COMPANY NUMBER: 00136726 (England and Wales)
REGISTERED CHARITY NUMBER: 216647

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2013
for
International Bible Students Association**

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International Bible Students Association

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for the Year Ended 31st August 2013**

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International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2013

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00136726 (England and Wales)

Registered Charity number
216647

Registered office
IBSA House
The Ridgeway
London
NW7 1RN

Trustees
S A Hardy
J S Andrews
J D Dutton
S Papps
P S Gillies

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity was incorporated on 30th June 1914 and is governed by the Memorandum and Articles of Association of that date as amended by special resolutions on 20th April 1951, 10th January 1958, 28th November 2005 and 4th January 2006.

Recruitment, appointment, induction and training of new trustees

The Trustees of the Association who held office during the year, and at the date of this report, are set out above. These trustees have key roles at the charity's headquarters. They meet weekly and are in regular contact from day to day. Trustees are elected annually by a simple majority of the members present at the AGM.

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. Training is arranged during the meetings of the Trustees and with professional bodies as required, including the auditors, whenever there is significant new legislation affecting the charity.

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.

Wider network

Charities with similar objects exist in many countries around the world. Coordination is through the Governing Body of Jehovah's Witnesses.

International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Association works closely with Watch Tower Bible and Tract Society of Britain (Watch Tower) It provides serviced facilities for Watch Tower to use in its charitable activities The coordinating role of the Governing Body of Jehovah's Witnesses means we have ready access to surplus funds held by Jehovah's Witnesses in other countries

Risk management

The major risks to which the charity is exposed have been formally reviewed, with particular focus on events that would seriously impede the operations of the charity Strategies and safeguards are in place to reduce, as far as possible, the impact of those risks The risk register was updated most recently in December 2012

Public benefit

In addition to being a religious entity, the Trustees confirm that they have taken into consideration Charity Commission guidance on public benefit in exercising their powers and duties, and this is amply demonstrated in the report that follows, in particular

1 Bible literature we have supplied without charge to congregations of Jehovah's Witnesses in the UK, has been distributed, gratis, by those congregations, to interested members of the public in their local communities, in the following quantities 18,098,000 copies of Watchtower and Awake! and 328,000 Bibles and Bible study aids

2 Our conventions for Bible education were widely advertised by personal invitations delivered to the public nationwide, admission is free This year the attendance in Britain totalled 163,248

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the Association is to promote the Christian religion by supporting congregations of Jehovah's Witnesses and others in connection with their spiritual and material welfare in Britain and abroad within the charitable purposes of the Association This is achieved by

- 1 The purchase and distribution of religious literature, free of charge
- 2 The provision of serviced facilities for the printing of religious literature and the housing of those engaged in this and in related activities
- 3 The arranging of conventions for Bible education

Significant activities

There is an increasing demand for the religious literature we receive from Watch Tower More translation of the Bible and related publications is being undertaken Hence, we have also built and purchased more living accommodation for those engaged in these activities

Grant making

Our grant making policy is as follows From time to time we are asked by the Governing Body of Jehovah's Witnesses to consider helping Jehovah's Witnesses in countries where a need exists We first consider whether the budget permits If this is the case we then send the money to the organisation caring for Jehovah's Witnesses in that country We thereafter obtain reports to confirm the money was properly used

Workers

All who care for the work of the charity are religious ministers who are members of the Worldwide Order of Special-full-time Servants of Jehovah's Witnesses The basis for the care of their material needs is explained in note 9 of the accounts

International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2013

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Provision of literature for Bible education

The literature we donate to congregations of Jehovah's Witnesses plays a pivotal role in their Bible teaching activity. This activity reached out to the communities in the area covered by the congregations resulting in families and individuals receiving free instruction in their own homes. An average of over 58,000 home Bible study courses were provided each month.

Conventions for Bible education

These summer conventions were again well attended, the total of 163,248 was gratifying. All sessions are open to the public, and there is no charge for admission. 262,000 copies of a new book to be used in personal and congregation study, "Imitate Their Faith", 172,000 copies of a brochure for children, "My Bible Lessons" and 116,000 copies of a DVD "The Prodigal Son" were released for immediate use in the community.

Overseas aid

We had adequate funds to be able to respond to all of the requests received for charitable aid, supporting Jehovah's Witnesses. The total was £364,000.

Fundraising activities

Because of the consistent voluntary support we enjoy from congregations of Jehovah's Witnesses, we do not engage in fundraising activities.

