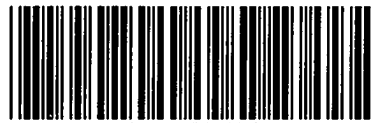


REGISTERED COMPANY NUMBER: 00136726 (England and Wales)
REGISTERED CHARITY NUMBER: 216647

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2014
for
International Bible Students Association**

THURSDAY



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COMPANIES HOUSE

International Bible Students Association

**Contents of the Financial Statements
for the Year Ended 31st August 2014**

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International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2014

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 2014. 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	
S J Morice	- appointed 26.2.14
	- resigned 11.3.15
K Snaith	- appointed 11.3.15

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, 4th January 2006 and 20th February 2014.

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. 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. 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. 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.

International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network

Charities with similar objects exist in many countries around the world.

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.

Risk management

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the Association is to promote the Christian religion as practiced by the body of Christians known as Jehovah's Witness, 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.

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. This is amply demonstrated in the above report and in particular the following:

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: 21,313,000 copies of Watchtower and Awake and 799,000 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 159,279.

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.

International Bible Students Association

Report of the Trustees for the Year Ended 31st August 2014

STRATEGIC REPORT

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 almost 59,000 home Bible study courses were provided each month.

Conventions for Bible education

These summer conventions were again well attended; the total of 159,279 was gratifying. All sessions are open to the public, and there is no charge for admission. 149,000 copies of a new book to be used in personal and congregation study, "God's Kingdom Rules!", 269,000 copies of two brochures for children, "Your Family Can Be Happy" and "Teach Your Children", along with 99,000 copies of a DVD "These Words Must Be On Your Heart" were released for immediate use in the community. These English publications were released in up to 14 other languages.

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 £1,737,000

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 October 2014. All was found to be in order.

Financial review

Reserves policy

The Association has a reliable donation base, being primarily the resources of Jehovah's Witnesses in the 1,571 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.

Net movement in funds

There was an increase of £9 million in cash during the year, due largely to generous grants and donations. Our reserves remained adequate, permitting us to respond to requests for overseas funding for Jehovah's Witnesses.

Principal funding sources

The charity is funded by voluntary donations and legacies. Also, grants are received from Jehovah's Witnesses in other countries. £10.3 million was received by way of grants, through a related charity operated by Jehovah's Witnesses in Germany.

Principal risks and uncertainties

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. Strategic safeguards are in place to reduce, as far as possible, the impact of those risks. The risk register was updated most recently in January 2015.

The principal risks and uncertainties are in the following areas: Construction projects; IT disaster recovery and planning; lack of building fabric maintenance.

International Bible Students Association

**Report of the Trustees
for the Year Ended 31st August 2014**

STRATEGIC REPORT

Future developments

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

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.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on MARCH 4, 2015 and signed on the board's behalf by:

P.S. Jellis
Trustee

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 2014 on pages seven to seventeen. 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 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 state of the charitable company's affairs as at 31st August 2014 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

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: 25 March 2015

International Bible Students Association

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st August 2014**

	Notes	Unrestricted fund £	Restricted fund £	2014 Total funds £	2013 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	22,500,616	-	22,500,616	14,026,202
Investment income	3	25,142	-	25,142	12,650
Incoming resources from charitable activities					
Provision of serviced facilities	4	5,783,062	-	5,783,062	4,911,978
Other incoming resources		17,403	-	17,403	36,339
Total incoming resources		28,326,223	-	28,326,223	18,987,169
RESOURCES EXPENDED					
Charitable activities					
Provision of literature for Bible education	5	8,820,956	-	8,820,956	11,171,139
Provision of conventions for Bible education		1,664,095	-	1,664,095	1,124,294
Donations and aid overseas		1,736,964	-	1,736,964	364,237
Provision of serviced facilities		6,475,249	-	6,475,249	5,128,827
Governance costs	7	11,933	-	11,933	13,263
Total resources expended		18,709,197	-	18,709,197	17,801,760
NET INCOMING RESOURCES		9,617,026	-	9,617,026	1,185,409
Other recognised gains/losses					
Gains/losses on investments		7,756	-	7,756	12,211
Unrealised gains/(losses) on investment assets		(1,757)	-	(1,757)	46
Net movement in funds		9,623,025	-	9,623,025	1,197,666
RECONCILIATION OF FUNDS					
Total funds brought forward		65,856,477	-	65,856,477	64,658,811
TOTAL FUNDS CARRIED FORWARD		75,479,502	-	75,479,502	65,856,477

