

# **Bible Society Australia and its controlled entities**

ABN: 85 214 424 729  
ACN: 148 058 306

## **Financial Report**

**For the Year Ended 31 December 2015**

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

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The financial report covers the consolidated entity, being Bible Society Australia ("the Company") and its controlled entities ("the Group" or "Society").

The financial report is presented in the Australian currency. The financial report was authorised for issue by the directors on the 20 April 2016. The company has the power to amend and reissue the financial report.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

## Directors' Report for the year ended 31 December 2015

The directors present their report on the consolidated entity ("Group" or "Society") being Bible Society Australia and its controlled entities for the financial year ended 31 December 2015.

### Directors

The names of the directors in office at any time during or since the end of the year are:

	Date Appointed	Date of Cessation	Board	
			A	B
Richard Grellman (Chair)	08 Oct 2010	-	6	6
David Carver	30 Mar 2004	-	6	5
Richard Halstead	20 May 2004	20 May 2015	3	2
John Hardy	28 Apr 2008	-	6	6
Melissa Lipsett	25 Oct 2012	-	6	6
Anne Robinson	10 Dec 2014	-	6	5
Sue Stott	02 Dec 2013	-	6	6
Frederick Streefland	12 May 2008	-	6	6

A – Number of meetings held during the time the Director held office during the year.

B – Number of meetings attended

### Short- and Long-term Objectives and Strategy

The Group's short-term objectives are to:

- (i) continue to promote and encourage the wider circulation, distribution and use of the Bible in Australia;
- (ii) co-operate with and support other Christian organisations in Australia and around the world including United Bible Societies ("UBS") to make the Scriptures available around the world; and
- (iii) continue to refine processes to maximise the benefits from the amalgamation of the State operations.

### Long-term objectives

The Group's long term objectives are to:

- (i) carry on the mission of encouraging or propagating the spread and development of the Christian faith through the widest possible effective and meaningful circulation of the Bible and helping people interact with the Word of God; and
- (ii) be sustainable and strive for continuous improvement to assist in delivering the Scriptures to all nations.

### Strategy for achieving short and long-term objectives

To achieve these objectives, the Group had adopted the following strategies;

- (i) engage with the local Christian community through support to Australian churches with Bible resources;
- (ii) refine the approach to the Indigenous community by focussing resources and prioritising activities; and
- (iii) attract and retain quality staff who are committed to the Word of God and the Society's objectives.

# Bible Society Australia and its controlled entities

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## Directors' Report for the year ended 31 December 2015

### Principal Activities

The principal activity of the entities within the Group during the course of the year was to provide the Bible to people in a language they can understand, in a format they can use and at a price they can afford.

From 4 January 2011, Bible Society Australia ("BSA") (formerly "The Bible Society in Australia Inc" – "BSiA") became the single national entity which has taken on the role previously undertaken by each State Bible Society.

Effective 1 January 2013, the Company acquired Centre for Public Christianity ("CPX") with BSA becoming the sole member of CPX from that date with representation on the Board.

During 2015, Bible Society Australia acquired all shares in Koorong Books Pty Limited ("Koorong") and Crossroad Distributors Pty Limited with an effective date of 1 July 2015. Koorong is the leading Australian Christian retailer, committed to spreading God's Word by providing an extensive range of Christian books, Bibles, music and DVDs.

There were no other significant changes in the nature of the Society's principal activities during the financial year.

### During the year, the Group achieved the following principal outcomes:

Bible Society Australia has contributed to more than 35 projects internationally during the year and with the assistance of other Bible Societies around the world aided in the completion of Bible translations in 50 languages spoken by nearly 160 million people in 2015.

In Pakistan, 7,200 women graduated through the Beacon in the Darkness literacy programme, and 32,500 Scriptures were distributed, empowering women and equipping them with the skills to read and understand the Bible better.

Over \$2M was distributed through the United Bible Societies to assist in Bible distribution, Bible translation, literacy, scriptures for children and support for those in prisons.

In 2015, the *Their Sacrifice* campaign was aimed at celebrating the role of the Bible in supporting peace efforts and recognising its importance during times of war. The Bible Tour visited 11 Westfield Shopping Centres and other venues throughout Australia. In total there has been an estimated 17,840 people who visited the exhibition. In addition, *Their Sacrifice* distributed over 180,000 story brochures, 4,900 *Their Sacrifice* Books, 1,500 *Their Sacrifice* Bibles, 1,500 *Their Sacrifice* DVDs to churches, retirement villages and individuals and 499 downloads of the *Their Sacrifice* Sunday Schools materials. The news about the *Their Sacrifice* Campaign had a reach of over 3.7 million people through 72 separate media coverages.

Through the Centre for Public Christianity, 54 articles were published, 43 radio interviews were given, 156 talks were held, 45 podcasts posted on the website and various events were held during the year.

Over 87,000 pieces of Scripture have been provided to over 250 chaplains and Christian organisations throughout Australia during the year for work in schools, hospitals, prisons and support for churches.

Bible Society Australia has continued to invest in Bible engagement aids for the Youth sector through the use of technology and social media. In addition, we held four Masterclass one-day events aimed at building biblical confidence and leadership in Christian students which were 58 schools were represented with 1,125 students attending from NSW, Queensland, South Australia and Tasmania. Over 15,000 Bibles were provided free to public school students across Australia.

Working closely with the Pitjantjatjara people of central Australia to translate the Old Testament into their ancient language, Bible Society Australia published the Book of Daniel in Pitjantjatjara in 2015.

# Bible Society Australia and its controlled entities

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## Directors' Report for the year ended 31 December 2015

The Board is delighted with its recent acquisition of Koorong Books Pty Limited and Crossroad Distributors Pty Limited which further enabled Bible Society Australia to make available Christian resources through the 15 stores and online business across Australia. Since becoming part of Bible Society Australia, Koorong has sold more than 158,000 Bibles and New Testaments which is equal to what Bible Society Australia would distribute in a full year. The new subsidiaries have made a strong contribution to 2015 profits with the 6 months to December being their strongest trading period.

We continue to be blessed and are most grateful for the generous support of our donors who gave more than \$7million in donations and almost \$2million in bequests during the year.

