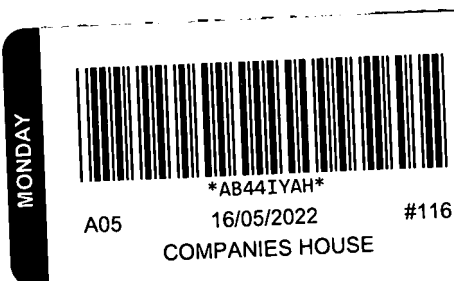


REGISTERED COMPANY NUMBER: 03858051 (England and Wales)
REGISTERED CHARITY NUMBER: 1077961
OSCR NUMBER: SC046952

Report of the Trustees and
Financial Statements for the Year Ended 31st August 2021
for
Watch Tower Bible and Tract Society of
Britain



Watch Tower Bible and Tract Society of Britain

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Watch Tower Bible and Tract Society of Britain

Report of the Trustees for the Year Ended 31st August 2021

The trustees, who are also directors of the Society for the purposes of the Companies Act 2006, present their report with the financial statements of the Society for the year ended 31st August 2021. 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 2019).

This report includes the Directors Report as required by company law.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Memorandum and governing document states that the objectives of the Society are to advance the Christian religion as practiced by the body of Christian persons known as Jehovah's Witnesses. This is accomplished in particular but not exclusively:

- a. producing audio and video material for Bible education, publishing, importing, exporting, recording, translating, producing, and distributing Bible literature;
- b. providing services and facilities for members of the Worldwide Order of Special Full-Time Servants of Jehovah's Witnesses;
- c. purchasing, building, and renovating properties for use by Jehovah's Witnesses as places of worship;
- d. engaging in acts of charity, mercy, and humanitarian aid;
- e. distributing funds and goods to other entities that have similar aims.

Significant activities

The major areas of activities for the year in question have been:

1. Supporting entities of Jehovah's Witnesses with similar aims and objectives abroad. These donations have been in the form of goods such as paper for printing and software licences. All such donations have promoted religious activity overseas. This activity also includes sending funds directly, primarily to such entities in developing countries, where funds are limited. These are used for activities such as construction of places of worship and disaster relief.
2. Refurbishment of Kingdom Halls of Jehovah's Witnesses and construction of new Kingdom Halls.
3. Provision of facilities to assist full-time ministers.

The pandemic continues to be a significant negative factor which has limited the Society's ability to build and refurbish places of worship. The Society does plan to increase building work wherever it is safe to do so. This has already started to a limited extent.

Public benefit

As evidenced in this report, much has been accomplished by the Society in the year to advance its objects for the public benefit.

The work on places of worship has been severely limited due to the pandemic, although some works were carried out during the year.

The construction work facilitates the activity of Jehovah's Witnesses. It helps them, others who associate with them and the wider public to learn godly values, promote well-being and respect for others, and practice qualities such as honesty and kindness. The work of the Society ensures that individuals are not limited by their background or financial means to gain access to these provisions.

The work of the Society also benefits those who do not wish to access these provisions. For example, through its building work, the Society creates attractive and dignified buildings which are a pleasing gift to the community. Another benefit arises from the teaching that takes place in these buildings, a key aspect of which is being good neighbours.

Public benefit is also achieved in other countries, where entities with similar aims are helped to accomplish the objectives described above, as well as with disaster relief in affected areas. The Society has seen the results of its funding in new places of worship, and disaster relief efforts that greatly assist the individuals in need. More information is included in the achievements and performance section of this report.

The Trustees confirm that they have complied with their duty to have due regard to the Charity Commission guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

Watch Tower Bible and Tract Society of Britain

Report of the Trustees for the Year Ended 31st August 2021

OBJECTIVES AND ACTIVITIES

Overseas Donations

The Society's policy for making donations to other entities is as follows: Each year the Society considers countries that receive insufficient donations locally to meet their aims. The Society considers if its yearly budget for this activity is appropriate. It also ensures that the beneficiary of these funds are legal entities that care for the activities of Jehovah's Witnesses in that country. After due diligence is carried out, the funds are sent. Reports are obtained to confirm appropriate use of the funds.

All donations made support the Christian ministry of Jehovah's Witnesses. Donated funds are used for building places of worship, facilitation of religious worship, literature and assisting with disaster relief. The organisations assisted share and pursue the same aims as the Society. Individual donors to the Society are made aware of the worldwide nature of our work and activities.

Assistance to entities used by Jehovah's Witnesses in other countries was also provided by purchasing and sending the necessary goods where appropriate.

Members of the Worldwide Order of Special Full Time Servants

The Society is often assisted by religious ministers who are members of the Worldwide Order of Special Full-Time Servants of Jehovah's Witnesses (the Order).

