

**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 2023**  
**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 2023**

The trustees, who are also directors of The Kingdom Hall Trust (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 2023, which have been prepared in accordance with the Trust's governing document as referenced on page 3. 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 aims and objectives of the Trust are to advance the Christian religion as practised by the body of Christians known as Jehovah's Witnesses, as detailed in its Memorandum and Articles of Association, the governing document of the Trust.

The Trust's long term and short term objectives are correlated, that 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 eight 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 (Kingdom Halls) by purchasing completed properties and freehold land, and maintaining these buildings to a high standard.

The Trust also funds expenses connected with the use of a Kingdom Hall, which relieves any financial and administrative burden from the congregations that worship there.

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 payments made during the year.

The Trust has had its busiest year since the merger was completed. This is due to increased activities in the first full year unaffected by the pandemic.

#### **Public benefit**

The 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.

#### **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, and the purchasing of routine items such as cleaning materials. Some also perform maintenance checks on the properties of the Trust, ensuring that they are well maintained. The trustees greatly appreciate these tireless efforts.

# The Kingdom Hall Trust

## Report of the Trustees

for the Year Ended 31st August 2023

### STRATEGIC REPORT

#### Achievement and performance

##### Principal Achievements for the Year

Over 62,000 payments were made, which is the highest amount since the merger completed. This is because activity resumed in full during the entire year. As this responsibility of making payments 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 mostly 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 encouraging and helping each other. Caring for 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.

In total, there are 724 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.

Guidance was provided to individuals to perform essential weekly maintenance checks to ensure that facilities are maintained to a good standard despite lack of occupation.

During the past year £14 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.

#### 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.

#### Financial review

##### Financial position

Total reserves, including property assets, at 31st August, 2023, stood at £218,693,127. During the year, the total expenditure of the Trust was £29 million, which included paying expenses connected to Kingdom Halls used by merged congregations, and donations to another legal entity with similar aims and objectives, as described above.

##### Principal funding sources

The Trust is funded by voluntary donations and legacies. This income supported the Trust in achieving its key objectives during the year. This included providing places of worship for Jehovah's Witnesses and Assisting congregations of Jehovah's Witnesses.

##### Reserves policy

The Trust's policy is to hold approximately six months of operational expenditure as reserves, along with an appropriate amount to fund the purchase of new Kingdom Halls when needed. The closing reserves are in line with this policy.

##### 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.

A preventative maintenance programme is established at all facilities. Local users are trained to implement maintenance using a comprehensive system of maintenance cards and task reminders that cover all aspects of facility operation and maintenance. Trained maintenance personnel support local users to implement the maintenance programme.

# **The Kingdom Hall Trust**

## **Report of the Trustees for the Year Ended 31st August 2023**

### **STRATEGIC REPORT**

#### **Future plans**

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 also continue to look for opportunities to purchase new Kingdom Halls of Jehovah's Witnesses.

### **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 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 Trust 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 Trust'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.

#### **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.

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

#### **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 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.

### **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 2023

### 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

### 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;
- 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 25th January 2024 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 2023 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 2023 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:

- Understanding the entity's current activities, assets and liabilities and comparing these to the entity's charitable objectives and aims.
- Discussing with management and those charged with governance as to any known or suspected instances of non-compliance with laws and regulations, including fraud.
- Gaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework.
- Evaluating the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.
- Confirmations from management and those charged with governance as regards related parties.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees, whilst challenging assumptions made by those charged with governance in the course of accounting estimates.
- Identifying and testing manual journal entries.
- Reading minutes of meetings of those charged with governance and reviewing correspondence with regulatory bodies.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## 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 Auditor  
Becket House  
36 Old Jewry  
London  
EC2R 8DD

Date: *25 January 2024*



# The Kingdom Hall Trust

## Statement of Financial Activities for the Year Ended 31st August 2023

		2023 Unrestricted fund £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	25,180,054	30,916,771
Investment income	3	224,145	-
Other income		<u>364,441</u>	<u>-</u>
<b>Total</b>		<u>25,768,640</u>	<u>30,916,771</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>	4		
Providing places of worship for Jehovah's Witnesses		6,488,839	4,236,329
Donations to other charities with similar aims and objectives		14,801,498	14,250,000
Assisting congregations of Jehovah's Witnesses		<u>7,775,006</u>	<u>6,345,969</u>
<b>Total</b>		<u>29,065,343</u>	<u>24,832,298</u>
<b>NET INCOME/(EXPENDITURE)</b>		(3,296,703)	6,084,473
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		<u>221,989,830</u>	<u>215,905,357</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>218,693,127</u></u>	<u><u>221,989,830</u></u>