### Information on Directors

David Carver	Director of BSiA since 30 March 2004 and former Chairman of Bible Society South Australia. David is a Chartered Accountant in public practice and is a Director of a number of private companies. He is a member of Westbourne Park Uniting Church in Adelaide.
Frederick (Rick) Streefland	Director of BSiA since 12 May 2008 and former Chairman of Bible Society Tasmania. He has spent 25 years in small to medium business and is currently a Company Director. He is a member of Freelif Church Launceston.
John Hardy	Director of BSiA since 28 April 2008 and Former Chairman of Bible Society WA John has more than 11 years' experience in business coaching and training. He is a pastor of 20 years and attends SouthGate Church ACC in Byford WA.
Melissa Lipsett	Appointed Director on 25 October 2012 Melissa is an ordained Minister in the Uniting Church in Australia and is currently the Executive Minister at Newlife Uniting Church at Robina on the Gold Coast.
Sue Stott	Appointed Director on 2 December 2013 and formerly a Director of The Bible Society in Australia (Victoria) Sue is a Director and Co-Founder of an administration services organisation servicing not-for-profit organisations and small to medium enterprises. Also on the board of Word Investments Limited, Sue attends South Croydon Anglican Church in Melbourne.
Richard Halstead	Director of BSiA appointed 20 May 2005 resigned 20 May 2015 Richard was the former Chairman of Bible Society New South Wales. He is a small business owner and has interests in a building and land development company. Richard attends Belmont Baptist Church and Adamstown Community Church.
Richard Grellman	Director since 8 October 2010 A former partner of KPMG and former Director of AMP Limited, Richard is a non-executive Director of several public companies. He is a member of St Stephen's Anglican Church Willoughby.
Anne Robinson	Director since 12 December 2014 Founder of Prolegis Lawyers, a provider of legal services to the not-for-profit sector. Extensive experience in governance of not-for-profit organisations including as Director and Board Chair of World Vision for 12 years until 2012. Anne is a member of St Andrew's Anglican Church Roseville.

# **Bible Society Australia and its controlled entities**

ABN: 85 214 424 729

**Directors' Report for the year ended 31 December 2015**

## **Members Liability**

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards any outstanding obligations of the entity. Effective 4 January 2011 the total amount members of the company are liable to contribute if the company was wound up was \$740 (2014: \$740).

## **Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on the following page.

## **Indemnification of officers and auditors**

During the year the Society paid an amount of \$10,664 for association liability insurance covering Directors' and Officers' Liability. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any controlled entity against a liability incurred.

## **Remuneration of the Board**

Members of the Board do not receive any remuneration, but are entitled to reimbursement of reasonable out of pocket expenses. These arrangements are reviewed annually.

Signed in accordance with a resolution of the Board of Directors:



**Director**

Dated : 20 April 2016



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As auditor of Bible Society Australia and its controlled entities, for the year ended 31 December 2015, we declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable Code of Professional Conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Lawrence R Green". The signature is fluid and cursive, written in a professional style.

**Tyndale KSG Pty Limited**  
Authorised Audit Company

**Lawrence R Green FCA, Director**

Dated: 20 April 2016

*Sydney*

## **INDEPENDENT AUDIT REPORT**

TO: The Members, Bible Society Australia

We have audited the accompanying financial report of Bible Society Australia and its controlled entities, which comprises the Consolidated Statement of Financial Position as at 31 December 2015, and the Consolidated Statement of Financial Activities , Consolidated Statement of Changes in Equity Funds and Reserves and the Consolidated Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration of the consolidated entity comprising the Society and the entities it controlled at the year end or from time to time during the year.

### **Directors' Responsibility for the Financial Report**

The directors of the Society are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and that satisfies the requirements of the Australian Charities and Not for Profits Commission Act 2012 and its regulations and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditors Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Independence

In conducting our audit, we have complied with professional independence requirements . We confirm that the independence declaration provided to the directors, would be in the same terms if provided to the directors as at the date of this auditor's report.

## Audit Opinion

- (a) In our opinion, the financial report of Bible Society Australia and its controlled entities satisfies the requirements of the Australian Charities and Not for Profits Commission Act 2012 and regulations, including:
- (i) giving a true and fair view of the consolidated entities financial position as at 31<sup>st</sup> December 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Corporations Commission Regulation 2013 .
- (b) Money (including any proceeds of a benefit) received during, or for the purposes of the collection has been properly accounted for and applied in accordance with the Charitable Collections ACT;
- (c) The accounts and records for the collection have been properly kept; and
- (d) The accounts show a true and fair view of income and expenditure in relation to the collection.

**Tyndale KSG Pty Limited**  
Authorised Audit Company

Dated: 20 April 2016  
Sydney



**Lawrence R Green FCA, Director**

# Bible Society Australia and its controlled entities

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## Consolidated Statement of Financial Activities for the year ended 31 December 2015

	Note	Unrestricted funds	Restricted funds	Legacy funds	<sup>8</sup> Other reserves	2015 Total	2014 Total
<b>Incoming resources</b>							
Donations and grants		4,094,366	2,965,771			7,060,137	7,782,118
Bequests		-		1,833,447		1,833,447	2,297,439
Printing, publishing & sales	3(s)	25,407,326				25,407,326	2,976,421
Dividend income		570,899				570,899	477,402
Interest and other income	4	1,731,784	26,582			1,758,366	702,699
		<u>31,804,375</u>	<u>2,992,353</u>	<u>1,833,447</u>	<u>-</u>	<u>36,630,175</u>	<u>14,236,079</u>
<b>Resources expended</b>							
Fundraising and publicity costs		2,834,473				2,834,473	2,568,172
Investment management fees		140,170				140,170	113,621
<b>Charitable activities</b>							
International mission		506,064	1,764,860			2,270,924	2,294,349
Local mission and campaigns		1,612,998	1,647,685			3,260,683	2,484,438
Church & community relations		629,657				629,657	659,181
Printing, publishing & sales	3(s)	24,661,195				24,661,195	3,854,130
<b>Executive and governance</b>		<u>1,381,567</u>				<u>1,381,567</u>	<u>1,154,581</u>
		<u>31,766,124</u>	<u>3,412,545</u>	<u>-</u>	<u>-</u>	<u>35,178,669</u>	<u>13,128,472</u>
		38,251	(420,192)	1,833,447	-	1,451,506	1,107,607
Realised & unrealised investment gains		(529,035)				(529,035)	239,296
Transfer legacy funds		1,971,603		(1,971,603)		-	-
Transfer funds for projects		(569,358)	569,358			-	-
Transfer changes in non-current assets		<u>(3,386,719)</u>			<u>3,386,719</u>	<u>-</u>	<u>-</u>
<b>Results from operations</b>		<u>(2,475,258)</u>	<u>149,166</u>	<u>(138,156)</u>	<u>3,386,719</u>	<u>922,471</u>	<u>1,346,903</u>
Reserves brought forward from last year		8,331,036	1,587,361	10,785,362	10,697,937	31,401,696	30,054,793
Transfer of unrealised gains		1,753,383			(1,753,383)	-	-
<b>Balance as at 31 December 2015</b>		<u>7,609,161</u>	<u>1,736,527</u>	<u>10,647,206</u>	<u>12,331,273</u>	<u>32,324,167</u>	<u>31,401,696</u>

