

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 2021
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 2021

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 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).

OBJECTIVES AND ACTIVITIES

Objectives and Aims

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.

In the short term the Trust will look to merge more congregation charities where possible. The Trust's long term objective is to continue to facilitate worship and relieve administrative burdens on individuals wherever possible. The Trust also aims to continue to provide safe, high quality buildings for the use of congregations, all of which are open to the public.

The Trust continues to hold a programme related social investment as shown in note 8 to the financial statements. The investment furthers the charitable aims of the Trust, by assisting Jehovah's Witnesses around the world in finding places to meet and carry out their worship. There are no concerns regarding the social, environmental or ethical nature of the investment, as it directly assists with charitable activity. The trustees are pleased with its performance.

Significant activities

The Trust provides places of worship by purchasing completed properties and freehold land, and maintaining these buildings to a high standard.

The Trust also tries to reduce the administrative burden that would otherwise fall on individuals.

A key activity to achieve this is caring for administrative and financial processes, concerning congregations, making payments and processing receipts.

The Trust also at times acts 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. This activity has reduced because many congregation charities have transferred beneficial ownership of their properties to the Trust. This has the same benefit of lessening the administrative burden for those involved.

The Trust measures its success by the extent it can relieve financial and administrative burdens from individuals who were formerly assisting congregation charities, and facilitate public worship. Appropriate measures for how well these have been relieved include the number of congregation payments made, and the number of congregation charities merged during the year.

During the pandemic Kingdom Halls have been closed to congregations and the public. Despite this, the Trust continued to support maintenance of the properties and associated expenses as needed. At the time of writing this report the Trust has allowed for safe access to its properties again.

A new activity of the Trust is to donate surplus funds to other charities with similar aims. Retaining these funds in the Trust would limit their usage to supporting activity in Britain. Donating these funds fulfils the wishes of donors to support, not simply local activity, but the activity of Jehovah's Witnesses in Britain and worldwide.

A significant negative factor has been the ongoing pandemic. This has limited the Trust's capacity to make its buildings available. As previously stated the Trust is now working to allow safe use of its properties again.

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.

During the pandemic, the Trust has continued to maintain the properties to ensure they remain fit for purpose and to care for associated expenses.

The Kingdom Hall Trust

Report of the Trustees

for the Year Ended 31st August 2021

OBJECTIVES AND ACTIVITIES

Volunteers

The volunteer spirit of many is crucial to the operations of the Trust. For example, in accordance with delegated authority, individuals arrange for basic repairs to the Kingdom Halls, engage with suppliers for running costs and maintain basic financial records for their congregation. Some also perform maintenance checks on the properties of the Trust, ensuring that they are well maintained. The trustees greatly appreciate these tireless efforts.

STRATEGIC REPORT

Achievement and performance

Principal Achievements for the Year

A further 354 congregation charities merged with the Trust during the year. Approximately 30,000 payments were made, and the supply of utilities for Kingdom Halls continued to be moved across to consolidated billing systems. As this responsibility was formerly spread across many individual charities, this is a good measure of how the Trust has relieved beneficiaries of administrative processes during the year.

All of this represents work and activity relieved from individuals throughout the country. The payments made facilitated use and maintenance of the Kingdom Halls for public religious meetings.

This has assisted beneficiaries to focus on their personal spiritual activities, such as worshipping together (via video-conference) encouraging and helping each other. Caring for local financial and legal matters, connected to properties and entities, would have been an extra burden. Most congregations also formerly relied on cheque payments which required two signatures, a process which would have been more difficult during the pandemic. By facilitating and simplifying these processes, the Trust alleviates responsibilities that would have otherwise fallen on thousands of individuals to handle.

As the merger process continued, the Trust obtained the beneficial ownership of a further 373 Kingdom Halls. In total, by 31 August 2021 there were 688 buildings owned by the Trust. All of these places of worship remain available for the same beneficiaries who were accessing them before the merge. These properties are open to the general public free of charge. They provide a base in the local community for activities of Jehovah's Witnesses.

During the pandemic, a key aim of the Trust was to keep these buildings fit for purpose and properly maintained. Therefore, guidance has been provided to individuals to perform essential weekly maintenance checks to ensure that facilities are maintained to a good standard despite lack of occupation. All checks were carried out in line with Covid-19 restrictions.

During the past year £21 million was donated to Watch Tower Bible and Tract Society of Britain for use in their charitable activities, which are similar to those of the Trust. The trustees selected this recipient due to their record in supporting the activities of Jehovah's Witnesses around the world, as shown by their published financial statements. This fulfils the aim of donors, who wish to support, not only activity in Britain, but global activity. This includes facilitating activities such as worship, disaster relief, and translation work.