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

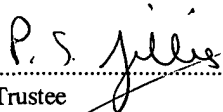
The notes form part of these financial statements


International Bible Students Association

**Balance Sheet
At 31st August 2014**

	Notes	Unrestricted fund £	Restricted fund £	2014 Total funds £	2013 Total funds £
FIXED ASSETS					
Tangible assets	10	73,114,340	-	73,114,340	65,951,316
CURRENT ASSETS					
Stocks	11	211,088	-	211,088	116,971
Debtors	12	1,457,642	-	1,457,642	664,227
Investments	13	7,650	-	7,650	958
Cash at bank and in hand		2,058,746	-	2,058,746	186,249
		<u>3,735,126</u>	<u>-</u>	<u>3,735,126</u>	<u>968,405</u>
CREDITORS					
Amounts falling due within one year	14	(1,369,964)	-	(1,369,964)	(1,063,244)
NET CURRENT ASSETS/(LIABILITIES)		<u>2,365,162</u>	<u>-</u>	<u>2,365,162</u>	<u>(94,839)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,479,502</u>	<u>-</u>	<u>75,479,502</u>	<u>65,856,477</u>
NET ASSETS		<u>75,479,502</u>	<u>-</u>	<u>75,479,502</u>	<u>65,856,477</u>
FUNDS					
Unrestricted funds	15			75,479,502	65,856,477
Restricted funds				-	-
TOTAL FUNDS				<u>75,479,502</u>	<u>65,856,477</u>

The financial statements were approved by the Board of Trustees on March 4, 2015 and were signed on its behalf by:


Trustee


Trustee

The notes form part of these financial statements

International Bible Students Association

**Cash Flow Statement
for the Year Ended 31st August 2014**

	Notes	2014 £	2013 £
Net cash inflow from operating activities	17	9,946,925	1,181,199
Returns on investments and servicing of finance	18	25,142	16,834
Capital expenditure and financial investment	18	(8,413,354)	(2,526,910)
		<u>1,558,713</u>	<u>(1,328,877)</u>
Management of liquid resources	18	313,784	216,724
Increase/(decrease) in cash in the period		<u><u>1,872,497</u></u>	<u><u>(1,112,153)</u></u>

Reconciliation of net cash flow to movement in net debt

	19		
Increase/(decrease) in cash in the period		1,872,497	(1,112,153)
Cash inflow/(outflow) from (decrease)/increase in liquid resources		<u>(306,028)</u>	<u>86,407</u>
Change in net debt resulting from cash flows		1,566,469	(1,025,746)
Non-cash change in current asset investment		314,477	145,460
Revaluation of current asset		<u>(1,757)</u>	<u>46</u>
Movement in net debt in the period		<u>1,879,189</u>	<u>(880,240)</u>
Net debt at 1st September		<u>187,207</u>	<u>1,358,367</u>
Net debt at 31st August		<u><u>2,066,396</u></u>	<u><u>478,127</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 2014

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

Grants receivable are recognised when they are received. They represent amounts received to contribute towards the running expenses of IBSA.

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
Fixtures and fittings	-	20% 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

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.

Fund accounting

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

International Bible Students Association

Notes to the Financial Statements - continued for the Year Ended 31st August 2014

1. ACCOUNTING POLICIES - continued

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.