Investment performance

The trustees are satisfied with the results for the year, taking into account interest rates generally. Money is held in first class banks.

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. The internal auditor and his assistant have a set agenda to pursue through the year and reported again in writing to the Trustees in November 2013. All was found to be in order.

FINANCIAL REVIEW

Net movement in funds

There was a reduction of £1 million in cash during the year. Our reserves remained adequate, permitting us to respond to requests for overseas funding for Jehovah's Witnesses.

Reserves policy

The Association has a reliable donation base, being primarily the resources of Jehovah's Witnesses in the 1,558 congregations of Jehovah's Witnesses in the UK. Hence, we can plan confidently with relatively small reserves, and we respond to the needs for funds overseas only after filling our domestic requirements.

Principal funding sources

The charity is funded by voluntary donations and legacies. Also, grants are received from Jehovah's Witnesses in other countries. £5.85 million was received by way of grants, through a related charity operated by Jehovah's Witnesses in Germany. Also sizeable payments are received from Watch Tower for providing it with serviced facilities.

FUTURE DEVELOPMENTS

We anticipate an even greater demand for Bible literature in the year ahead, and we are planning accordingly.

International Bible Students Association

**Report of the Trustees
for the Year Ended 31st August 2013**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of International Bible Students Association 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)

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

ON BEHALF OF THE BOARD

Stephen A. Hardy
Trustee (Stephen A Hardy)

Date Feb 20, 2014

Report of the Independent Auditors to the Members of International Bible Students Association

We have audited the financial statements of International Bible Students Association for the year ended 31st August 2013 on pages seven to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable 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.

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 Report of the Trustees 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
International Bible Students Association**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nicholas Hume FCA

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

Date Feb 20, 2014

International Bible Students Association

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2013**

	Notes	Unrestricted fund £	Restricted fund £	2013 Total funds £	2012 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	13,426,202	600,000	14,026,202	15,672,699
Investment income	3	12,650	-	12,650	19,898
Incoming resources from charitable activities					
Provision of serviced facilities	4	4,911,978	-	4,911,978	4,664,444
Other incoming resources		36,339	-	36,339	15,699
Total incoming resources		18,387,169	600,000	18,987,169	20,372,740
RESOURCES EXPENDED					
Charitable activities					
Provision of literature for Bible education	5	11,171,139	-	11,171,139	11,853,989
Provision of conventions for Bible education		1,124,294	-	1,124,294	1,321,071
Donations and aid overseas		364,237	-	364,237	9,541,357
Provision of serviced facilities		5,128,827	-	5,128,827	4,680,753
Governance costs	7	13,263	-	13,263	9,534
Total resources expended		17,801,760	-	17,801,760	27,406,704
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		585,409	600,000	1,185,409	(7,033,964)
Gross transfers between funds	15	600,000	(600,000)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		1,185,409	-	1,185,409	(7,033,964)
Other recognised gains/losses					
Gains/losses on investments		12,211	-	12,211	-
Unrealised gains/(losses) on investment assets		46	-	46	3,100
Net movement in funds		1,197,666	-	1,197,666	(7,030,864)
RECONCILIATION OF FUNDS					
Total funds brought forward		64,658,811	-	64,658,811	71,689,675
TOTAL FUNDS CARRIED FORWARD		65,856,477	-	65,856,477	64,658,811

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

International Bible Students Association

**Balance Sheet
At 31st August 2013**

	Notes	Unrestricted fund £	Restricted fund £	2013 Total funds £	2012 Total funds £
FIXED ASSETS					
Tangible assets	10	65,951,316	-	65,951,316	64,602,180
CURRENT ASSETS					
Stocks	11	116,971	-	116,971	117,821
Debtors	12	664,227	-	664,227	512,516
Investments	13	958	-	958	59,965
Cash at bank and in hand		186,249	-	186,249	1,298,402
		<u>968,405</u>	<u>-</u>	<u>968,405</u>	<u>1,988,704</u>
CREDITORS					
Amounts falling due within one year	14	(1,063,244)	-	(1,063,244)	(1,932,073)
NET CURRENT ASSETS/(LIABILITIES)		<u>(94,839)</u>	<u>-</u>	<u>(94,839)</u>	<u>56,631</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>65,856,477</u>	<u>-</u>	<u>65,856,477</u>	<u>64,658,811</u>
NET ASSETS		<u>65,856,477</u>	<u>-</u>	<u>65,856,477</u>	<u>64,658,811</u>
FUNDS					
Unrestricted funds	15			65,856,477	64,658,811
Restricted funds				-	-
TOTAL FUNDS				<u>65,856,477</u>	<u>64,658,811</u>