Fundraising activities

We do not engage in fundraising activities.

The Kingdom Hall Trust

Report of the Trustees

for the Year Ended 31st August 2021

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.

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	2,505	
Quantity of energy consumed resulting from activities for which the company is responsible		12,945,190

This information was gathered from utility bills received by the Trust during the year. It relates to energy use in Kingdom Halls. Over 850 Halls were part of this activity during the year, meaning the above measure would be KwH 15,229 per Hall for the year. It should be noted that none of these Kingdom Halls were under normal occupancy during this period due to Covid-19 safety restrictions. Halls are gradually being added to these arrangements as the merging process continues.

Measures taken for the purpose of increasing the Trust's energy efficiency, whilst protecting the buildings during this period, include regular checks of the Halls, and heating to minimum 'set-back temperatures' for frost and damp protection. The 'vacant' period also provided the Trust an opportunity to monitor the consumption data, for any Halls using more, or less, electricity than expected, and then reviewing anomalies further.

There have also been collection of water meter readings from the Halls during maintenance visits, to identify any water leaks or over-use of water.

Financial review

Financial position

Total reserves, including property assets, at 31st August, 2021, stood at £215,905,357. During the year, the total expenditure of the Trust was £27 million, which included the forwarding of online donations to congregations whose charities have not merged with the Trust, the paying of expenses of congregations whose charities had merged, and the donation to another charity with similar aims, as described above.

By far the most significant income was £102 million of donated assets. This was due to the transfer of the beneficial ownership of Kingdom Halls from the merging charities. The values were based on desktop valuations, using properties nearby as a guide. These Halls are unique assets and have not been acquired for onward sale. Rather the Trust will continue to care for them and ensure they are available when needed.

Donations are also higher because donations that formerly went to congregation charities, now come directly to the Trust due to the merger of these charities during the year.

Reserves policy

We believe that the reserves carried forward are sufficient to cover the anticipated expenses of the Trust for the coming year. At this stage the Trust has not yet formalised a reserves policy as congregations continue to complete their merge and transfer their funds.

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.

The Kingdom Hall Trust

Report of the Trustees

for the Year Ended 31st August 2021

STRATEGIC REPORT

Future plans

The Trust will continue its ongoing programme of transferring ownership of Kingdom Hall properties to the Trust.

The Trust plans to continue to facilitate the financial activity as previously described, allowing congregants to focus more on their personal religious service rather than on administrative matters. It will continue to look to merge more congregation charities where possible.

The pandemic has greatly reduced the activity of purchasing new or newly built Kingdom Halls. The Trust, however, 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.

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.

Organisational structure

The charity is constituted as a company limited by guarantee.

Limited financial authority is delegated to responsible individuals, to enter into financial transactions on behalf of the Trust. The nature of these transactions must be in line with direction provided. All transactions are reviewed before payment through the systems of the Trust.

Wider network

The Trust cooperates with other charities with similar aims and objectives. This cooperation sometimes takes the form of shared facilities or processes. The Trust reviews policies and procedures used by such entities and determines if it is appropriate to implement these for the Trust's activity.

Engagement with suppliers, customers and others

The Trust has endeavoured to maintain strong relationships with suppliers in order to allow beneficiaries to continue to use the services of the Trust. This includes the supply of a robust donation system and necessary supplies for Kingdom Halls. The Trust also recognises the importance of individuals being able to engage suppliers on a local level to deal with day to day matters. Guidance is provided to ensure such small interactions are possible but well controlled.

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

The Kingdom Hall Trust

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

Trustees

S Abbott
J Cox
J D Dutton
S R Morris
P Wade
R Cook
A Clinton

Auditors

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

Bankers

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

CUSTODIAN TRUSTEE

The Trust acts as custodian trustee by holding title to 14 properties used by charities which share the same aims and objectives as the Trust, to facilitate worship.

The Trust fulfils its role of reducing administrative burdens through maintaining property documentation and acting on behalf of these charities when necessary. This is managed separately from properties for which the Trust has beneficial ownership.

Due to the merger, the beneficial ownership of many properties, for which the Trust formerly acted as custodian trustee, has been passed over to the Trust. Beneficial ownership of the asset is not recognised until official confirmation has been received that title has passed to the Trust.

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.

