

REGISTERED COMPANY NUMBER: 00355443 (England and Wales)

REGISTERED CHARITY NUMBER: 275946

OSCR NUMBER: SC046541

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2019
for
The Kingdom Hall Trust**

The Kingdom Hall Trust

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The Kingdom Hall Trust

Report of the Trustees

for the Year Ended 31st August 2019

The trustees, who are also directors of the Trust for the purposes of the Companies Act 2006, present their report with the financial statements of the Trust for the year ended 31st August 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

OBJECTIVES AND ACTIVITIES

Objects

The objects of the Trust are to advance the Christian religion as practised by Jehovah's Witnesses, as detailed in its Memorandum and Articles of Association, the governing document of the Trust.

Significant activities

The Trust aims to provide and assist individual Jehovah's Witnesses with access to places of worship. This is mainly accomplished by purchasing completed properties and freehold land.

The Trust also tries to reduce the administrative burden that could fall on individuals or congregations. One way this is achieved is by acting as custodian trustee, by holding title to freehold and leasehold properties acquired as places of worship as well as other related properties for congregations of Jehovah's Witnesses in England and Wales. All these are open to the public.

In order to modernise and simplify the making of voluntary donations to congregations, the Trust has this year fully implemented its system to facilitate online donations. This allows the Trust to receive online donations directly, and distribute them to individual congregations. This is available to all congregations in the United Kingdom and has been well utilised by donors during the year.

During the year, the Trust embarked on an exciting new project to further reduce the administrative and banking burdens on congregations of Jehovah's Witnesses. Twenty congregations were invited to trial a system wherein the Trust would care for the administrative financial work of the congregation. This included holding funds allocated to each congregation, making payments and processing receipts. The project was very successful and reduced the burden on congregations, which no longer have to administer their bank accounts or charitable entities. This was done without limiting the congregation's practical ability to operate and purchase what was needed.

The Trust aims to continue to assist as many congregations as possible to reduce their administrative burden by means of all the activities described above.

The Trust was invited to make a social investment in a project which focuses on assisting Jehovah's Witnesses around the world by finding and purchasing places to worship. This is shown in note 9 to the financial statements. The trustees saw this as an excellent opportunity to diversify their activities within the broader objective of providing access to places of worship.

Public benefit

The Kingdom Hall Trust is a public benefit entity. The Trustees confirm that they have complied with their duty to have due regard in the exercise of their powers and duties to the guidance on public benefit published by the Charity Commission.

The work done by the Trust ensures that members of the public have access to these buildings free of charge.

Individuals can worship together, promoting godly values, such as well-being and respect for others, and the practice of qualities such as honesty and kindness.

STRATEGIC REPORT

Achievement and performance

Principal Achievements for the Year

A key achievement of the Trust in the year was the purchase of 4 new places of worship and freehold land. These were at various locations throughout the country including Cheshire, Nottinghamshire and London. All such properties are open to the general public free of charge. They provide a base in the local community for activities of Jehovah's Witnesses.

The successful start to the project of centrally caring for administrative and financial matters of congregations, mentioned previously was also a major achievement. Congregations continued to operate unimpeded, whilst benefitting from the services provided by the Trust. This also provided some opportunities for centralised services to be purchased, which allowed for a more efficient use of donated funds in the congregations.

The Trust also continues to transfer existing title of places of worship from the name of local trustees to the Trust. During the year, more properties were transferred to the Trust using a simplified procedure agreed with the Land Registry.

The Kingdom Hall Trust

Report of the Trustees for the Year Ended 31st August 2019

STRATEGIC REPORT

Achievement and performance

Internal Controls

Controls are in place over the financial systems of the Trust. 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.

Financial review

Financial Position and Reserves policy

Total reserves, including property assets, at August 31, 2019, stood at £9,591,449. During the year, total expenditure of the Trust was £1,984,502, which was principally forwarding of online donations to congregations. Capital expenditure of approximately £1.1 million was incurred. The most significant income was £3.8 million of donated assets. This was due to congregations joining the Trust merger project. Part of this merge is the transfer of beneficial ownership of Kingdom Halls from the congregations.

We believe that the reserves carried forward are sufficient to cover the anticipated expenses of the Trust for the coming year. There is no need for large balances in the Trust's accounts at present, since all expenditure relating to the transfer of title to the Trust is the responsibility of local congregations of Jehovah's Witnesses. If congregations choose to merge with the Trust, their own congregation funds and donations are utilised for their expenses. Regarding other activities, such as purchasing properties, we are also confident of ongoing grant income which helps to support this activity. On this basis, the Trust can operate confidently on relatively small reserves.