The notes form part of these financial statements

# The Kingdom Hall Trust

## Balance Sheet

31st August 2023

	Notes	2023 Unrestricted fund £	2022 Total funds £
<b>FIXED ASSETS</b>			
Tangible assets	8	209,506,571	212,707,328
Social investments	9	<u>445,705</u>	<u>445,705</u>
		209,952,276	213,153,033
<b>CURRENT ASSETS</b>			
Debtors	10	1,743,823	651,628
Cash at bank		<u>7,748,142</u>	<u>8,591,435</u>
		9,491,965	9,243,063
<b>CREDITORS</b>			
Amounts falling due within one year	11	(751,114)	(406,266)
		<u>8,740,851</u>	<u>8,836,797</u>
<b>NET CURRENT ASSETS</b>			
		218,693,127	221,989,830
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>218,693,127</u>	<u>221,989,830</u>
<b>NET ASSETS</b>			
		<u>218,693,127</u>	<u>221,989,830</u>
<b>FUNDS</b>	12		
Unrestricted funds		<u>218,693,127</u>	<u>221,989,830</u>
<b>TOTAL FUNDS</b>		<u>218,693,127</u>	<u>221,989,830</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25th January 2024 and were signed on its behalf by:



R Cook - Trustee

The notes form part of these financial statements

# The Kingdom Hall Trust

## Cash Flow Statement

for the Year Ended 31st August 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	14	<u>(2,442,066)</u>	<u>(1,980,270)</u>
Net cash used in operating activities		<u>(2,442,066)</u>	<u>(1,980,270)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(692,270)	(1,916,796)
Sale of tangible fixed assets		2,066,898	1,003,010
Interest received		<u>224,145</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>1,598,773</u>	<u>(913,786)</u>
		<u>                    </u>	<u>                    </u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(843,293)</b>	<b>(2,894,056)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u><b>8,591,435</b></u>	<u><b>11,485,491</b></u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u><b>7,748,142</b></u></u>	<u><u><b>8,591,435</b></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 2023

### 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 £1,266,495.

Donated assets, as stated elsewhere, are recognised at fair value. The charity does not intend to re-value its assets on a five-yearly basis, so once established, this value becomes the cost for accounting purposes.

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

#### Income

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

#### 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% to 2.5% 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.

# The Kingdom Hall Trust

## Notes to the Financial Statements - continued

for the Year Ended 31st August 2023

### 1. ACCOUNTING POLICIES - continued

#### Fund accounting

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.

#### Donated goods

Donated goods 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. These would be measured at fair value.

#### 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.

#### 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

	2023	2022
	£	£
Donated Assets	1,266,495	12,136,476
Donations	19,136,560	16,283,429
Gift aid	2,020,516	1,533,024
Legacies	<u>2,756,483</u>	<u>963,842</u>
	<u>25,180,054</u>	<u>30,916,771</u>

£3 million in donations relates to significant repairs and refurbishments made to our properties by a charity which specialises in caring for such buildings.

### 3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>224,145</u>	<u>-</u>

# The Kingdom Hall Trust

## Notes to the Financial Statements - continued for the Year Ended 31st August 2023

### 4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Providing places of worship for Jehovah's Witnesses	6,349,164	139,675	6,488,839
Donations to other charities with similar aims and objectives	14,801,498	-	14,801,498
Assisting congregations of Jehovah's Witnesses	<u>7,635,332</u>	<u>139,674</u>	<u>7,775,006</u>
	<u>28,785,994</u>	<u>279,349</u>	<u>29,065,343</u>

As explained in the trustee' report, the Trust has no staff/employees.