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

	2014	2013
	£	£
Legacies	1,512,594	669,135
Grants	10,300,000	5,850,500
Cash donations	10,688,022	7,506,567
	<u>22,500,616</u>	<u>14,026,202</u>

3. INVESTMENT INCOME

	2014	2013
	£	£
Deposit account interest	17,498	11,227
Current asset investment income	7,644	1,423
	<u>25,142</u>	<u>12,650</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2014	2013
		£	£
Provision of serviced facilities	Provision of serviced facilities	<u>5,783,062</u>	<u>4,911,978</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2014**

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 6)	Totals
	£	£	£
Provision of conventions for Bible education	1,664,095	-	1,664,095
Provision of serviced facilities	6,475,249	-	6,475,249
Provision of literature for Bible education	-	8,820,956	8,820,956
Donations and aid overseas	-	1,736,964	1,736,964
	<u>8,139,344</u>	<u>10,557,920</u>	<u>18,697,264</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

	2014	2013
	£	£
Provision of literature for Bible education	8,820,956	11,171,139
Donations and aid overseas	1,736,964	364,237
	<u>10,557,920</u>	<u>11,535,376</u>

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

By continent:

	Cash	Goods	Literature	Totals
	£	£	£	£
Europe	1,651,474	32,280	8,820,956	10,504,710
Asia	-	44,306	3,600	47,906
Africa	-	5,304	-	5,304
	<u>1,651,474</u>	<u>81,890</u>	<u>8,824,556</u>	<u>10,557,920</u>

By activity:

	Cash	Goods	Literature	Totals
	£	£	£	£
Distribution of Bibles and Bible-based literature	-	-	8,824,556	8,824,556
Supporting Christian missionary work	1,651,474	81,890	-	1,733,364
	<u>1,651,474</u>	<u>81,890</u>	<u>8,824,556</u>	<u>10,557,920</u>

Material grants (in the context of grant-making) were made to the following institutions:

Jehovas Zeugen in Deutschland K.d.ö.R, Germany

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2014**

6. GRANTS PAYABLE - continued

The equivalent figures for the 2013 year end were 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>

By activity:

	Cash £	Goods £	Literature £	Totals £
Distribution of Bibles and Bible-based literature	-	-	11,179,139	11,179,139
Supporting Christian missionary work	145,358	210,879	-	356,237
	<u>145,358</u>	<u>210,879</u>	<u>11,179,139</u>	<u>11,535,376</u>

7. GOVERNANCE COSTS

	2014 £	2013 £
Auditors' remuneration	<u>11,933</u>	<u>13,263</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014 £	2013 £
Auditors' remuneration	11,933	13,263
Depreciation - owned assets	1,249,504	1,125,291
Other operating leases	704,145	752,368
Deficit on disposal of fixed asset	826	4,185
	<u>2,036,408</u>	<u>2,635,107</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2014 nor for the year ended 31st August 2013 .

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 2014 nor for the year ended 31st August 2013 .

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2014**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in the course of construction £	Plant and machinery £
COST			
At 1st September 2013	71,946,267	5,289,171	1,832,575
Additions	7,564,808	533,865	223,255
Disposals	-	-	(38,239)
Reclassification	4,891,957	(4,891,957)	-
At 31st August 2014	<u>84,403,032</u>	<u>931,079</u>	<u>2,017,591</u>
DEPRECIATION			
At 1st September 2013	12,353,043	-	1,069,156
Charge for year	1,006,871	-	144,538
Eliminated on disposal	-	-	(31,068)
At 31st August 2014	<u>13,359,914</u>	<u>-</u>	<u>1,182,626</u>
NET BOOK VALUE			
At 31st August 2014	<u>71,043,118</u>	<u>931,079</u>	<u>834,965</u>
At 31st August 2013	<u>59,593,224</u>	<u>5,289,171</u>	<u>763,419</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st September 2013	52,591	613,026	79,733,630
Additions	-	97,771	8,419,699
Disposals	-	-	(38,239)
Reclassification	-	-	-
At 31st August 2014	<u>52,591</u>	<u>710,797</u>	<u>88,115,090</u>
DEPRECIATION			
At 1st September 2013	13,789	346,326	13,782,314
Charge for year	7,606	90,489	1,249,504
Eliminated on disposal	-	-	(31,068)
At 31st August 2014	<u>21,395</u>	<u>436,815</u>	<u>15,000,750</u>
NET BOOK VALUE			
At 31st August 2014	<u>31,196</u>	<u>273,982</u>	<u>73,114,340</u>
At 31st August 2013	<u>38,802</u>	<u>266,700</u>	<u>65,951,316</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2014**