<sup>8</sup> Includes funds equivalent to the value of property, plant & equipment held at balance date and unrealised gains on investments – see Statement of Changes in Equity

This statement should be read in conjunction with the notes to the financial statements

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

## Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	17,332,115	8,974,369
Trade and other receivables	9	1,235,288	612,730
Inventories	10	10,810,102	1,641,534
Loans receivable	11	788,884	222,852
Prepayments		521,537	258,220
Assets held for sale	12	<u>220,000</u>	<u>290,267</u>
<b>Total current assets</b>		<b><u>30,907,926</u></b>	<b><u>11,999,972</u></b>
<b>Non-current assets</b>			
Investments	26	743,943	12,061,730
Property, plant and equipment	16	12,201,172	8,814,451
Intangible Assets	17	<u>4,163,924</u>	<u>-</u>
<b>Total non-current assets</b>		<b><u>17,109,039</u></b>	<b><u>20,876,181</u></b>
<b>Total assets</b>		<b><u>48,016,965</u></b>	<b><u>32,876,153</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	6,806,028	832,050
Secured Creditor	14	6,531,378	-
Employee provisions	15	<u>1,929,783</u>	<u>537,795</u>
<b>Total current liabilities</b>		<b><u>15,267,189</u></b>	<b><u>1,369,845</u></b>
<b>Non-current liabilities</b>			
Employee provisions	15	<u>425,609</u>	<u>104,612</u>
<b>Total non-current liabilities</b>		<b><u>425,609</u></b>	<b><u>104,612</u></b>
<b>Total liabilities</b>		<b><u>15,692,798</u></b>	<b><u>1,474,457</u></b>
<b>NET ASSETS</b>		<b><u>32,324,167</u></b>	<b><u>31,401,696</u></b>
<b>EQUITY</b>			
Retained Earnings		7,609,161	8,331,036
Reserves		<u>24,715,006</u>	<u>23,070,660</u>
<b>TOTAL EQUITY</b>		<b><u>32,324,167</u></b>	<b><u>31,401,696</u></b>

This statement should be read in conjunction with the notes to the financial statements

# Bible Society Australia and its controlled entities

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## Consolidated Statement of Changes in Equity – Funds and Reserves

For the Year Ended 31 December 2015

	Retained earnings	Funds held in Non-current Assets Reserves	Deductible Gift Recipient Funds Reserves	Unrealised Investment Reserve	Other Designated Funds	Legacy Equalisation Reserves	Special Purpose – Restricted Reserves	Total
Opening balance at 1 January 2015	8,331,036	8,814,451	969,110	1,883,485	618,252	9,858,013	927,349	31,401,696
Current year surplus/(deficit)	922,471							922,471
Transfer from income statement to reserves	(5,395,158)		2,417,888		1,143,823	1,833,447		-
Transfer of funds in non-current assets reserves	(3,386,720)	3,386,720						-
Transfer from reserves to retained earnings	3,724,986			(1,753,383)		(1,971,603)		-
Transfer to income statement for payment of projects	3,412,546		(2,145,163)		(1,267,383)			-
<b>Closing balance at 31 December 2015</b>	<b>7,609,161</b>	<b>12,201,171</b>	<b>1,241,835</b>	<b>130,102</b>	<b>494,692</b>	<b>9,719,857</b>	<b>927,349</b>	<b>32,324,167</b>
Opening balance at 1 January 2014	7,796,371	9,365,308	569,204	1,675,997	269,846	9,450,718	927,349	30,054,793
Prior year surplus/(deficit)	1,346,903							1,346,903
Transfer from income statement to reserves	(7,294,040)		2,412,916	207,488	2,376,197	2,297,439		-
Transfer of funds in non-current assets reserves	550,857	(550,857)						-
Transfer from reserves to retained earnings	1,890,144					(1,890,144)		-
Transfer to income statement for payment of projects	4,040,801		(2,013,010)		(2,027,791)			-
<b>Closing balance at 31 December 2014</b>	<b>8,331,036</b>	<b>8,814,451</b>	<b>969,110</b>	<b>1,883,485</b>	<b>618,252</b>	<b>9,858,013</b>	<b>927,349</b>	<b>31,401,696</b>

This statement should be read in conjunction with the notes to the financial statements

# Bible Society Australia and its controlled entities

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## Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	2015 \$	2014 \$
<b>Cash flow from operating activities:</b>			
Donations		7,060,137	7,782,118
Legacies		1,833,447	2,297,439
Receipts from customers		29,649,355	4,166,915
Interest received		223,932	232,946
Dividends received		161,130	7,515
Payments relating to charitable activities, suppliers and employees		(33,770,994)	(9,713,249)
Other payments		(814,569)	(3,051,751)
Interest paid		-	(2,389)
<b>Net cash provided by/(used in) operating activities</b>	25	<u>4,342,438</u>	<u>1,719,544</u>
<b>Cash flows from investing activities:</b>			
Receipts/(payments) net from trading investments*		11,068,343	55,684
Payments for property, plant and equipment		(260,220)	(238,584)
Proceeds from disposal of property, plant and equipment		59,738	26,889
Acquisition of controlled entities (net cash required)		(4,693,673)	-
Investment in equities advanced funds manager		-	(1,000,000)
<b>Net cash provided by/(used in) investing activities</b>		<u>6,174,188</u>	<u>(1,156,011)</u>
<b>Cash flows from financing activities:</b>			
Repayment of loans		(1,558,193)	(1,000)
UBS current account movement during year		(636,489)	(721,005)
<b>Net cash provided by/(used in) financing activities</b>		<u>(2,194,682)</u>	<u>(722,005)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		8,321,944	(158,472)
Cash and cash equivalents at beginning of financial year		8,974,369	9,143,156
Effect of movements in exchange rates on cash held		35,802	(10,315)
<b>Cash and cash equivalents at end of financial year</b>	8	<u>17,332,115</u>	<u>8,974,369</u>

\* This does not include purchases and sales within managed funds as these are completed at the fund manager's discretion. Gross purchases and sales within these funds are disclosed at note 23.