The financial statements were approved by the Board of Trustees on *Feb 20, 2014* and were signed on its behalf by

Stephen A. Hardy
Trustee (*Stephen A. Hardy*)

John S. Andrews
Trustee (*John S. Andrews*)

The notes form part of these financial statements

International Bible Students Association

**Cash Flow Statement
for the Year Ended 31st August 2013**

		2013 £	2012 £
Net cash inflow from operating activities	Notes 17	1,184,045	1,709,016
Returns on investments and servicing of finance	18	13,988	20,335
Capital expenditure and financial investment	18	(2,526,910)	(3,644,884)
		<u>(1,328,877)</u>	<u>(1,915,533)</u>
Management of liquid resources	18	216,724	-
Decrease in cash in the period		<u><u>(1,112,153)</u></u>	<u><u>(1,915,533)</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	19		
Decrease in cash in the period		(1,112,153)	(1,915,533)
Cash inflow/(outflow) from (decrease)/increase in liquid resources		<u>(204,513)</u>	<u>5,576</u>
Change in net debt resulting from cash flows		(1,316,666)	(1,909,957)
Non-cash change in current asset investment		145,460	2,788
Revaluation of current asset		<u>46</u>	<u>3,099</u>
Movement in net debt in the period		(1,171,160)	(1,904,070)
Net debt at 1st September		<u>1,358,367</u>	<u>3,268,013</u>
Net debt at 31st August		<u><u>187,207</u></u>	<u><u>1,363,943</u></u>

The notes form part of these financial statements

International Bible Students Association

Notes to the Financial Statements for the Year Ended 31st August 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Donations receivable

All incoming resources are included on the Statement of Financial Activities 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 connected charities. Donations in the form of assets are included at the market value on the date of the gift.

Grants receivable

Unrestricted grants receivable are recognised when they are received. They represent amounts received to contribute towards the running expenses of IBSA and to assist in repaying the loan owed to Watch Tower.

Restricted grants receivable represent amounts received to finance the purchase of fixed assets. They have been recognised when received. The purchase of fixed assets discharges the restriction on these funds, therefore a transfer to unrestricted funds has been made as and when fixed assets have been purchased.

Legacies

The value of legacies is brought into the accounts at the earlier of the charity being notified of an impending distribution or the legacy being received.

Provision of serviced facilities

Income from the provision of serviced facilities is received from a connected charity, Watch Tower Bible and Tract Society of Britain ("Watch Tower"). Watch Tower occupies the residential accommodation, the printery and the offices that are maintained by the charity.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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.

Governance costs

Governance costs comprise external audit fees and other fees from consultants.

Tangible fixed assets

Fixed assets are valued at cost less depreciation. Assets costing less than £1,000 are not capitalised. Depreciation is provided at the following annual rates in order to write each asset down to its residual value over its estimated useful life.

Freehold Land	-	Not depreciated
Buildings	-	2% on cost
Plant and machinery	-	10% on cost
Motor vehicles	-	20% on cost
Assets in the course of construction	-	Not depreciated

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

Stocks comprise Electrical, Maintenance and Home supplies, and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

1 ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

The charity has received capital grants this year that comprise a restricted fund. Please see the "grants receivable" policy above for information about how this fund has arisen and been discharged

Foreign currencies

Foreign currency balances have been translated at the prevailing rate on the balance sheet date. Income and expenditures during the year have been translated at the prevailing rate on the day of the transaction

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease

Investments

Investments are included in the balance sheet at market value

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)

Grants payable

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

Beneficial loans

The charity has benefited from an interest free loan from Watch Tower, which is a related party. The estimated interest that the charity would have paid on the open market for such a loan has been included as income and deducted as an expense

Irrecoverable VAT

Irrecoverable VAT is included in the relevant cost headings on the face of the Statement of Financial Activities and is not shown as a separate item

2 VOLUNTARY INCOME

	2013	2012
	£	£
Legacies	669,135	1,489,986
Grants	5,850,500	6,700,000
Cash donations	7,506,567	7,482,713
	<u>14,026,202</u>	<u>15,672,699</u>