11. STOCKS

	2014	2013
	£	£
Stocks - electrical, maintenance and home supplies	<u>211,088</u>	<u>116,971</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Other debtors	914,172	277,642
Due from associated charities	543,470	386,585
	<u>1,457,642</u>	<u>664,227</u>

13. CURRENT ASSET INVESTMENTS

	2014	2013
	£	£
Listed investments	<u>7,650</u>	<u>958</u>
		£
Market value at 1st September 2013		958
Additions		314,477
Disposals		(306,074)
Net loss on revaluation		<u>(1,711)</u>
Market value at 31st August 2014		<u>7,650</u>
Historical cost at 31st August 2014		<u>9,361</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	862,727	576,071
Other creditors	496,937	408,459
Due to connected charity	-	68,414
Accrued expenses	10,300	10,300
	<u>1,369,964</u>	<u>1,063,244</u>

15. MOVEMENT IN FUNDS

	At 1.9.13	Net movement in funds	At 31.8.14
	£	£	£
Unrestricted funds			
General fund	65,856,477	9,623,025	75,479,502
	<u>65,856,477</u>	<u>9,623,025</u>	<u>75,479,502</u>
TOTAL FUNDS	<u>65,856,477</u>	<u>9,623,025</u>	<u>75,479,502</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2014**

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	28,326,223	(18,709,197)	5,999	9,623,025
TOTAL FUNDS	<u>28,326,223</u>	<u>(18,709,197)</u>	<u>5,999</u>	<u>9,623,025</u>

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 £8,820,956 (2013: £11,170,639). At the year end, IBSA owed Watch Tower £813,639 (2013: £594,234), being the invoice for August 2014.

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 £5,783,062 (2013: £4,911,978) for these services. At the year end, Watch Tower owed the Association £481,584 (2013: £382,400) in respect of these transactions.

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

	2014 £	2013 £
Net incoming resources	9,617,026	1,185,409
Depreciation charges	1,249,504	1,125,290
Loss on disposal of fixed assets	826	4,401
Interest received	(17,498)	(15,411)
Dividends received	(7,644)	(1,423)
Donated fixed assets received	-	(52,764)
Donated fixed assets	-	100,847
Investments received	(314,477)	(145,460)
(Increase)/decrease in stocks	(94,117)	850
Increase in debtors	(793,415)	(151,711)
Increase/(decrease) in creditors	306,720	(868,829)
Net cash inflow from operating activities	<u>9,946,925</u>	<u>1,181,199</u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	17,498	15,411
Dividends received	7,644	1,423
Net cash inflow for returns on investments and servicing of finance	<u>25,142</u>	<u>16,834</u>

International Bible Students Association

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2014**

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

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(8,419,699)	(2,533,787)
Sale of tangible fixed assets	6,345	6,877
Net cash outflow for capital expenditure and financial investment	<u>(8,413,354)</u>	<u>(2,526,910)</u>
Management of liquid resources		
Cash inflows from disposal of investment	313,784	216,724
Net cash inflow from management of liquid resources	<u>313,784</u>	<u>216,724</u>

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13 £	Cash flow £	Revaluation £	Other non-cash changes £	At 31.8.14 £
Net cash:					
Cash at bank and in hand	186,249	1,872,497	-		2,058,746
Liquid resources:					
Current asset investments	958	(306,028)	(1,757)	314,477	7,650
Total	<u>187,207</u>	<u>1,566,469</u>	<u>(1,757)</u>	<u>314,477</u>	<u>2,066,396</u>