### 5. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Providing places of worship for Jehovah's Witnesses	60,580	79,095	139,675
Assisting congregations of Jehovah's Witnesses	<u>60,580</u>	<u>79,094</u>	<u>139,674</u>
	<u>121,160</u>	<u>158,189</u>	<u>279,349</u>

### 6. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors' remuneration	74,400	48,000
Depreciation - owned assets	3,197,585	3,060,697
Surplus on disposal of fixed assets	<u>(303,526)</u>	<u>(43,175)</u>

### 7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2023 nor for the year ended 31st August 2022.

The trustees and their spouses donated in total £1,026 to the charity.

#### Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2023 nor for the year ended 31st August 2022.



# The Kingdom Hall Trust

## Notes to the Financial Statements - continued for the Year Ended 31st August 2023

### 8. TANGIBLE FIXED ASSETS

	Freehold property £
<b>COST</b>	
At 1st September 2022	217,812,417
Additions	1,958,765
Disposals	(2,017,282)
	<u>217,753,900</u>
<b>DEPRECIATION</b>	
At 1st September 2022	5,105,089
Charge for year	3,197,585
Eliminated on disposal	(55,345)
	<u>8,247,329</u>
<b>NET BOOK VALUE</b>	
At 31st August 2023	<u>209,506,571</u>
At 31st August 2022	<u>212,707,328</u>

At the reporting date, an entity has a binding sale agreement on land and buildings which are held in the fixed asset group 'freehold property', being one of the properties used as a place of worship. The net carrying value of this is £365,556. Included in freehold property is land which is not depreciated with a value of £126,782.

### 9. SOCIAL INVESTMENTS

	Programme related investments equity £
<b>COST</b>	
At 1st September 2022 and 31st August 2023	<u>445,705</u>
<b>NET BOOK VALUE</b>	
At 31st August 2023	<u>445,705</u>
At 31st August 2022	<u>445,705</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 and objectives of the Trust.

### 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	980,209	519,117
Prepayments and accrued income	<u>763,614</u>	<u>132,511</u>
	<u>1,743,823</u>	<u>651,628</u>

# The Kingdom Hall Trust

## Notes to the Financial Statements - continued for the Year Ended 31st August 2023

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	103,153	4,043
Other creditors	165,361	126,368
Accrued expenses	<u>482,600</u>	<u>275,855</u>
	<u>751,114</u>	<u>406,266</u>

### 12. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
<b>Unrestricted funds</b>			
General fund	221,989,830	(3,296,703)	218,693,127
<b>TOTAL FUNDS</b>	<u>221,989,830</u>	<u>(3,296,703)</u>	<u>218,693,127</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	25,768,640	(29,065,343)	(3,296,703)
<b>TOTAL FUNDS</b>	<u>25,768,640</u>	<u>(29,065,343)</u>	<u>(3,296,703)</u>

### Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
<b>Unrestricted funds</b>			
General fund	215,905,357	6,084,473	221,989,830
<b>TOTAL FUNDS</b>	<u>215,905,357</u>	<u>6,084,473</u>	<u>221,989,830</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	30,916,771	(24,832,298)	6,084,473
<b>TOTAL FUNDS</b>	<u>30,916,771</u>	<u>(24,832,298)</u>	<u>6,084,473</u>

# The Kingdom Hall Trust

## Notes to the Financial Statements - continued for the Year Ended 31st August 2023

### 13. RELATED PARTY DISCLOSURES

Although there are no related parties, the Trust cooperates with other charities with similar aims and objectives. This cooperation sometimes takes the form of shared facilities or processes. The Trust 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.

### 14. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(3,296,703)	6,084,473
Adjustments for:		
Depreciation charges	3,197,585	3,060,697
Profit on disposal of fixed assets	(303,526)	(43,175)
Interest received	(224,145)	-
Donated assets	(1,266,495)	(11,144,731)
Assets donated	198,565	-
Increase in debtors	(1,092,195)	(19,490)
Increase in creditors	344,848	81,956
Net cash used in operations	<u>(2,442,066)</u>	<u>(1,980,270)</u>

### 15. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank	<u>8,591,435</u>	<u>(843,293)</u>	<u>7,748,142</u>
	<u>8,591,435</u>	<u>(843,293)</u>	<u>7,748,142</u>
Total	<u>8,591,435</u>	<u>(843,293)</u>	<u>7,748,142</u>