3. INVESTMENT INCOME

	2013	2012
	£	£
Deposit account interest	11,227	17,866
Current asset investment income	1,423	2,032
	<u>12,650</u>	<u>19,898</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2013 £	2012 £
Provision of serviced facilities	Provision of serviced facilities	<u>4,911,978</u>	<u>4,664,444</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 6) £	Totals £
Provision of conventions for Bible education	1,124,294	-	1,124,294
Donations and aid overseas	-	364,237	364,237
Provision of serviced facilities	5,128,827	-	5,128,827
Provision of literature for Bible education	-	11,171,139	11,171,139
	<u>6,253,121</u>	<u>11,535,376</u>	<u>17,788,497</u>

As all of the charity's general running costs are reimbursed completely by Watch Tower, all such costs are, in effect, direct costs. All human resources, IT, finance and management costs are included in the "provision of serviced facilities" above or in "governance costs". These have been fully reimbursed by Watch Tower.

6. GRANTS PAYABLE

	2013 £	2012 £
Provision of literature for Bible education	11,171,139	11,853,989
Donations and aid overseas	364,237	9,400,215
	<u>11,535,376</u>	<u>21,254,204</u>

During the year, grants paid to institutions with congruous objectives can be analysed as follows

By continent:

	Cash £	Goods £	Literature £	Totals £
Europe	145,358	11,732	11,170,639	11,327,729
Asia	-	95,896	8,500	104,396
Africa	-	103,113	-	103,113
Americas	-	138	-	138
	<u>145,358</u>	<u>210,879</u>	<u>11,179,139</u>	<u>11,535,376</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

6. GRANTS PAYABLE - continued

None of the grants paid to individual institutions were material, in the context of grant-making

The equivalent figures for the 2012 year end were as follows

By continent:

	Cash £	Goods £	Literature £	Totals £
Europe	151,657	21,596	11,852,489	12,025,742
Asia	107,578	789,588	19,148	916,314
Africa	-	247,285	-	247,285
Americas	-	2,449,894	-	2,449,894
Other	-	5,614,969	-	5,614,969
	<u>259,235</u>	<u>9,123,332</u>	<u>11,871,637</u>	<u>21,254,204</u>

By activity:

	Cash £	Goods £	Literature £	Totals £
Distribution of Bibles and Bible-based Literature	-	-	11,871,637	11,871,637
Supporting Christian missionary work	<u>259,235</u>	<u>9,123,332</u>	-	<u>9,382,567</u>
	<u>259,235</u>	<u>9,123,332</u>	<u>11,871,637</u>	<u>21,254,204</u>

7. GOVERNANCE COSTS

	2013 £	2012 £
Auditors' remuneration	<u>13,263</u>	<u>9,534</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2013 £	2012 £
Auditors' remuneration	13,263	9,534
Depreciation - owned assets	1,125,291	1,166,106
Other operating leases	752,368	856,857
Deficit/(surplus) on disposal of fixed asset	<u>4,185</u>	<u>(4,400)</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2013 nor for the year ended 31st August 2012

The trustees confirm that they have not been involved with any transactions of the charity. The Association has close connections with Watch Tower, which prints Bible based literature and which is a registered charity with similar objects. This charity also has the same registered office as that of the Association.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2013 nor for the year ended 31st August 2012

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in the course of construction £	Plant and machinery £
COST			
At 1st September 2012	71,423,357	3,486,859	1,804,138
Additions	635,530	1,802,312	52,764
Disposals	(112,620)	-	(24,327)
At 31st August 2013	<u>71,946,267</u>	<u>5,289,171</u>	<u>1,832,575</u>
DEPRECIATION			
At 1st September 2012	11,457,562	-	947,961
Charge for year	907,254	-	136,079
Eliminated on disposal	(11,773)	-	(14,884)
At 31st August 2013	<u>12,353,043</u>	<u>-</u>	<u>1,069,156</u>
NET BOOK VALUE			
At 31st August 2013	<u>59,593,224</u>	<u>5,289,171</u>	<u>763,419</u>
At 31st August 2012	<u>59,965,795</u>	<u>3,486,859</u>	<u>856,177</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st September 2012	16,672	562,170	77,293,196
Additions	35,919	60,027	2,586,552
Disposals	-	(9,171)	(146,118)
At 31st August 2013	<u>52,591</u>	<u>613,026</u>	<u>79,733,630</u>
DEPRECIATION			
At 1st September 2012	9,975	275,518	12,691,016
Charge for year	3,814	78,144	1,125,291
Eliminated on disposal	-	(7,336)	(33,993)
At 31st August 2013	<u>13,789</u>	<u>346,326</u>	<u>13,782,314</u>
NET BOOK VALUE			
At 31st August 2013	<u>38,802</u>	<u>266,700</u>	<u>65,951,316</u>
At 31st August 2012	<u>6,697</u>	<u>286,652</u>	<u>64,602,180</u>