These individuals are not employed and do not receive a remuneration or any benefit in kind for the activities or services they perform. Although such ones do at times help the Society, for instance by assisting with the building work, their service involves many other assignments as well, not connected to the Society. Members perform whatever the Order assigns them to do in support of the activities of Jehovah's Witnesses.

Many who are not Members of the Worldwide Order, but who are Jehovah's Witnesses, also freely provide their time and resources to assist with needed work.

STRATEGIC REPORT

Achievement and performance

Charitable activities - Assisting Entities Overseas

During the year the Society provided material and financial assistance to associations of Jehovah's Witnesses with similar aims and objectives in several countries.

The aid, £58 million in total, was given to promote missionary activity, to assist with disaster relief, to support general costs of the local associations, and to assist in the operation of local congregations of Jehovah's Witnesses. Direct funding of £51 million was sent to cooperating legal entities. £23 million of this was sent to entities based in Africa. In addition, £7 million was spent on goods and services for these entities. These include computer programs, equipment and paper for printing activities. Sourcing these items centrally and donating allows for the best use of donated funds. It also provides access to entities which otherwise would struggle to access such goods.

Funding was received from entities with similar aims that had already met their local needs. The Society has access to excellent banking services in Britain and was able to pool and distribute these funds. Of course, such funds are also available for domestic needs if necessary.

The receiving entities sent very satisfying reports regarding the activity supported, which resulted in physical, spiritual and emotional support for many beneficiaries.

Entities continue to use funding for disaster relief, including to assist individuals to cope with the pandemic. Funding helped people in Liberia, Angola and many other countries in this way.

The funding also allowed for crucial spiritual and emotional support to be provided. For example, entities in Malawi and Mozambique spent funds on television and radio broadcasts, satellites and other hardware. All of this allowed many thousands to access a global convention and regular, upbuilding spiritual programs, free of charge.

The Society also helped an entity in Ghana to facilitate the release of the New World Translation of the Bible in the Twi (Akuapem) language. This was then made available free of charge.

The above are just a few examples, similar activities took place in many other countries which the Society assists.

A social investment is also held by the Society. This is in line with the aims and objectives of the Society because the investment is charitable, helping Jehovah's Witnesses find places to worship in various parts of the world. The investment is socially, ethically and environmentally acceptable. It continues to perform positively.

Watch Tower Bible and Tract Society of Britain

Report of the Trustees

for the Year Ended 31st August 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities - Building places of worship and administrative facilities

Due to the pandemic, a very limited amount of work was carried out on Kingdom Hall projects during the year.

Although the main work of building new headquarters for Jehovah's Witnesses in Britain, in Chelmsford, Essex, was completed last year, there were some further costs incurred in October 2020 as small refinements were made to the site.

Charitable activities - Providing services to full-time ministers

The Society has a long history of charitable business activity, therefore is well placed to carry out a variety of activities when a need arises. It cares for a small commissary and car garage at the headquarters of Jehovah's Witnesses in Britain. This was an important provision for ministers whose movements have been restricted during the year due to the pandemic.

The Society also has a history of shipping items around the globe and is able to use this to assist ministers and entities with similar objectives. Another major element of this activity comes from the transport experience and supplier network built up by the Society. This makes vehicles available which can be used by ministers for their religious activity.

All of the above activities have been carried out successfully during the year, adapting as necessary to ensure safety during the pandemic.

Internal controls

To assist the Society in achieving its objectives, appropriate internal controls have been established. These 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.

The internal audit programme has been achieved. The internal auditor and his assistant have a set agenda to pursue through the year and reported again in writing to the trustees in November 2021. No significant findings were reported. Advice for improving the systems of the Society has been considered and implemented where appropriate.

Greenhouse Gas Emissions, Energy Consumption & Energy Efficiency

	Carbon Tonnes	KwH
Quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible	147,047	
Quantity of energy consumed resulting from activities for which the company is responsible		30

This information was gathered from utility bills received by the Society during the year.

Financial review

Financial position

The Society showed a surplus of £69 million on the Statement of Financial Activities (SOFA) at the 31st August 2021.

This came about due to a combination of high donations received from some entities, and the pandemic causing reduced activity in receiving entities. Further information is described in the Reserves Policy and 'Assisting Entities Overseas' section of this report.

The aims of the Society are in no way financial, therefore monitoring of specific financial targets is not paramount. The trustees are pleased that they have been able to hold funds effectively and respond to worldwide needs as they arise. This continued into 2022.

The Society's basic financial aims are to maintain a strong balance sheet, to preserve its purchasing power and to maintain its ability to respond quickly to worldwide and local needs that may arise.