Going concern

There are no material uncertainties about the Trust's ability to continue as a going concern.

Principal risks and uncertainties

The key risk for the Trust is the lack of building fabric maintenance, which could lead to impairment of the assets owned by the Trust.

To mitigate this risk regular repair and maintenance programmes are carried out to a high standard. The congregations using the premises are provided with training, support and documentation to keep the building in good repair. Well qualified individuals periodically monitor and review the quality of the buildings.

Future plans

The Trust will continue to work closely with local congregations of Jehovah's Witnesses and will continue to take title on behalf of local congregations as custodian trustee, where it is deemed necessary and prudent.

The Trust will continue its ongoing programme of transferring title of Kingdom Hall properties into the name of the Trust.

The Trust plans to invite more congregations into the merger project described earlier in this report. This will allow congregation members to focus more on their personal religious service rather than on administrative matters.

At the time of completing this report, the lockdown due to the coronavirus pandemic is in full force in the country. Although no purchase of kingdom halls is currently taking place, the charity is able to continue with its other activities and has no issues relating to going concern.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

On 28th July 1939, the London Company of Kingdom Witnesses was formed as an unlimited company incorporated in England and Wales. It was later formally registered as a charity on 30th June 1978. On 18th November 1994, it was granted status as a Trust Corporation. On 1st June 1993, new Articles of Association were adopted by Special Resolution. On 6th June 1994, amendments to the Memorandum of Association were adopted by Resolution, including the change in name of the charitable company to The Kingdom Hall Trust. The changes were given legal effect on 20th June 1994. On 15th July 2014, a further amendment was adopted by Resolution, to re-register the company as a private company, limited by guarantee. On 30th September 2014, the Articles of Association were altered by Resolution to effect an increase in the maximum number of trustees. On 22nd March 2016, a further amendment was adopted by resolution. On 21st November 2018, amendments to the Articles of Association were adopted by resolution. The Kingdom Hall Trust continues as a registered charitable company, limited by guarantee, incorporated in England and Wales under the Companies Acts 1985 and 1989. On 10th May 2016, it was registered as a charity with the Scottish Charity Regulator.

The Kingdom Hall Trust

Report of the Trustees for the Year Ended 31st August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment, induction and training of new trustees

The trustees meet at least two times a year and are in regular contact. Trustees are elected by the Board of Trustees.

The recruitment and induction of new trustees is arranged as follows: periodically, trustees will review potential candidates. Their abilities are evaluated by means of the trustees' personal knowledge of candidates. New trustees are given training in both operational and financial matters with the aid of the existing trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00355443 (England and Wales)

Registered Charity number

275946

Registered office

1 Kingdom Way
West Hanningfield
Chelmsford
Essex
CM2 8FW

Trustees

S Abbott
J Cox
J D Dutton
L A Farr (resigned 22.10.18)
S R Morris
P Wade
R Cook
A Clinton (appointed 3.12.18)

Auditors

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

Bankers

Barclays Corporate North London Team
1-2 Trinity Way
Chingford
London
E4 8TD

CUSTODIAN TRUSTEE

The Trust currently holds title to 636 properties as custodian trustee. These properties are beneficially owned by congregations of Jehovah's Witnesses. The objects of these congregations are defined in their governing Constitution as 'the practice and advancement of Christianity founded on the Holy Bible, including the preaching of the good news of God's Kingdom by Jesus Christ within the Congregation Area and the holding of meetings for public Christian worship.'

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Kingdom Hall Trust 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"

The Kingdom Hall Trust

Report of the Trustees for the Year Ended 31st August 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

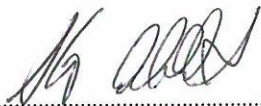
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 21/5/20 and signed on the board's behalf by:



S Abbott - Trustee

Report of the Independent Auditors to the Members of The Kingdom Hall Trust

Opinion

We have audited the financial statements of The Kingdom Hall Trust (the 'charitable company') for the year ended 31st August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2019 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable 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 (UK) 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.

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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

Report of the Independent Auditors to the Members of The Kingdom Hall Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control 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.

Our responsibilities for the audit of the financial statements

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 (UK) 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. This description forms part of our Report of the Independent Auditors.

Use of our report

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 and Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.