11. STOCKS

	2013 £	2012 £
Stocks - Electrical, Maintenance and Home supplies	<u>116,971</u>	<u>117,821</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade debtors	-	1,213
Other debtors	277,642	104,633
Due from associated charities	386,585	406,670
	<u>664,227</u>	<u>512,516</u>

13. CURRENT ASSET INVESTMENTS

	2013	2012
	£	£
Listed investments	<u>958</u>	<u>59,965</u>
		£
Market value at 1st September 2012		59,965
Additions		145,460
Disposals		(204,513)
Net gain on revaluation		46
Market value at 31st August 2013		<u>958</u>
Historical cost at 31st August 2013		<u>911</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	576,071	1,439,172
Other creditors	408,459	484,401
Due to connected charity	68,414	-
Accrued expenses	10,300	8,500
	<u>1,063,244</u>	<u>1,932,073</u>

15. MOVEMENT IN FUNDS

	At 1 9 12	Net movement in funds	Transfers between funds	At 31 8 13
	£	£	£	£
Unrestricted funds				
General fund	64,658,811	597,666	600,000	65,856,477
Restricted funds				
Capital grants fund	-	600,000	(600,000)	-
TOTAL FUNDS	<u>64,658,811</u>	<u>1,197,666</u>	<u>-</u>	<u>65,856,477</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

15. 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	18,387,169	(17,801,760)	12,257	597,666
Restricted funds				
Capital grants fund	600,000	-	-	600,000
TOTAL FUNDS	<u>18,987,169</u>	<u>(17,801,760)</u>	<u>12,257</u>	<u>1,197,666</u>

Capital grants fund

This has arisen due to capital grants being received this year to enable the purchase of certain new fixed assets. As the purchase of fixed assets discharges the restriction on these funds, a transfer to unrestricted funds is made as new fixed assets are bought.

16. RELATED PARTY DISCLOSURES

The Association has close connections with Watch Tower Bible and Tract Society of Britain ("Watch Tower"), which prints Bible based literature and which is a registered charity with similar objects. This charity also has the same registered office as that of the Association.

During the year, the Association purchased literature from Watch Tower amounting to £11,170,639 (2012 £11,853,989). At the year end, IBSA owed Watch Tower £594,234 (2012 £871,716), being the invoice for August 2013.

As an integral part of the charitable activities of IBSA, it provided Watch Tower with serviced facilities to enable Watch Tower to carry out its charitable activities. During the year, the Association charged Watch Tower £4,911,978 (2012 £4,664,444) for these services. At the year end, Watch Tower owed the Association £382,400 (2012 £403,242) in respect of these transactions.

17. RECONCILIATION OF NET INCOMING(OUTGOING) RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming(outgoing) resources	1,185,409	(7,033,964)
Depreciation charges	1,125,290	1,166,107
Loss/(profit) on disposal of fixed assets	4,401	(4,400)
Interest received	(15,411)	(19,591)
Dividends received	1,423	(744)
Donated fixed assets received	(52,764)	(200,000)
Donated fixed assets	100,847	7,294,855
Investments received	(145,460)	(2,788)
Decrease in stocks	850	18,700
Increase in debtors	(151,711)	(3,227)
(Decrease)/increase in creditors	(868,829)	494,068
Net cash inflow from operating activities	<u>1,184,045</u>	<u>1,709,016</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2013**

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	15,411	19,591
Dividends received	(1,423)	744
Net cash inflow for returns on investments and servicing of finance	<u>13,988</u>	<u>20,335</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,533,787)	(3,669,778)
Sale of tangible fixed assets	6,877	24,894
Net cash outflow for capital expenditure and financial investment	<u>(2,526,910)</u>	<u>(3,644,884)</u>
Management of liquid resources		
Cash inflows from disposal of investment	216,724	-
Net cash inflow from management of liquid resources	<u>216,724</u>	<u>-</u>

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 9 12 £	Cash flow £	Revaluation £	Other non-cash changes £	At 31 8 13 £
Net cash					
Cash at bank and in hand	1,298,402	(1,112,153)	-		186,249
Liquid resources					
Current asset investments	59,965	(204,513)	46	145,460	958
Total	<u>1,358,367</u>	<u>(1,316,666)</u>	<u>46</u>	<u>145,460</u>	<u>187,207</u>