Watch Tower Bible and Tract Society of Britain

Report of the Trustees for the Year Ended 31st August 2021

STRATEGIC REPORT

Financial review

Principal funding sources

The Society currently has two funding sources, one of them being the construction of new facilities or places of worship, which is invoiced at cost to other charities with similar aims.

The Society relies to a large extent on voluntary donations to support its work, and has a consistent income stream through regular donations and legacies received. To support the overseas donations paid out, the Society also has arrangements with other entities globally with shared objectives, to receive incoming donations. These funds arrive when said entities have met their local needs. This allows the Society to pool the funds in banking institutions in Britain, ready and able to respond to worldwide needs. The SOFA confirms that this spending occurred successfully during the year.

The trustees are confident that the Society is in a strong financial position as demonstrated by the attached financial statements.

Investment policy and objectives

The memorandum and articles give power to invest funds in any lawful manner having full regard to the suitability of the investments, the need for diversification, and to be a socially responsible investor having due consideration for the beliefs of Jehovah's Witnesses. The objective of our investment policy is to balance the following issues: Preserve the purchasing power, provide adequate liquidity, and give consistent long-term returns.

After adjusting for inflow/outflows, the portfolio decreased by 0.4% over the past year, with an inflation rate of 3.2% in the year. The investment portfolio held 99.1% in diversified liquid assets.

The trustees continue to see the wisdom in holding to the current strategy favouring portfolio diversification both by asset class and currency exposure, having adequate liquidity in investment quality.

Reserves policy

At the year-end unrestricted reserves, not including fixed assets, stood at £244 million.

This is a significant increase from the previous year due to significant funds being donated by entities which had excess funds for their current needs, combined with the fact that entities required less assistance during the year due to reduced activity.

The reserves policy of the Society is to hold approximately 12 months running expenditure, as well as an appropriate amount for each country it assists. This would allow the Society to continue with regular expenditure, and respond to disasters or other unexpected needs that could arise in multiple countries at one time. World events show this to be a very prudent step. Current reserves, excluding fixed assets, were approximately £244 million at the end of August 2021. This meets our reserve policy.

These reserves represent amounts available for the Society's needs and any needs of the entities in other countries as needed. The Society has access to effective banking and investment services. The funds are therefore well utilised until they are called on. Worldwide needs can be responded to whenever necessary from this pool of funds. This assistance can be provided by sending funds, or acquiring and sending necessary items.

The trustees feel that such a policy is prudent, in light of the Society's plans and the current financial climate. They feel it makes best use of income and are confident that it does not adversely affect the Society's ability to both sustain and increase its activity. These reserves can therefore continue to be available for worldwide use as the need arises.

Environmental Performance

Especially with its building projects, the Society gives close attention to its environmental impact. Matters considered include: unused materials, construction waste management, renewable energy sources and water management. Conservation surveys are commissioned as necessary. Projects are registered with sustainability monitoring agencies such as BREEAM (Building Research Establishment Environmental Assessment Method) when this is required by local authorities.

The Society recognises the importance of environmental protection, especially with significant undertakings, and works in harmony with our Environmental Policy. This policy reflects the commitment to establish an Environmental Management System to monitor and control its environmental aspects; to assess and regularly re-assess the environmental effects of its activities; to conduct its activities in a manner that is sensitive to the needs and concerns of the surrounding inhabitants and environment; to integrate environmental issues into decision making; to reduce or eliminate pollution and nuisance; to minimise energy waste and materials; to protect biodiversity and ecosystems; to promote the use of sustainable, recyclable and renewable materials; and to educate and train volunteers in the use of environmentally conscious practices.

The above information enables the trustees to report strong environmental performance for the year. It is in harmony with its overall aims, that the Society has successfully cared for the environment wherever it is operating.

Watch Tower Bible and Tract Society of Britain

Report of the Trustees for the Year Ended 31st August 2021

STRATEGIC REPORT

Principal risks and uncertainties

Formal reviews have taken place regarding the major risks to which the Society is exposed. Strategic safeguards are in place to reduce the impact of those risks as far as possible. The Risk Register was updated most recently in June 2021.

The principal risks and uncertainties facing the Society are: failure to comply with legal requirements on health and safety, fire, environment, waste; disaster in Kingdom Hall construction or maintenance.

Failure to comply with legal requirements.

All building projects are compliant with any and all applicable legal, planning and building control requirements.

Regulatory authorities also inspect and advise on vehicle safety and standards.

Weekly maintenance and production meetings ensure standards are being followed and any suggestions are followed through.

We maintain a good working relationship with any authorities which oversee such requirements.

All of the above continue to ensure that the Society complies with relevant legal requirements.

Disaster in construction activities.

A comprehensive health and safety file is prepared for each project and managed by an onsite management team. Site safety audit visits are made twice annually to the groups of individuals overseeing construction in a given area. Reports are reviewed by teams working centrally to see where any adjustments are needed. Incidents that occur on site are reviewed on a monthly basis, so that lessons learned can be applied across all areas of our operations.