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

Date: 20 May 2020

The Kingdom Hall Trust

Statement of Financial Activities for the Year Ended 31st August 2019

		2019 Unrestricted fund £	2018 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	6,655,946	1,766,550
EXPENDITURE ON			
Charitable activities	3		
Providing places of worship		118,314	91,037
Assisting congregations		1,866,188	-
Total		<u>1,984,502</u>	<u>91,037</u>
NET INCOME		4,671,444	1,675,513
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>4,920,005</u>	<u>3,244,492</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>9,591,449</u></u>	<u><u>4,920,005</u></u>

The notes form part of these financial statements

The Kingdom Hall Trust

Balance Sheet

31st August 2019

	Notes	2019 Unrestricted fund £	2018 Total funds £
FIXED ASSETS			
Tangible assets	8	9,728,764	4,919,174
Social investments	9	<u>445,705</u>	<u>-</u>
		10,174,469	4,919,174
CURRENT ASSETS			
Debtors	10	65,152	-
Cash at bank		<u>1,032,419</u>	<u>3,351</u>
		1,097,571	3,351
CREDITORS			
Amounts falling due within one year	11	(1,680,591)	(2,520)
		<u>(583,020)</u>	<u>831</u>
NET CURRENT ASSETS			
		9,591,449	4,920,005
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>9,591,449</u>	<u>4,920,005</u>
NET ASSETS			
		<u>9,591,449</u>	<u>4,920,005</u>
FUNDS	12		
Unrestricted funds		<u>9,591,449</u>	<u>4,920,005</u>
TOTAL FUNDS		<u>9,591,449</u>	<u>4,920,005</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 12/5/20 and were signed on its behalf by:


S Abbott - Trustee


P Wade - Trustee

The notes form part of these financial statements

The Kingdom Hall Trust

Cash Flow Statement

for the Year Ended 31st August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	14	<u>2,573,985</u>	<u>1,440,209</u>
Net cash provided by operating activities		<u>2,573,985</u>	<u>1,440,209</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,099,212)	(1,443,673)
Purchase of social investments		<u>(445,705)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,544,917)</u>	<u>(1,443,673)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		1,029,068	(3,464)
Cash and cash equivalents at the beginning of the reporting period		<u>3,351</u>	<u>6,815</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,032,419</u></u>	<u><u>3,351</u></u>

The notes form part of these financial statements

The Kingdom Hall Trust

Notes to the Financial Statements

for the Year Ended 31st August 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported value of assets, liabilities, income and expenditure. The nature of estimation and judgement means that actual outcomes could differ from expectation. The main estimate in these financial statements relates to the value of Kingdom Halls which have been donated to the charity. These make up a number of the tangible fixed assets recognised in the balance sheet. Donated assets, as stated elsewhere, are recognised at fair value. The charity does not intend to re-value its assets on a five yearly basis, so once established this value becomes the cost for accounting purposes.

Another estimate in these financial statements is depreciation. The trustees are of the opinion that the rates applied to the financial statements are appropriate.

Income

All income is recognised in the Statement of Financial Activities once the Trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. All amounts are stated in pounds sterling and rounded to the nearest whole number. Donated assets are recognised as income when the Trust has control over the item, the receipt of economic benefit from the use by the Trust of the item is probable and that economic benefit can be measured reliably. Donated assets are recognised at fair value.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust 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 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.

Allocation and apportionment of costs

Where a cost is incurred for the purpose of directly achieving one of the charitable activities it is allocated to that particular activity. When this is not the case the cost has been allocated equally between the Trust's activities.

Tangible fixed assets

Fixed assets are valued on a historic cost basis, at cost less depreciation. Assets costing less than £3,000 are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold land	-	Not depreciated
Buildings	-	2% on cost

Social investments

The Trust classifies its social investments as programme related. The investment is to further charitable aims, and any financial return is incidental. The investment is held at cost less impairment as fair value cannot be measured reliably.

Taxation

The Trust 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 Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Kingdom Hall Trust

Notes to the Financial Statements - continued

for the Year Ended 31st August 2019

1. ACCOUNTING POLICIES - continued

Debtors

Debtors are recognised at the total amount due to the Trust. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The Trust has only basic financial assets and liabilities.

Going Concern

The Trustees consider the Trust a going concern and have no material uncertainties in this regard. A strong balance sheet position and consistent income base contribute to this conclusion.