The Kingdom Hall Trust

Report of the Trustees

for the Year Ended 31st August 2021

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors,
on20 May 2022..... 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 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 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.

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 external environment, as well as the regulatory frameworks it must adhere to.
- Obtaining a sufficient understanding of the internal environment, including control systems in place for the detection and prevention of fraud, as well as organisational structure and chain of command.
- Evaluating said systems to determine whether they are operating to a satisfactory level and are providing the right level of control and authorisation within the entity.
- Understanding the entity's current activities, assets and liabilities and comparing these to the entity's charitable objectives and aims.
- Discussions with management and those charged with governance as to any known or suspected instances of non-compliance with laws and regulations, including fraud.
- Challenging and recalculating judgements and estimates made by management in its accounting policies.
- Review of significant and unusual transactions as well as the rationale behind said transactions.
- Reading minutes of meetings of those charged with governance and comparing these to what is reflected in the statutory accounts.

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

Nicholas Hume FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Ltd
Chartered Accountants and Statutory Auditors
Becket House
36 Old Jewry
London
EC2R 8DD

Date: *23 May 2022*

The Kingdom Hall Trust

Statement of Financial Activities for the Year Ended 31st August 2021

		2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	133,228,025	104,413,082
EXPENDITURE ON			
Charitable activities	3		
Providing places of worship		1,727,892	188,971
Donations to other charities		21,150,000	-
Assisting congregations		4,438,517	3,821,819
Total		<u>27,316,409</u>	<u>4,010,790</u>
NET INCOME		105,911,616	100,402,292
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>109,993,741</u>	<u>9,591,449</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>215,905,357</u></u>	<u><u>109,993,741</u></u>

The notes form part of these financial statements

The Kingdom Hall Trust

Balance Sheet

31st August 2021

	Notes	2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS			
Tangible assets	7	203,666,333	102,955,033
Social investments	8	<u>445,705</u>	<u>445,705</u>
		204,112,038	103,400,738
CURRENT ASSETS			
Debtors	9	632,138	226,143
Cash at bank		<u>11,485,491</u>	<u>6,609,541</u>
		12,117,629	6,835,684
CREDITORS			
Amounts falling due within one year	10	(324,310)	(242,681)
NET CURRENT ASSETS		<u>11,793,319</u>	<u>6,593,003</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>215,905,357</u>	<u>109,993,741</u>
NET ASSETS		<u>215,905,357</u>	<u>109,993,741</u>
FUNDS	11		
Unrestricted funds		<u>215,905,357</u>	<u>109,993,741</u>
TOTAL FUNDS		<u>215,905,357</u>	<u>109,993,741</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 20 May 2022 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 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	13	<u>5,166,992</u>	<u>8,100,881</u>
Net cash provided by operating activities		<u>5,166,992</u>	<u>8,100,881</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(647,704)	(2,523,760)
Sale of tangible fixed assets		<u>356,662</u>	<u>-</u>
Net cash used in investing activities		<u>(291,042)</u>	<u>(2,523,760)</u>
 Change in cash and cash equivalents in the reporting period		<u>4,875,950</u>	<u>5,577,121</u>
Cash and cash equivalents at the beginning of the reporting period		<u>6,609,541</u>	<u>1,032,420</u>
Cash and cash equivalents at the end of the reporting period		<u><u>11,485,491</u></u>	<u><u>6,609,541</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 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, a company limited by guarantee registered in the United Kingdom, 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 1 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. The main estimate in these financial statements relates to the value of Kingdom Halls which have been donated to the charity this financial year the value of them being £102,030,334.

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, a significant judgement being that buildings should be depreciated over fifty years. The trustees are of the opinion that this judgement applies to the buildings owned by the Trust, and therefore the depreciation rates used 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.

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. This is with the exception of the initial recognition of donated Kingdom Halls. These are measured at fair value based on a desktop valuation. This then becomes the cost value of the Hall, which is subsequently depreciated. 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 2021

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. 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 when appropriate.

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

	2021 £	2020 £
Donated Assets	102,059,932	90,848,887
Donations	29,545,930	12,801,315
Gift aid	1,622,163	762,880
	<u>133,228,025</u>	<u>104,413,082</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 4) £	Totals £
Providing places of worship	1,664,431	63,461	1,727,892
Donations to other charities	21,150,000	-	21,150,000
Assisting congregations	4,375,055	63,462	4,438,517
	<u>27,189,486</u>	<u>126,923</u>	<u>27,316,409</u>

4. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Providing places of worship	35,819	27,642	63,461
Assisting congregations	35,819	27,643	63,462
	<u>71,638</u>	<u>55,285</u>	<u>126,923</u>

The Kingdom Hall Trust

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

5. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Auditors' remuneration	22,080	27,006
Depreciation - owned assets	1,642,898	146,378
Surplus on disposal of fixed assets	<u>(3,224)</u>	<u>-</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2021 nor for the year ended 31st August 2020.