Building sites are run consistent with Construction Industry Training Board Site Safety qualifications. Strict compliance with building regulations is ensured and experts fully utilised.

Workers attend safety and planning seminars. Daily meetings on health and safety are held on site for each project. An accident and near miss reporting system is also operational on site.

Documented instructions are followed by those in oversight. Written materials are provided to the workers to assist them in maintaining health and safety.

The Trustees are confident that the hard work described above mitigates the possibility that a serious risk will be realised.

Statutory inquiry

On 31 December 2021, the trustees were informed by the Charity Commission that they have now closed the substantive investigative phase of the statutory inquiry into Watch Tower Bible and Tract Society of Britain.

Future plans

As the pandemic and other difficulties continue around the world, the Society wishes to continue to be able to provide quick and consistent charitable support as needed.

Building activity is gradually recommencing. The trustees will continue to carefully monitor the COVID-19 pandemic to ensure that work is only carried out if it is safe to do so.

The trustees have assessed the likely impact of the COVID-19 pandemic in relation to going concern. They are currently of the opinion that the Society is not exposed to a potential lack of going concern and that it is in a strong financial position.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity, a UK company limited by guarantee, is controlled by its governing document, the memorandum and articles of the company dated 25th October 1999, as amended by special resolutions dated 19th April 2000, 21st November 2013, 13th April 2016, and 8th April 2022.

Organisational structure

The Society is constituted as a company limited by guarantee.

Watch Tower Bible and Tract Society of Britain

Report of the Trustees for the Year Ended 31st August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Members Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amounts as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment, induction and training of new trustees

The recruitment and induction of new trustees is arranged as follows: The trustees may at any time co-opt any person duly qualified to be appointed as a trustee to fill a vacancy in their number or as an additional trustee. Such a person must be a member of the Society and serve as one of Jehovah's Witnesses. New trustees are given training in both operational and financial matters with the aid of the existing trustees and relevant documentation and guidance provided by the Charity Commission. Trustees are given appropriate Charity Commission publications and training is arranged as part of the meetings of the trustees when the Society's policies are discussed. This is supplemented by periodic training provided by other professional bodies when new legislation affecting the Society is introduced.

The trustees meet together each month, and are in regular contact.

Wider network

The Society works closely with many entities with similar objectives around the world. One example is the International Bible Students Association (IBSA). During the year IBSA provided the Society with serviced facilities for its charitable activities.

Cooperation with all of these entities facilitates an efficient and economic use of the Society's resources. This cooperation also helps the Society to meet its stated objectives.

The charity also considers policies, procedures and guidelines used by entities of Jehovah's Witnesses globally with similar aims and objectives, and, where applicable, seeks to implement them.

Engagement with suppliers, customers and others

The trustees recognise the importance of good business relationships to facilitate the uninterrupted provision of charitable services to beneficiaries. Policies are followed to ensure strong relationships with key suppliers are maintained whilst still obtaining value for money and making the best use of donated funds.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03858051 (England and Wales)

Registered Charity number

1077961

Registered office

1 Kingdom Way
West Hanningfield
Chelmsford
CM2 8FW

Trustees

P P Bell
R Li
A J Llewellyn
G Maraia
S J Morice
J Rastall
S C Docherty (appointed 1.3.22)

Auditors

Xeinadin Audit Ltd
Chartered Accountants and Statutory Auditor
Becket House
36 Old Jewry
London
EC2R 8DD

Watch Tower Bible and Tract Society of Britain

Report of the Trustees for the Year Ended 31st August 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Investment Advisers

Merrill Lynch
Private Banking and Investment Group
225 Liberty Street
35th Floor
New York
NY10281

Bankers

Barclays Corporate Banking
Blenheim Gate
22-24 Upper Marlborough Road
St Albans
AL1 3AL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the Society 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 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 28 April 2022 and signed on the board's behalf by:



R Li - Trustee

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

Opinion

We have audited the financial statements of Watch Tower Bible and Tract Society of Britain (the 'charitable company') for the year ended 31 August 2021 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 31 August 2021 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Watch Tower Bible and Tract Society of Britain

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our objectives in performing the audit are to identify and assess the risk of material misstatement in the financial statements due to fraud or error and to obtain sufficient audit evidence to support this. We also evaluate and respond to the risk of material misstatements.