This statement should be read in conjunction with the notes to the financial statements

# Bible Society Australia and its controlled entities

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Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 1 General information and statement of compliance

The financial report includes the consolidated financial statements and notes of Bible Society Australia and controlled entities ("Group" or "Society").

Bible Society Australia and controlled entities has adopted the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards' reduced disclosure requirements of the Australian Accounting Standards Board, the Australian Charities and the Not for Profits Commission Act Regulations 2013.

The consolidated financial statements for the year ended 31 December 2015 (including comparatives) were approved and authorised for issue by the Board of Directors on 20 April 2016 (see note 31).

## 2 Changes in accounting standards

### (a) Overall Adoption of improvements to AASBs 2010 – AASB 2010-5 and 2010-5

The AASB has issued Improvements to AASBs 2010 which consists of AASB 2010-4 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2010-5 Amendments to Australian Accounting Standards, and made several minor amendments to a number of AASBs. The only amendment relevant to the Society relates to AASB 101 Presentation of Financial Statements.

### (b) Application of new and revised accounting standards

A number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015, and therefore relevant for the current year end have had no significant impact on the financial report, namely AASB 2012-3 relating to the offsetting of Financial Assets and Liabilities and AASB 1031 materiality which also does not have any substantial effect on the amounts recognised in the entity's financial statements.

### (c) Standards and interpretations issued not yet adopted

*AASB 9 Financial Instruments:* Revised principles for accounting for financial assets and liabilities: recognition and derecognition, classification, measurement, impairment and hedge accounting - Applies to all entities effective from 1 January 2018 with early adoption permitted.

*AASB 15 Revenue from Contracts with Customers:* Introduces a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received for that transfer. Further guidance on practical application issues (e.g. licences, agent/principal transactions, identification of performance obligations and transition requirements) is being developed and is expected to be incorporated into the main standard prior to the effective date All entities. This Standard is effective from 1 January 2018 (deferred from the previous effective date of 1 January 2017) with early adoption permitted.

*Leases:* Recognises right of use assets and liabilities arising from all leases, with exceptions for low value and short term leases for all entities and is expected to be effective from 1 January 2019.

A number of amending standards have also been issued by the AASB but are not yet effective. Some are available for early adoption although most have limited application. A full list of accounting standards and amendments and their respective application dates can be found on the AASB website.

# Bible Society Australia and its controlled entities

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Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies

### (a) Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below though generally are prepared on an accruals basis and reflect historical costs modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### (b) Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 31 December 2015. Subsidiaries are all entities over which the Society has the power to control the financial and operating policies (see note 20). The Society obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 31 December other than Koorong Books Pty Limited and Crossroad Distributors Pty Limited.

All transactions and balances between Group entities are eliminated on consolidation, including unrealised gains and losses on transactions between Group entities. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

### (c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Society's functional currency.

### (d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment and vehicles

Plant, equipment and vehicles are measured on a cost basis.

#### Depreciation

Items of property, plant and equipment including buildings and leasehold property but excluding freehold land, are depreciated on either a straight line or diminishing value basis. Depreciation is charged to the income statement over the estimated useful life of the asset. Estimates of remaining useful lives are made on a regular basis for all assets. We start depreciating assets when they are installed and ready for use.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies (continued)

### (d) Property, plant and equipment (continued)

#### Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows

Buildings	40 years
Property improvements	2½ - 40 years
Furniture, fittings and fixtures	2½ - 20 years
Computer and office equipment	1½ - 4 years
Motor vehicles	4 years

### (e) Heritage assets

Bible Society holds a collection of historic Bibles and related publications in a controlled environment and they are currently being catalogued. Restoration and maintenance are expensed as incurred. Heritage assets are not recognised on the balance sheet because the Directors consider that obtaining valuations for the collection would involve disproportionate costs due to the number of items and the lack of comparable market values.

### (f) Intangible assets

Intangible assets consist of software and website development costs. These have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight line basis to recognise the cost of intangible assets as an expense over their expected useful lives. Estimates of remaining useful lives are made on a regular basis for all assets. The estimated useful lives for the current and comparative periods are as follows:

Software and website development costs 2.5-4 years

### (g) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs and include direct costs and appropriate overheads if any.

### (h) Employee entitlements

Liabilities for annual leave are measured as the amount unpaid at the balance sheet date at current pay rates in respect of the employees' services up to that date.

Liabilities for long service leave are recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance sheet date.

The amount charged to the Statement of Financial Activities in respect of superannuation represents the contributions made by the entity to the employees' superannuation funds.

### (i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank (including USD denominated bank accounts translated to AUD) and term deposits held with Australian Registered Financial Institutions.



# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies (continued)

### (j) Revenue

Revenue is comprised from the sale of goods, fundraising activities, grants, bequests, rent from property leases, interest on funds and dividends from investments.

Revenue from the sale of goods and services and the disposal of assets is recognised when the Society has passed control of the goods or other assets to the buyer.

Donations and bequests received are recognised as revenue upon receipt. Donations in kind are recognised at fair value where such value can be assessed.

Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed inclusive of the amount of GST recoverable from, or payable to, the taxation authority.

### (l) Provisions

Provisions are recognised when the Society has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

### (m) Financial Instruments

#### (i) Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies (continued)

### (m) Financial Instruments (continued)

#### (ii) Classification and subsequent measurement of financial assets

The purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- financial assets at fair value (FVTPL)
- loans and receivables
- held-to-maturity investments (HTM)
- available-for-sale financial assets (AFS)

The category determines subsequent measurement and whether any resulting income and expense is recognised in the profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial asset, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

#### (iii) Financial assets held at fair value

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or that meet certain conditions and are designated at FVTPL upon initial recognition. Realised and unrealised gains and losses arising from changes in the fair value of these assets are recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### (iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed in groups. The impairment loss estimate is then based on historical default rates for each identified group.

#### (v) Held-to-maturity investments

These investments are non-derivative financial assets, have fixed maturities, and it is the Society's intention to hold these investments to maturity. Any held-to-maturity investments held by the Group are stated at amortised cost using the effective interest rate method.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies (continued)

### (m) Financial Instruments (continued)

#### (vi) Available-for-sale financial assets

Available-for-sale financial assets include any non-derivative financial assets not included in the above categories. The group's AFS financial assets include listed securities.