2. DONATIONS AND LEGACIES

	2019 £	2018 £
Donated Assets	3,804,000	300,000
Donations	1,717,693	550
Gift aid	314,253	-
Grants	<u>820,000</u>	<u>1,466,000</u>
	<u>6,655,946</u>	<u>1,766,550</u>

Grants received, included in the above, are as follows:

	2019 £	2018 £
Jehovas Zeugen in Deutschland	500,000	-
International Bible Students Association	<u>320,000</u>	<u>1,466,000</u>
	<u>820,000</u>	<u>1,466,000</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 4) £	Support costs (see note 5) £	Totals £
Providing places of worship	93,622	-	24,692	118,314
Assisting congregations	<u>101,228</u>	<u>1,739,254</u>	<u>25,706</u>	<u>1,866,188</u>
	<u>194,850</u>	<u>1,739,254</u>	<u>50,398</u>	<u>1,984,502</u>

The Kingdom Hall Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2019

4. GRANTS PAYABLE

	2019 £	2018 £
Assisting congregations	<u>1,739,254</u>	<u>-</u>

The total grants paid to institutions during the year was as follows:

	2019 £	2018 £
Donations	<u>1,739,254</u>	<u>-</u>

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Providing places of worship	275	13,491	10,926	24,692
Assisting congregations	<u>-</u>	<u>14,779</u>	<u>10,927</u>	<u>25,706</u>
	<u>275</u>	<u>28,270</u>	<u>21,853</u>	<u>50,398</u>

6. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Auditors' remuneration	20,879	6,120
Depreciation - owned assets	<u>93,622</u>	<u>64,528</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2019 nor for the year ended 31st August 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2019 nor for the year ended 31st August 2018.

8. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1st September 2018	5,090,975
Additions	<u>4,903,212</u>
At 31st August 2019	<u>9,994,187</u>
DEPRECIATION	
At 1st September 2018	171,801
Charge for year	<u>93,622</u>
At 31st August 2019	<u>265,423</u>
NET BOOK VALUE	
At 31st August 2019	<u>9,728,764</u>
At 31st August 2018	<u>4,919,174</u>

The Kingdom Hall Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2019

9. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
Additions	<u>445,705</u>
NET BOOK VALUE	
At 31st August 2019	<u>445,705</u>
At 31st August 2018	<u>-</u>

This represents the investment in a project which helps Jehovah's Witnesses around the world in finding places to meet and carry out their worship. Although this is in its early stages the Trustees are very confident in its expected performance and that it will continue to advance the charitable aims of the Trust.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	<u>65,152</u>	<u>-</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	138	-
Other creditors	888,764	-
Due to associated charities	780,289	-
Accrued expenses	<u>11,400</u>	<u>2,520</u>
	<u>1,680,591</u>	<u>2,520</u>

12. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	4,920,005	4,671,444	9,591,449
TOTAL FUNDS	<u>4,920,005</u>	<u>4,671,444</u>	<u>9,591,449</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,655,946	(1,984,502)	4,671,444
TOTAL FUNDS	<u>6,655,946</u>	<u>(1,984,502)</u>	<u>4,671,444</u>

The Kingdom Hall Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2019

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	3,244,492	1,675,513	4,920,005
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,244,492</u>	<u>1,675,513</u>	<u>4,920,005</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,766,550	(91,037)	1,675,513
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,766,550</u>	<u>(91,037)</u>	<u>1,675,513</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.17 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	3,244,492	6,346,957	9,591,449
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,244,492</u>	<u>6,346,957</u>	<u>9,591,449</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	8,422,496	(2,075,539)	6,346,957
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>8,422,496</u>	<u>(2,075,539)</u>	<u>6,346,957</u>

The Kingdom Hall Trust

Notes to the Financial Statements - continued

for the Year Ended 31st August 2019

13. RELATED PARTY DISCLOSURES

The Trust has close connections with International Bible Students Association ("IBSA") and the Watch Tower Bible and Tract Society of Britain (Watch Tower), charities which pursue similar aims.

During the year KHT purchased newly constructed Kingdom Halls and land from Watch Tower amounting to £1,099,211 (2018: £1,460,921) .

During the year KHT received £320,000 (2018: £1,466,000) from IBSA as a donation.

14. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the reporting period (as per the Statement of Financial Activities)	4,671,444	1,675,513
Adjustments for:		
Depreciation charges	93,622	64,528
Donated Assets	(3,804,000)	(300,000)
Increase in debtors	(65,152)	-
Increase in creditors	<u>1,678,071</u>	<u>168</u>
Net cash provided by operations	<u><u>2,573,985</u></u>	<u><u>1,440,209</u></u>