Audit procedures performed by the engagement team included:

- Gaining an extensive knowledge of the entity and its' external environment, as well as the regulatory frameworks it must operate within.
- Obtaining a sufficient understanding of the internal control environment, including systems in place for the detection and prevention of fraud.
- Appraising said systems in order to determine whether they are operating to a satisfactory level.
- Understanding the entity's current activities, assets, liabilities, and well as future plans and comparing these to the entity's charitable objective and aims.
- Discussions with management and those charged with governance as to any known or suspected instances of non-compliance with laws and regulations, as well as fraud.
- Challenging and recalculating assumptions, judgements and estimates made by management in its significant accounting policies.
- Review of significant and unusual transactions.
- Reading minutes of meetings of those charged with governance and therefore understanding and evaluating decisions made regarding the safeguarding and usage of the entity's assets.

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.

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. 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 Xeinadin Audit Ltd
Chartered Accountants and Statutory Auditor
Becket House
36 Old Jewry
London
EC2R 8DD

Date: 4 May 2022

Watch Tower Bible and Tract Society of Britain

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31st August 2021

		2021 Unrestricted funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	129,234,487	132,490,597
Charitable activities	4		
Design and build of places of worship and administrative facilities		-	9,781,957
Investment income	3	945,313	1,662,538
Other income	5	<u>30,485</u>	<u>382,856</u>
Total		130,210,285	144,317,948
EXPENDITURE ON			
Raising funds			
Investment management costs	6	<u>132,243</u>	<u>266,139</u>
		132,243	266,139
Charitable activities	7		
Assisting Entities Overseas		58,926,022	82,954,177
Design and build of places of worship and administrative facilities		1,764,974	15,435,731
Providing services for full-time ministers		<u>600,393</u>	<u>928,726</u>
Total		<u>61,423,632</u>	<u>99,584,773</u>
NET INCOME		68,786,653	44,733,175
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>192,746,712</u>	<u>148,013,537</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>261,533,365</u></u>	<u><u>192,746,712</u></u>

The notes form part of these financial statements

Watch Tower Bible and Tract Society of Britain

Balance Sheet

31st August 2021

	Notes	2021 Unrestricted funds £	2020 Total funds £
FIXED ASSETS			
Tangible assets	11	14,944,158	17,810,745
Investments			
Investments	12	2,153,954	12,535,853
Social investments	13	<u>460,215</u>	<u>460,215</u>
		17,558,327	30,806,813
CURRENT ASSETS			
Stocks	14	2,855,344	2,169,790
Debtors	15	1,392,516	717,544
Investments	16	244,032,372	157,822,012
Cash at bank and in hand		<u>6,577,531</u>	<u>12,845,533</u>
		254,857,763	173,554,879
CREDITORS			
Amounts falling due within one year	17	<u>(2,213,645)</u>	<u>(1,560,931)</u>
NET CURRENT ASSETS		<u>252,644,118</u>	<u>171,993,948</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		270,202,445	202,800,761
CREDITORS			
Amounts falling due after more than one year	18	(5,475,168)	(6,887,256)
PROVISIONS FOR LIABILITIES	20	<u>(3,193,912)</u>	<u>(3,166,793)</u>
NET ASSETS		<u>261,533,365</u>	<u>192,746,712</u>
FUNDS	21		
Unrestricted funds:			
General Fund		<u>261,533,365</u>	<u>192,746,712</u>
TOTAL FUNDS		<u>261,533,365</u>	<u>192,746,712</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23 April 2022 and were signed on its behalf by:


R Li - Trustee


A J Llewellyn - Trustee

The notes form part of these financial statements

Watch Tower Bible and Tract Society of Britain

Cash Flow Statement for the Year Ended 31st August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	23	<u>65,904,624</u>	<u>43,595,840</u>
Net cash provided by operating activities		<u>65,904,624</u>	<u>43,595,840</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(68,068)	(595,634)
Purchase of current asset investments		(86,290,360)	(140,251,557)
Sale of tangible fixed assets		2,974,046	6,346,723
Sale of fixed asset investments		10,381,899	3,168,775
Interest received		3,599	161,880
Dividends received		<u>917,961</u>	<u>1,500,658</u>
Net cash used in investing activities		<u>(72,080,923)</u>	<u>(129,669,155)</u>
Cash flows from financing activities			
Loans advanced by depositors		106,907	626,276
Loans repaid to depositors on		<u>(198,610)</u>	<u>(392,200)</u>
Net cash (used in)/provided by financing activities		<u>(91,703)</u>	<u>234,076</u>
Change in cash and cash equivalents in the reporting period		<u>(6,268,002)</u>	<u>(85,839,239)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>12,845,533</u>	<u>98,684,772</u>
Cash and cash equivalents at the end of the reporting period		<u><u>6,577,531</u></u>	<u><u>12,845,533</u></u>

The notes form part of these financial statements

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements for the Year Ended 31st August 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, a company limited by guarantee registered in England and Wales and in Scotland, which is a public benefit entity under FRS102, have been prepared in accordance with applicable charity and company law, namely the Charities SORP (FRS102) '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 (FRS102) (effective 1st January 2019)', Financial Reporting Standard 102' The Financial Reporting Standard applicable in the UK and Republic of Ireland' (effective 1 January 2019), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention or transaction value, unless stated in the relevant accounting policy note(s). All amounts are stated in pounds sterling and rounded to the nearest whole number.

