

**REGISTERED COMPANY NUMBER: 355443 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 275946**  
**OSCR NUMBER: SC046541**

**Report of the Trustees and  
Financial Statements for the Year Ended 31st August 2017  
for  
The Kingdom Hall Trust**

**The Kingdom Hall Trust**

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

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## **The Kingdom Hall Trust**

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

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 2017. 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 1 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 often accomplished by purchasing completed properties and freehold land.

The Trust also acts as custodian trustee holding title to freehold and leasehold properties acquired as places of worship and other related properties for congregations of Jehovah's Witnesses in England and Wales that are open to the public. In harmony with the objects of these congregations, the properties are used solely to teach and share Bible truth, which includes learning Godly values, promoting well-being and respect for others, and the practice of qualities such as honesty and kindness.

These aims remain consistent each year, assisting as many congregations as possible. This is the intention for the short and long term future of the Charity.

##### **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 to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The work done by the Trust ensures that members of the public have access to these buildings free of charge. They believe this is amply demonstrated in this report.

#### **STRATEGIC REPORT**

##### **Achievement and performance**

###### *Principal achievements for the year*

The principal achievement of the Trust in the year was the purchase of 1 new place of worship and its freehold land, in Dover.

The Trust also continues to acquire freehold titles on behalf of Jehovah's Witnesses. This has occurred in the following two ways:

- 1) Transfer of existing title of places of worship in 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.
- 2) Taking title to newly purchased properties which will either be constructed or converted into places of worship. Funding for the purchase and subsequent construction or renovation of the property has been obtained either from the local congregation of Jehovah's Witnesses or from other entities with similar aims and objectives.

It is truly gratifying to see new places of worship being constructed or renovated. All these properties, when complete, are open to the general public free of charge. They provide a base in the local community for activities of Jehovah's Witnesses.

###### *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*

Reserves at 31 August 2017 stood at £3,244,492. During the year, the total expenses of the Trust were £64,281, but these were principally depreciation.

Going forward we believe that the net balance carried forward is sufficient to cover the anticipated expenses of the Trust for the coming year. There is no real need for large balances on the Trust's accounts at present, as all expenditure relating to the transfer of title to the Trust is the responsibility of local congregations of Jehovah's Witnesses. Regarding other activities, such as new builds, 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 charity'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 assets owned by the Trust.

## **The Kingdom Hall Trust**

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

#### **STRATEGIC REPORT**

##### **Principal risks and uncertainties**

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, where it is deemed necessary and prudent, the Trust will take title on behalf of local congregations as custodian trustee.

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

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

On July 28, 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 June 30, 1978. On November 18, 1994, it was granted status as a Trust Corporation. On June 1, 1993, new Articles of Association were adopted by Special Resolution. On June 6, 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 June 20, 1994. On July 15, 2014, a further amendment was adopted by Resolution, to re-register the company as a private company, limited by guarantee. On September 30, 2014, the Articles of Association were altered by Resolution to effect an increase in the maximum number of trustees. On March 22, 2016, a further amendment was 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 May 10, 2016, it was registered as a charity with the Scottish Charity Regulator.

##### **Recruitment and appointment, induction and training of new trustees**

The trustees of the Trust 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**

355443 (England and Wales)

##### **Registered Charity number**

275946

##### **Registered office**

IBSA House  
The Ridgeway  
London  
NW7 1RN

##### **Trustees**

S Abbott	
J W A Brace	- resigned 28.12.16
J Cox	
J D Dutton	
L A Farr	
S R Morris	
P Wade	
R Cook	- appointed 28.12.16

##### **Auditors**

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

## The Kingdom Hall Trust

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

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Bankers

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

#### CUSTODIAN TRUSTEE

The Trust holds title to 712 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".

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 MAY 15, 2018 and signed on the board's behalf by:



R Cook - 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 2017 on pages six to eleven. 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'.

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.

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 2017 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 we do not express any form of assurance conclusion thereon.