The trustees and their spouses donated, without conditions, in total £900 to the charity.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2021 nor for the year ended 31st August 2020.

7. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1st September 2020	103,366,834
Additions	102,707,636
Disposals	<u>(355,153)</u>
At 31st August 2021	<u>205,719,317</u>
DEPRECIATION	
At 1st September 2020	411,801
Charge for year	1,642,898
Eliminated on disposal	<u>(1,715)</u>
At 31st August 2021	<u>2,052,984</u>
NET BOOK VALUE	
At 31st August 2021	<u>203,666,333</u>
At 31st August 2020	<u>102,955,033</u>

8. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1st September 2020 and 31st August 2021	<u>445,705</u>
NET BOOK VALUE	
At 31st August 2021	<u>445,705</u>
At 31st August 2020	<u>445,705</u>

The Kingdom Hall Trust

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

8. SOCIAL INVESTMENTS - continued

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.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	629,418	226,143
Prepayments and accrued income	<u>2,720</u>	<u>*</u>
	<u>632,138</u>	<u>226,143</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,863	1,820
Other creditors	153,447	215,661
Accrued expenses	<u>169,000</u>	<u>25,200</u>
	<u>324,310</u>	<u>242,681</u>

11. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	109,993,741	105,911,616	215,905,357
	<u>109,993,741</u>	<u>105,911,616</u>	<u>215,905,357</u>
TOTAL FUNDS			
	<u>109,993,741</u>	<u>105,911,616</u>	<u>215,905,357</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	133,228,025	(27,316,409)	105,911,616
	<u>133,228,025</u>	<u>(27,316,409)</u>	<u>105,911,616</u>
TOTAL FUNDS			
	<u>133,228,025</u>	<u>(27,316,409)</u>	<u>105,911,616</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	9,591,449	100,402,292	109,993,741
	<u>9,591,449</u>	<u>100,402,292</u>	<u>109,993,741</u>
TOTAL FUNDS			
	<u>9,591,449</u>	<u>100,402,292</u>	<u>109,993,741</u>

The Kingdom Hall Trust

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

11. 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	104,413,082	(4,010,790)	100,402,292
TOTAL FUNDS	<u>104,413,082</u>	<u>(4,010,790)</u>	<u>100,402,292</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	9,591,449	206,313,908	215,905,357
TOTAL FUNDS	<u>9,591,449</u>	<u>206,313,908</u>	<u>215,905,357</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	237,641,107	(31,327,199)	206,313,908
TOTAL FUNDS	<u>237,641,107</u>	<u>(31,327,199)</u>	<u>206,313,908</u>

12. RELATED PARTY DISCLOSURES

Although there are no related parties, the Trust works closely with other charities in many countries which have similar aims and objectives. This is explained further in the 'Wider Network' paragraph of the Report of the Trustees.

13. 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)	105,911,616	100,402,292
Adjustments for:		
Depreciation charges	1,642,898	146,378
Profit on disposal of fixed assets	(3,224)	-
Donated Assets	(99,000,000)	(90,848,887)
Donated Assets	(3,059,932)	-
Increase in debtors	(405,995)	(160,991)
Increase/(decrease) in creditors	81,629	(1,437,911)
Net cash provided by operations	<u>5,166,992</u>	<u>8,100,881</u>

The Kingdom Hall Trust

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

14.. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank	<u>6,609,541</u>	<u>4,875,950</u>	<u>11,485,491</u>
	<u>6,609,541</u>	<u>4,875,950</u>	<u>11,485,491</u>
Total	<u><u>6,609,541</u></u>	<u><u>4,875,950</u></u>	<u><u>11,485,491</u></u>

15. FINANCIAL INSTRUMENTS

	2021	2020
Debt instruments at cost		
Other debtors	<u>629,418</u>	<u>226,143</u>
Total	<u><u>629,418</u></u>	<u><u>226,143</u></u>
Financial Liabilities at cost		
Trade creditors	1,863	1,820
Other creditors	153,447	215,661
Accrued expenses	<u>169,000</u>	<u>25,200</u>
Total	<u><u>324,310</u></u>	<u><u>242,681</u></u>