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. A significant area of estimation and judgement is when support costs have been allocated to activity on a basis consistent with their use of resources.

A further key estimate is the rate of depreciation. The trustees are of the opinion that the rates applied to the financial statements are appropriate.

Income

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

Donations in the form of assets are included at the net book value on the date of the gift.

For legacies, entitlement is taken as the earlier of the date on which either; the Society is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Society has been notified of the executor's intention to make a distribution.

Income from charitable activities also includes the value of services, excluding Value Added Tax, provided at cost to other charitable bodies during the period. The completion stage of building work performed over long-term contracts is verified by qualified individuals and invoiced accordingly at appropriate intervals.

Grants are recognised when the charity is entitled to receipt.

Investment income is accounted for on an accruals basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Society 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 as described later regarding cost allocation.

Raising funds

These are comprised of investment management costs incurred during the year. The Society does not engage in fund raising.

Governance costs

Governance costs comprise costs involved in the running and administration of the Society. These are allocated across activities in the same manner as all other support costs.

Allocation and apportionment of costs

Where a cost is incurred for the purpose of directly achieving one of the charitable aims it is allocated to that particular aim.

Some costs do not relate to one particular aim, but support all of the aims of the Society. Where this is the case, the support cost is apportioned to the activity based on the proportion of direct costs it incurs.

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are valued 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 each asset down to its residual value over its estimated useful life:

Freehold land	-	Not depreciated
Buildings	-	2% on cost
Plant and machinery	-	10% or 6.7% on cost,
Motor vehicles	-	33%, 20% or 14% on cost
Fixtures and fittings	-	33% or 10% 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.

Social investments

The Society 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.

Stocks and long-term contracts

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long term contracts are assessed on a contract by contract basis and reflected in the statement of financial activities by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract.

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 Society. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Where a restricted fund has fulfilled its purpose and excess funds remain, the balance will be transferred to unrestricted funds, provided that this was understood by the donors at the time of their donation.

Foreign exchange gains and losses

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. Gains and losses arise when foreign currency assets change in value between their purchase and the balance sheet date.

Donated goods

Donated goods are recognised as income when the Society has control over the item, the receipt of economic benefit from the use by the Society of the item is probable and that economic benefit can be measured reliably. These would be measured at fair value.

Fixed Asset Investments

Unlisted investments are comprised of various funds and derivatives managed by professional firms and banks. The valuations are based on the external fund managers' estimates of the underlying assets of the investment vehicle.

Current Asset Investments

The current assets are held in UK sterling or other traded currencies and have been valued at the appropriate exchange rate at the year-end. Short-term investments comprise highly liquid investments that are cash or cash equivalent.

Deposits

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

1. ACCOUNTING POLICIES - continued

The Society had an arrangement whereby individuals could deposit funds so that the Society could benefit, on the understanding that these funds could be requested back whenever the depositor wishes. Deposits repayable on demand are classified as falling due within one year. This arrangement was closed to new deposits in 2015. Deposits are still accepted from congregations of Jehovah's Witnesses.

Conditional donations

The Society receives some donations where the donor reserves the right to receive the funds back in case of unexpected need. Experience has shown that only a small percentage is returned, but prudently the charity provides for twenty-five percent.

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.)

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.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society, which is normally upon notification of the interest paid or payable by the Bank.

Debtors

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

Cash at bank and in hand

Cash at bank and in hand include current and deposit accounts as well as trivial amounts of petty cash.

Creditors

Creditors are recognised where the Society 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

Other than investments, the Society has only basic financial assets and liabilities. These are initially recognised at transaction value and subsequently measured at their settlement value if there is any variance. If any are for a period longer than twelve months these are amortised where appropriate.

Going Concern

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

Volunteers

Individuals voluntarily assist with all of the activities of the Society. The role of these individuals is fundamental to the Society carrying out its work, as the Society does not have a salaried workforce.