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

## Opinion on 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 incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 Strategic Report and 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 set out on page three, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

*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  
TN24 8LF

Date: *17 May 2018*

**The Kingdom Hall Trust**

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

		2017 Unrestricted fund £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	<u>650,000</u>	<u>852,500</u>
<b>Total</b>		650,000	852,500
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>	3		
Providing places of worship		<u>64,281</u>	<u>51,080</u>
<b>NET INCOME</b>		585,719	801,420
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<u>2,658,773</u>	<u>1,857,353</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>3,244,492</u></u>	<u><u>2,658,773</u></u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**The Kingdom Hall Trust**

**Balance Sheet  
At 31st August 2017**

		2017 Unrestricted fund £	2016 Total funds £
<b>FIXED ASSETS</b>	Notes		
Tangible assets	7	3,240,029	2,699,290
<b>CURRENT ASSETS</b>			
Cash at bank		6,815	1,176
<b>CREDITORS</b>			
Amounts falling due within one year	8	(2,352)	(41,693)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>4,463</u>	<u>(40,517)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,244,492</u>	<u>2,658,773</u>
<b>NET ASSETS</b>		<u>3,244,492</u>	<u>2,658,773</u>
<b>FUNDS</b>	9		
Unrestricted funds		<u>3,244,492</u>	<u>2,658,773</u>
<b>TOTAL FUNDS</b>		<u>3,244,492</u>	<u>2,658,773</u>

The financial statements were approved by the Board of Trustees on ..... MAY 15, 2018 ..... and were signed on its behalf by:



S Abbott -Trustee

The notes form part of these financial statements

**The Kingdom Hall Trust**

**Cash Flow Statement  
for the Year Ended 31st August 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	11	<u>604,864</u>	<u>882,323</u>
<b>Net cash provided by (used in) operating activities</b>		<u>604,864</u>	<u>882,323</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(599,225)</u>	<u>(883,080)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(599,225)</u>	<u>(883,080)</u>
		_____	_____
<b>Change in cash and cash equivalents in the reporting period</b>		5,639	(757)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,176</u>	<u>1,933</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>6,815</u></u>	<u><u>1,176</u></u>

The notes form part of these financial statements

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

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.

**Income**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**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

**Taxation**

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

**Fund accounting**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS AND LEGACIES

	2017 £	2016 £
Grants	<u>650,000</u>	<u>852,500</u>

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

	2017 £	2016 £
Jehovas Zeugen in Deutschland	-	602,500
International Bible Students Association	<u>650,000</u>	<u>250,000</u>
	<u>650,000</u>	<u>852,500</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 4) £	Totals £
Providing places of worship	<u>58,491</u>	<u>5,790</u>	<u>64,281</u>

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

4. SUPPORT COSTS

	Governance costs
	£
Providing places of worship	<u>5,790</u>

5. NET INCOME/(EXPENDITURE)

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

	2017	2016
	£	£
Auditors' remuneration	2,352	2,352
Depreciation - owned assets	<u>58,486</u>	<u>42,570</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

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

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st August 2017 nor for the year ended 31st August 2016.

7. TANGIBLE FIXED ASSETS

	Freehold property
	£
<b>COST</b>	
At 1st September 2016	2,748,077
Additions	<u>599,225</u>
At 31st August 2017	<u>3,347,302</u>
<b>DEPRECIATION</b>	
At 1st September 2016	48,787
Charge for year	<u>58,486</u>
At 31st August 2017	<u>107,273</u>
<b>NET BOOK VALUE</b>	
At 31st August 2017	<u>3,240,029</u>
At 31st August 2016	<u>2,699,290</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	-	39,341
Accrued expenses	<u>2,352</u>	<u>2,352</u>
	<u>2,352</u>	<u>41,693</u>

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

9. MOVEMENT IN FUNDS

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
<b>Unrestricted funds</b>			
General fund	2,658,773	585,719	3,244,492
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>2,658,773</u>	<u>585,719</u>	<u>3,244,492</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	650,000	(64,281)	585,719
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>650,000</u>	<u>(64,281)</u>	<u>585,719</u>

10. RELATED PARTY DISCLOSURES

The charity 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 £599,225 (2016: 737,160) . KHT owed Watch Tower nil (2016: £39,341) at the year end.

During the year KHT received £650,000 (2016: £250,000) from IBSA as a donation.

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

	2017 £	2016 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	585,719	801,420
<b>Adjustments for:</b>		
Depreciation charges	58,486	42,570
(Decrease)/increase in creditors	<u>(39,341)</u>	<u>38,333</u>
<b>Net cash provided by (used in) operating activities</b>	<u>604,864</u>	<u>882,323</u>