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and reported within equity.

#### (vii) Financial liabilities

Non-derivative financial liabilities are subsequently recognised at amortised cost, comprising original debt less principal payments and amortisation. The Group's financial liabilities include trade and other payables.

### (n) Income Tax

Bible Society Australia has been endorsed by the Australian Taxation Office as an income tax exempt charitable entity under Sub Division 50-B of the Income Tax Assessment Act 1997. The company is endorsed by the Australian Charities Not-for Profits Commission as a charitable entity.

The Society also operates eight trusts and controls the trustee of these funds. These trusts are endorsed as Deductible Gift funds under Sub Division 50-B of the Income Tax Assessment Act 1997.

#### **Overseas Literacy Development Fund**

The main purpose of this fund is to support literacy programmes in overseas developing countries.

#### **Aboriginal Support Programme**

Its main purpose is to fund programmes in Aboriginal languages, including the translation, production and distribution of Bible materials for Aboriginal people.

#### **Scriptures for Defence Force Fund**

Its main purpose is to provide scriptures to the Australian Defence Force personnel.

#### **Auslan Development Fund**

Its main purpose is to supply language materials in AUSLAN for hearing impaired persons.

#### **Australian Religious Education Foundation Trust**

The main purpose of this tax deductible recipient fund is for conducting religious education in Public Schools.

#### **Areopagus Trust**

The main purpose of the Areopagus Fund is to support projects associated with Bible Society Australia.

#### **Bible Society Foundation**

The Tax deductible Gift Fund's main purpose is to support projects associated with Bible Society Australia.

#### **Centre for Public Christianity Public Library**

The main purpose of this tax-deductible fund is to construct, acquire and maintain a public library for the Centre for Public Christianity.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies (continued)

### (o) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Society are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term where it is likely that the Society will obtain ownership of the asset.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### (p) Impairment of assets

The company reviews the carrying values of its tangible and intangible assets on a regular basis to determine whether there is any indication that those assets have been impaired. If an indication of impairment exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (q) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Society.

### (r) Economic Dependence

The Group is dependent upon the ongoing receipt of community donations to ensure the continuance of its programmes. At the date of this report management has no reason to believe that this financial support will not continue.

### (s) Printing, publishing & sales

The income and expenses described under this heading include the printing, publishing, warehousing, wholesale and retail operations of Bible Society Australia, Koorong Books Pty Limited and Crossroad Distributors Pty Limited together with production and distribution of our *Eternity* magazine and communication through the website.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies (continued)

### (t) Reserves

#### **Funds Invested in Non-current Assets Reserve**

An amount equal to the carrying amount of property, plant and equipment is held in the Funds Invested in Assets Reserve to segregate the portion of funds held which are not available to be easily accessed for use in the Society's operations.

#### **Deductible Gift Recipients (DGR) Funds Reserve**

This is the balance of tax deductible donations that are unspent at year end. These funds must be applied to specific purposes in accordance with legislation regulating the operation of deductible gift recipient funds.

#### **Unrealised Investment Reserve**

These monies reflect the unrealised gains from funds invested through fund managers and the movement in the reserve each year will reflect the changes in unrealised gains & losses in that year.

#### **Legacies Equalisation Fund**

The Legacy Equalisation Fund reserve is used for the planning of projects and resources over the medium term. Bequests are brought to account when received and are transferred to the Legacies Equalisation Fund reserve. The balance of this reserve is then progressively released to retained earnings over a five year period.

#### **Other Designated Funds – Non-tax Deductible**

These funds have been received for the specific purpose of supporting local projects or programmes some of which are internal Bible Society initiatives. The amount held in the reserve is unspent at Balance date.

#### **Special Purpose Funds-Restricted Reserves**

These are donations received typically from donors for which the capital is restricted. The principal is unable to be utilised to meet operating expenditure or fund Society programmes or projects. In some cases the income must be used for specific purposes while in other circumstances, the income generated may be unrestricted and available for general purposes.

### (u) Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are provided below. Actual results may be substantially different.

#### **Impairment**

In assessing impairment, management estimates the recoverable amount of each amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### **Useful lives of depreciable assets**

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 3 Accounting policies (continued)

### (u) Estimation uncertainty (continued)

#### Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

#### Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### (v) Australian Charities and Not-for-profit Commission

The Australian Charities and Not-for-Profits Commission (ACNC) has implemented its new Governance Standards effective from 1 July 2013. The Company is registered as a Charity with ACNC and is compliant with the statutory regulations.

	2015 \$	2014 \$
<b>4 Interest and other income</b>		
Gain/(loss) on disposal of plant and equipment	16,190	22,389
Income from The Bible Trust	222,903	81,793
Interest received	244,615	241,356
Advertising - internet	166,137	-
License fees and royalties	188,272	-
Foreign exchange gain	-	58,568
Rent received	350,166	
Gift Vouchers	291,624	-
Sundry income	278,459	298,593
	<u>1,758,366</u>	<u>702,699</u>
<b>5 Depreciation and amortisation</b>		
Property	139,493	139,493
Property improvements	27,723	27,742
Furniture, fittings and fixtures	266,121	45,570
Computer and office equipment	161,694	87,999
Motor vehicles	73,482	94,459
Aircraft	-	29,761
	<u>668,513</u>	<u>425,024</u>
Amortisation	64,943	-
	<u>733,456</u>	<u>425,024</u>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015	2014
	\$	\$
<b>6 Doubtful debts</b>		
Doubtful debts expense	-	-
<b>7 Auditors' Remuneration</b>		
Audit fees	22,000	25,600
<b>8 Cash and cash equivalents</b>		
<b>Current</b>		
Cash on hand	76,213	5,280
Cash at bank	10,471,205	4,635,548
Term Deposits	6,784,697	4,333,541
	<u>17,332,115</u>	<u>8,974,369</u>

## Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents – current	17,332,115	8,974,369
	<u>17,332,115</u>	<u>8,974,369</u>

## 9 Trade and other receivables

### Current

Trade Debtors	864,843	466,776
Less: provision for doubtful debts	(60,181)	-
	<u>804,662</u>	<u>466,776</u>
TBT distribution receivable	117,303	81,793
Accrued interest receivable	47,387	36,694
Receivable from UBS for employee entitlements	102,189	-
Other receivables	163,747	27,467
	<u>1,235,288</u>	<u>612,730</u>

The movement in the allowance for credit losses can be reconciled as follows:

## Reconciliation of bad debt loss

Balance 1 January	-	8,134
Provision at acquisition of Koorong Books & Crossroad Distributors	56,881	-
Provided during the year	3,300	(6,951)
Amount written off (uncollectable)	-	(1,183)
Balance 31 December	<u>60,181</u>	<u>-</u>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015 \$	2014 \$
<b>10 Inventories – at cost</b>		
Finished goods – at cost	9,484,117	1,525,780
Goods in transit	1,449,564	54,680
Work in progress	47,894	61,074
Provision for inventory obsolescence	(171,473)	-
	<u>10,810,102</u>	<u>1,641,534</u>
<b>11 Loans receivable</b>		
UBS loan	725,180	222,852
Other loans	63,704	-
	<u>788,884</u>	<u>222,852</u>
<b>12 Assets held for sale</b>		
Airplane held at lower of cost and fair value	290,267	360,267
Impairment loss	(70,267)	(70,000)
	<u>220,000</u>	<u>290,267</u>
<p>A strategic decision was made in 2014 to sell the airplane on the basis that these funds could be better utilised by project partners who are able to achieve economies of scale with airplane management and servicing. The airplane was subsequently disposed of 24 February 2016.</p> <p>An impairment loss of \$70,267 was recognised in the Statement of Financial Activities for the year ended 31 December 2015. This is included in Local mission and campaigns in the Statement of Financial Activities.</p>		
<b>13 Trade and other payables</b>		
Trade creditors	4,348,073	434,858
Other creditors and payables	1,478,782	174,232
GST liabilities	404,142	-
Accrued expenses	575,031	222,960
	<u>6,806,028</u>	<u>832,050</u>
<b>14 Secured Creditor</b>		
Payable to secured creditor	<u>6,531,378</u>	-

This relates to the acquisition of 100% of the shares of Koorong Books Pty Limited and Crossroads Pty Limited. The purchase consideration is payable in instalments and is partially secured against the property of 5 Byfield St, Macquarie Park.



# Bible Society Australia and its controlled entities

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Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015 \$	2014 \$
<b>15 Employee Provisions</b>		
<b>Provision for annual leave</b>		
Opening balance	296,327	366,630
Acquisition of controlled entities	448,778	-
UBS provisions recognised	38,609	-
Increase/(decrease) in provision	159,327	(70,303)
<b>Closing balance</b>	<u>943,041</u>	<u>296,327</u>
<b>Provision for long service leave</b>		
Opening balance	346,080	318,627
Acquisition of controlled entities	696,138	-
UBS provisions recognised	102,189	-
Increase/(decrease) in provision	267,943	27,453
<b>Closing balance</b>	<u>1,412,350</u>	<u>346,080</u>
<b>CURRENT</b>		
Provision for annual leave	943,041	296,327
Provision for long service leave	986,742	241,468
	<u>1,929,783</u>	<u>537,795</u>
<b>NON-CURRENT</b>		
Provision for long service leave	<u>425,609</u>	<u>104,612</u>
<b>16 Property, plant and equipment</b>		
Land – at cost	4,290,725	4,290,725
Buildings – at cost	5,579,719	5,579,719
Total property – at cost	9,870,444	9,870,444
Less: Accumulated depreciation	(2,415,946)	(2,276,453)
	<u>7,454,498</u>	<u>7,593,991</u>
Property Improvements – at cost	1,110,693	1,108,943
Less: Accumulated depreciation	(437,896)	(410,182)
	<u>672,797</u>	<u>698,761</u>
Furniture, fittings & fixtures – at cost	17,840,723	711,107
Less: Accumulated depreciation	(14,431,880)	(644,153)
	<u>3,408,843</u>	<u>66,954</u>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015 \$	2014 \$
<b>16 Property, plant and equipment (continued)</b>		
Computer & Office equipment – at cost	5,682,881	828,918
Less: Accumulated depreciation	<u>(5,223,184)</u>	<u>(562,868)</u>
	<u>459,697</u>	<u>266,050</u>
Motor vehicles – at cost	863,337	782,591
Less: Accumulated depreciation	<u>(658,000)</u>	<u>(593,896)</u>
	<u>205,337</u>	<u>188,695</u>
Total property, plant and equipment	<u><b>12,201,172</b></u>	<u><b>8,814,451</b></u>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 16 Property, Plant and equipment (continued)

Movements in carrying amounts of each class of property, plant & equipment

	Land & buildings	Property improvements	Furniture, fittings & fixtures	Computer & office equipment	Motor vehicles	Aircraft	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2015</b>							
Balance at the beginning of year	7,593,991	698,761	66,954	266,050	188,695	-	8,814,451
Acquisition of Koorong & Crossroads	1,276,221	-	3,459,281	401,957	105,590	-	5,243,049
Transfer to intangible assets	-	-	-	(71,958)	-	-	(71,958)
Additions, at cost	-	1,828	151,612	25,342	20,909	-	199,691
Depreciation expense	(139,493)	(27,723)	(266,121)	(161,694)	(73,482)	-	(668,513)
Cost of assets disposed	(1,276,221)	(78)	(281,776)	(71,883)	(90,372)	-	(1,720,330)
Write-back of accumulated depreciation	-	9	278,893	71,883	53,997	-	404,782
Carrying amount at the end of year	<b>7,454,498</b>	<b>672,797</b>	<b>3,408,843</b>	<b>459,697</b>	<b>205,337</b>	<b>-</b>	<b>12,201,172</b>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 16 Property, Plant and equipment (continued)