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Legacies	4,074,820	1,123,610
Donations of cash and goods	<u>125,159,667</u>	<u>131,366,987</u>
	<u>129,234,487</u>	<u>132,490,597</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	23,753	-
Other unlisted securities	917,961	1,500,658
Deposit account interest	<u>3,599</u>	<u>161,880</u>
	<u>945,313</u>	<u>1,662,538</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2021 Total activities £	2020 Total activities £
Income from branch construction	-	5,615,211
Income from Kingdom Hall construction	<u>-</u>	<u>4,166,746</u>
	<u>-</u>	<u>9,781,957</u>

5. OTHER INCOME

	2021	2020
	£	£
Foreign currency gains	-	165,486
Other income	-	111,134
Income from recycling	<u>30,485</u>	<u>106,236</u>
	<u>30,485</u>	<u>382,856</u>

6. INVESTMENT MANAGEMENT COSTS

	2021	2020
	£	£
Portfolio management	<u>132,243</u>	<u>266,139</u>

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Assisting Entities Overseas	57,776,507	1,149,515	58,926,022
Design and build of places of worship and administrative facilities	1,754,479	10,495	1,764,974
Providing services for full-time ministers	<u>596,823</u>	<u>3,570</u>	<u>600,393</u>
	<u>60,127,809</u>	<u>1,163,580</u>	<u>61,291,389</u>

8. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Assisting Entities Overseas	1,111,142	38,373	1,149,515
Design and build of places of worship and administrative facilities	9,346	1,149	10,495
Providing services for full-time ministers	<u>3,179</u>	<u>391</u>	<u>3,570</u>
	<u>1,123,667</u>	<u>39,913</u>	<u>1,163,580</u>

Support costs have been allocated to the appropriate activity, as shown above, in line with the charity's accounting policies.

9. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Auditors' remuneration	39,913	31,860
Depreciation - owned assets	297,496	647,030
Surplus/(deficit) on disposal of fixed assets	<u>(336,887)</u>	<u>396,463</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

The trustees do not receive any remuneration or benefits for their role as trustees of the Society.

All are members of the Worldwide Order of Special full-time Servants of Jehovah's Witnesses.

Trustees' expenses

No expenses were reimbursed to trustees during the year.

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st September 2020	17,709,179	1,006,115	477,099	1,962,157	21,154,550
Additions	68,068	-	-	-	68,068
Disposals	<u>(2,638,278)</u>	<u>(608,306)</u>	<u>(439,738)</u>	<u>(431,273)</u>	<u>(4,117,595)</u>
At 31st August 2021	<u>15,138,969</u>	<u>397,809</u>	<u>37,361</u>	<u>1,530,884</u>	<u>17,105,023</u>
DEPRECIATION					
At 1st September 2020	1,189,981	536,648	454,177	1,162,999	3,343,805
Charge for year	151,389	28,928	6,277	110,902	297,496
Eliminated on disposal	<u>(377,280)</u>	<u>(369,393)</u>	<u>(427,878)</u>	<u>(305,885)</u>	<u>(1,480,436)</u>
At 31st August 2021	<u>964,090</u>	<u>196,183</u>	<u>32,576</u>	<u>968,016</u>	<u>2,160,865</u>
NET BOOK VALUE					
At 31st August 2021	<u>14,174,879</u>	<u>201,626</u>	<u>4,785</u>	<u>562,868</u>	<u>14,944,158</u>
At 31st August 2020	<u>16,519,198</u>	<u>469,467</u>	<u>22,922</u>	<u>799,158</u>	<u>17,810,745</u>

12. FIXED ASSET INVESTMENTS

	Investments £
MARKET VALUE	
At 1st September 2020	12,535,853
Disposals	<u>(10,381,899)</u>
At 31st August 2021	<u>2,153,954</u>
NET BOOK VALUE	
At 31st August 2021	<u>2,153,954</u>
At 31st August 2020	<u>12,535,853</u>

Please note, that all of the above are unlisted investments.

13. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1st September 2020 and 31st August 2021	<u>460,215</u>
NET BOOK VALUE	
At 31st August 2021	<u>460,215</u>
At 31st August 2020	<u>460,215</u>

This represents an investment in a project which helps Jehovah's Witnesses around the world in finding places to meet and carry out their worship. The trustees are very confident in its performance and that it will continue to advance the charitable aims of the Society.

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

14. STOCKS

	2021	2020
	£	£
Raw materials	37,376	48,510
Motor vehicle spares and consumables	-	11,625
Work-in-progress	<u>2,817,968</u>	<u>2,109,655</u>
	<u>2,855,344</u>	<u>2,169,790</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	16,612	203,589
Other debtors	54,123	73,198
Prepayments and accrued income	<u>1,321,781</u>	<u>440,757</u>
	<u>1,392,516</u>	<u>717,544</u>

16. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Cash equivalents on deposit	244,032,372	157,742,012
Land in course of disposal	<u>-</u>	<u>80,000</u>
	<u>244,032,372</u>	<u>157,822,012</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Deposits (see note 19)	608,352	765,251
Trade creditors	1,525,919	680,396
Other creditors	24,913	63,843
Accrued expenses	<u>54,461</u>	<u>51,441</u>
	<u>2,213,645</u>	<u>1,560,931</u>

Deposits comprise monies received from individuals, circuits and congregations and held with the Society until they are requested back.