Movements in carrying amounts of each class of property, plant & equipment

	Land & buildings	Property improvements	Furniture, fittings & fixtures	Computer & office equipment	Motor vehicles	Aircraft	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2014</b>							
Balance at the beginning of year	7,733,484	727,229	111,947	189,527	213,093	390,028	9,365,308
Additions, at cost	-	-	2,243	166,280	70,061	-	238,584
Depreciation expense	(139,493)	(27,742)	(45,570)	(87,999)	(94,459)	(29,761)	(425,024)
Cost of assets disposed	-	(828)	(6,595)	(90,361)	(132,574)	-	(230,358)
Write-back of accumulated depreciation	-	102	4,929	88,603	132,574	-	226,208
Transfer to Assets held for Sale	-	-	-	-	-	(360,267)	(360,267)
	<hr/>						
Carrying amount at the end of year	<b>7,593,991</b>	<b>698,761</b>	<b>66,954</b>	<b>266,050</b>	<b>188,695</b>	<b>-</b>	<b>8,814,451</b>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015	2014
	\$	\$
<b>17 Intangible assets</b>		
<b>Goodwill</b>		
At cost	3,584,319	-
Accumulated impairment	-	-
	<b>3,584,319</b>	-
<b>Other intangible assets</b>		
Software & website development – at cost	1,081,255	-
Accumulated amortisation	(501,650)	-
	<b>579,605</b>	-
Intangible Assets	<b>4,163,924</b>	-
<b>18 Parent entity</b>		
Information relating to Bible Society Australia ('the parent entity')		
<b>Statement of financial position</b>		
Current assets	14,440,912	10,670,542
Non-current assets	25,863,267	15,906,346
Total assets	40,304,179	26,576,888
Current liabilities	24,242,314	8,637,514
Non-current liabilities	149,048	82,677
Total liabilities	24,391,362	8,720,191
Net Assets	15,912,816	17,856,697
Equity		
Retained earnings	809,870	3,672,933
Reserves		
Funds held in non-current assets	3,516,509	2,731,671
Legacy equalisation	9,719,857	7,981,248
Deductible gift recipient funds	1,241,786	969,108
Other designated funds	494,692	618,252
Unrealised investment reserve	130,102	1,883,485
	<b>15,912,816</b>	<b>17,856,697</b>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015 \$	2014 \$
<b>18 Parent entity (continued)</b>		
<b>Statement of financial activities</b>		
Operating surplus/(deficit) for the year	(1,274,929)	1,082,293
Other income/(loss) – on investments including management fees	(669,205)	239,295
Surplus for the year	<u>(1,944,134)</u>	<u>1,321,588</u>

## Contingencies

Bible Society Australia entered into a deed of cross guarantee with two of its wholly-owned entities, Bible Society NSW and The Bible Society in Australia (Victoria).

Guarantee provided under the deed of cross guarantee	<u>-</u>	<u>-</u>
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## 19 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards any outstanding obligations of the company. Effective from 4 January 2011, the company only has thirty-seven (37) members.

## 20 Subsidiaries

Details of the Company's controlled entities at 31 December 2015 are as follows:

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			31 Dec 2015	31 Dec 2014
Bible Society NSW	Provide Scriptures	Australia	100%	100%
The Bible Society in Australia (Victoria)	Provide Scriptures	Australia	100%	100%
Overseas Literacy Development Fund	Fund literacy programmes in overseas developing countries	Australia	100%	100%
Aboriginal Support Programme	Fund Aboriginal languages	Australia	100%	100%
Scriptures for Defence Force Fund	Provide Scriptures for Australian Defence Forces	Australia	100%	100%
Auslan Development Fund	Supply materials for the hearing impaired	Australia	100%	100%
Australian Religious Education Foundation Trust	Religious education in public schools	Australia	100%	100%
Areopagus Trust	Projects promoting culture	Australia	100%	100%
Bible Society Foundation	Fund tax deductible projects	Australia	100%	100%
Centre for Public Christianity	Promote the understanding of Christianity to the public	Australia	100%	100%
Centre for Public Christianity Public Library	Fund understanding of the Christian faith through online media & library development	Australia	100%	100%
Koorong Books Pty Limited	Book Operations	Australia	100%	-
Crossroads Distributors Pty Limited	Book Operations	Australia	100%	-

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015	2014
	\$	\$
<b>21 Operating Leases</b>		
<b>Payables</b>		
The Group's future minimum operating lease commitments are as follows:		
- not later than 12 months	2,073,559	88,794
- between 12 months and 5 years	2,869,451	22,056
- greater than 5 years	-	-
	<u>4,943,010</u>	<u>110,850</u>

The purposes of operating leases are to utilise office, warehouse and retail space and photocopier equipment. The average term to expiry is 1 year for office space and 3 years for equipment. These commitments are non-cancellable operating leases and increases in the commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

The operating lease expense during 2015 amounted to \$1,170,216 (2014: \$139,596) representing minimum lease payments.

## Receivables

The Group's non-cancellable operating lease receivables are as follows:

- not later than 12 months	329,861	205,370
- between 12 months and 5 years	549,720	82,756
- greater than 5 years	-	-
	<u>879,581</u>	<u>288,126</u>

Lease receivables relate to leases of premises. There is an annual CPI increase on all lease receivables.

## 22 Leases, loan and other facilities

The Group has no finance lease or hire purchase liabilities as at the date of this report.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 23 Related parties

The Group's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

### (a) Transactions with related entities

The Bible Trust (TBT) receives monies from supporters of Bible Society to hold on deposit at less than commercial interest rates. TBT invests the monies and the surplus created during the year is distributed to Bible Society to aid in its work. Richard Halstead was a Director of Bible Society Australia during the year and is also a Trustee of TBT, the other trustees are independent of the Society. During the year, the Group received \$117,303 (2014: \$81,793) in distributed income and \$105,600 (2014: \$105,600) in management fees. Also see note 25.

### (b) Transactions with directors

Key management of the Group are the Board of Directors and Senior Management team. The members of the Board are all non-executive Directors and their positions are honorary. No remuneration is paid to the Directors and all payments to them constitute reimbursement of Board related travel expenses.

### (c) Key management personnel remuneration

Remuneration to key management personnel includes the following expenses:

	2015	2014
	\$	\$
Total key management personnel remuneration	<u>1,485,722</u>	<u>1,139,941</u>

### (d) Directors and members

The following transactions occurred during the year with entities in which a director (or close member of the family of a director or employee) either controls or significantly influences.

Prolegis Lawyers	22,899	71,926
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Anne Robinson became a Director of Bible Society Australia in December 2014 and is also a Director of Prolegis Lawyers. During the year Prolegis Lawyers provided legal services to Bible Society. These services were provided on a normal commercial basis.

### (e) Other

The Reverend Dr John Dickson is a Director of Centre for Public Christianity and the Senior Pastor of St Andrews Roseville. During the year St Andrews provided the services of John Dickson to the Centre for Public Christianity on a normal commercial basis \$60,500 (2014: \$64,053).



# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 24 Acquisitions

Effective 1 July 2015 Bible Society Australia acquired 100% of the shares in Koorong Books Pty Limited and Crossroad Distributors Pty Limited. Koorong provides a range of Christian resources and operates online and in 15 stores across Australia. Crossroads is involved in the development and production of Christian resources.