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

	2021	2020
	£	£
Deposits (see note 19)	<u>5,475,168</u>	<u>6,887,256</u>

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

19. DEPOSITS

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

20. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Conditional donations	<u>3,193,912</u>	<u>3,166,793</u>
Provision at 1st September 2020		£ 3,166,793
Provision on new conditional donations received		488,107
Provision released on conditional donations converted into donations		(356,538)
Provision released on conditional donations repaid		<u>(104,450)</u>
Provision at 31st August 2021		<u>3,193,912</u>

Conditional donations are donations made by individuals on the understanding that they may be recalled should the donor require such funds in the future. The donor retains an option over their donation until they die or write to convert it into an outright donation or request repayment. While it is considered probable that some of these conditional donations will need to be repaid, it is unknown when this liability will crystallize or how large it will be. The trustees have therefore prudently made a provision for 25% of the balance of conditional donations as shown above. The remaining £9,581,736 is a contingent liability.

21. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General Fund	192,746,712	68,786,653	261,533,365
TOTAL FUNDS	<u>192,746,712</u>	<u>68,786,653</u>	<u>261,533,365</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	130,210,285	(61,423,632)	68,786,653
TOTAL FUNDS	<u>130,210,285</u>	<u>(61,423,632)</u>	<u>68,786,653</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General Fund	148,013,537	44,733,175	192,746,712
TOTAL FUNDS	<u>148,013,537</u>	<u>44,733,175</u>	<u>192,746,712</u>

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	144,317,948	(99,584,773)	44,733,175
TOTAL FUNDS	<u>144,317,948</u>	<u>(99,584,773)</u>	<u>44,733,175</u>

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

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General Fund	148,013,537	113,519,828	261,533,365
TOTAL FUNDS	<u>148,013,537</u>	<u>113,519,828</u>	<u>261,533,365</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	274,528,233	(161,008,405)	113,519,828
TOTAL FUNDS	<u>274,528,233</u>	<u>(161,008,405)</u>	<u>113,519,828</u>

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2021.

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

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	68,786,653	44,733,175
Adjustments for:		
Depreciation charges	297,497	647,030
(Profit)/loss on disposal of fixed assets	(336,887)	396,463
Interest received	(3,599)	(161,880)
Dividends received	(917,961)	(1,500,658)
Other non-cash donations received	(1,477,285)	(1,331,150)
Movement in assets held for sale	80,000	196,672
Increase/decrease in provisions	27,119	154,093
(Increase)/decrease in stocks	(685,554)	1,215,502
(Increase)/decrease in debtors	(674,972)	2,565,481
Increase/(decrease) in creditors	809,613	(3,318,888)
Net cash provided by operations	<u>65,904,624</u>	<u>43,595,840</u>

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued for the Year Ended 31st August 2021

24.. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>12,845,533</u>	<u>(6,268,002)</u>	<u>6,577,531</u>
	<u>12,845,533</u>	<u>(6,268,002)</u>	<u>6,577,531</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>157,822,012</u>	<u>86,210,360</u>	<u>244,032,372</u>
	<u>157,822,012</u>	<u>86,210,360</u>	<u>244,032,372</u>
Debt			
Debts falling due within 1 year	(765,251)	156,899	(608,352)
Debts falling due after 1 year	<u>(6,887,256)</u>	<u>1,412,088</u>	<u>(5,475,168)</u>
	<u>(7,652,507)</u>	<u>1,568,987</u>	<u>(6,083,520)</u>
Total	<u>163,015,038</u>	<u>81,511,345</u>	<u>244,526,383</u>

25. FINANCIAL INSTRUMENTS

	2021	2020
Debt instruments at amortised cost		
Unlisted investments	244,032,372	157,742,012
Trade debtors	16,612	203,589
Other debtors	<u>54,123</u>	<u>73,198</u>
Total	<u>244,103,107</u>	<u>158,018,799</u>
Financial Liabilities at amortised cost		
Deposits	608,352	765,251
Trade creditors	1,525,919	680,396
Other creditors	24,913	63,843
Accrued expenses	47,141	51,441
Deposits > 1 year	5,475,168	6,887,256
Conditional donations	<u>3,193,912</u>	<u>3,166,793</u>
Total	<u>10,875,405</u>	<u>11,614,980</u>

Watch Tower Bible and Tract Society of Britain

Notes to the Financial Statements - continued **for the Year Ended 31st August 2021**

26. GOING CONCERN

The trustees have assessed the likely impact of the COVID-19 pandemic in relation to going concern. They are currently of the opinion that the Society is not exposed to a potential lack of going concern and that it is in a strong financial position.