	Acquiree's Carrying Amount	Fair Value \$
<b>(a) Koorong Books Pty Limited</b>		
Cash consideration for acquisition		18,970,697
Cash balances acquired		<u>(538,680)</u>
<b>Outflow of cash on acquisition</b>		<b><u>18,432,017</u></b>
<b>Assets/(liabilities) at acquisition date</b>		
Cash and cash equivalents	538,680	538,680
Prepayments & deposits	560,484	560,484
Trade and other receivables	4,293,335	4,293,335
Stock	11,624,174	10,274,027
Loans	3,478,198	3,478,198
Plant & equipment	4,474,386	4,474,386
Trade and other payables	(5,064,581)	(5,064,581)
Provision for dividend	(1,500,000)	(1,500,000)
Employee benefits	<u>(1,130,268)</u>	<u>(1,286,684)</u>
<b>Identifiable assets acquired and liabilities assumed</b>	<b><u>17,274,408</u></b>	<b>15,767,845</b>
<b>Goodwill on acquisition</b>		<u>3,202,852</u>
<b>Total purchase consideration</b>		<b><u>18,970,697</u></b>

The costs incurred in completing this transaction amounted to \$381,467 and are included in "Goodwill" in the Statement of Financial Position. This, together with the goodwill on acquisition above, results in total goodwill of \$3,584,319 at year end.

## (b) Crossroad Distributors Pty Limited

Cash consideration for acquisition	1,951,298
Cash balances acquired	<u>(1,976,217)</u>
<b>Outflow of cash on acquisition</b>	<b><u>(24,919)</u></b>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	Acquiree's Carrying Amount	Fair value
<b>24 Acquisitions (continued)</b>		
<b>Assets/(liabilities) at acquisition date</b>		
Cash and cash equivalents	1,976,217	1,976,217
Prepayments & deposits	163,424	163,424
Trade and other receivables	284,804	284,804
Stock	163,309	163,309
Plant & equipment - at cost	8,723	8,723
Trade and other payables	(624,490)	(624,490)
Employee benefits	(20,689)	(20,689)
<b>Identifiable assets acquired and liabilities assumed</b>	<u>1,951,298</u>	1,951,298
<b>Goodwill on acquisition</b>		-
<b>Total purchase consideration</b>		<u>1,951,298</u>

## 25 Reconciliation of total comprehensive deficit to net cash provided by/(used) in operating activities

Total comprehensive surplus for the year	<b>922,471</b>	<b>1,346,905</b>
Adjustments for:		
Depreciation and amortisation	733,456	425,024
Impairment loss on aircraft	70,267	70,000
Management fees on managed investments	140,170	124,983
Dividends on managed investments	(409,769)	(470,252)
Interest on managed investments	(9,992)	(11,117)
Gain on disposal of investments	-	(4,684)
(Profit)/loss on sale of assets	(16,190)	(22,739)
Net (gains)/losses on investments	529,035	(238,932)
Less: Other non-cash items	(35,802)	10,315
Change in operating assets and liabilities		
Change in UBS loan	134,160	1,089,800
Change in trade and other receivables	(135,244)	204,512
Change in inventories	1,268,768	(352,689)
Change in prepayments	460,591	(183,738)
Change in trade and other payables	284,905	(187,018)
Change in employee provisions	405,612	(80,826)
Net cash provided by/(used in) operating activities	<u>4,342,438</u>	<u>1,719,544</u>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 26 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	2015	2014
	\$	\$
<b>Financial assets</b> at balance date comprised:		
<b>Current</b>		
Cash at bank and on hand	10,547,418	4,640,828
Term Deposits with Australian registered financial institutions	6,784,697	4,333,541
Trade and other receivables	1,235,288	612,730
Loans receivable	788,884	222,852
Investments	743,943	12,061,730
<b>Non-current</b>		
Term Deposits with Australian registered financial institutions	-	-
	<u>20,100,230</u>	<u>21,871,681</u>
<b>Financial liabilities</b> at balance date comprised:		
<b>Current</b>		
Trade and other payables	6,806,028	832,050
Secured Creditor	6,531,378	-
	<u>13,337,406</u>	<u>832,050</u>
<b>Term Deposits</b>		
Maturity of term deposits is as follows:		
- not later than 12 months	6,784,697	4,333,541
- between 12 months and 2 years	-	-
	<u>6,784,697</u>	<u>4,333,541</u>

Interest rates on these term deposits are between 2.30% and 3.51%. These are recorded at amortised cost; fair values are based upon the amount that is deposited with the institution at reporting date.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

	2015	2014
	\$	\$
<b>26 Financial Risk Management (continued)</b>		
<b>Investments</b>		
The carrying amount of investments by category is as follows:		
Australian Listed Shares	513,318	8,127,417
Australian Unlisted	2,096	2,096
Australian Property Funds	39,978	325,712
International Managed Funds	-	-
Investment property	-	-
Liquid Funds – cash and cash equivalents	7,688	414,392
Mortgage Funds	72,863	204,700
Fixed Interest and preference shares	108,000	2,987,413
	<b>743,943</b>	<b>12,061,730</b>

Investments are measured at fair value. Fair values for listed equities are determined by reference to their quoted bid prices at the reporting date.

During the year, the investment managers responsible for the management of the Group's holdings in securities and financial assets indicated above, traded the securities within the parameters set by Group's Investment Committee. Purchases totalled \$3,516,587 while sales were \$13,894,227.

## 27 Additional Information to be furnished under the Charitable Fundraising Act, 1991.

Details of aggregate gross income and expenditure of fundraising.

	2015	%	2014	%
	\$		\$	
Total costs of fundraising	2,834,473	31.9%	2,568,172	25.5%
Gross income from fundraising	8,893,584		10,079,557	
Net Surplus from fundraising	6,059,111	68.1%	7,511,385	74.5%
Gross income from fundraising	8,893,584		10,079,557	
Total cost of charitable services	5,415,133	52.6%	6,315,677	62.2%
Total expenditure <sup>(1)</sup>	10,300,378		10,152,051	
Total cost of charitable services	5,415,133	48.3%	6,315,677	54.9%
Total income received <sup>(2)</sup>	11,222,849		11,498,954	
Total cost of charitable services	5,415,133	60.9%	6,315,677	62.7%
Gross income from fundraising	8,893,584		10,079,557	

<sup>(1)</sup> Total expenditure net of revenue contribution directly associated with the costs

<sup>(2)</sup> Total income including net revenue contribution directly associated with publishing and sales

# Bible Society Australia and its controlled entities

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Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 27 Additional Information to be furnished under the Charitable Fundraising Act, 1991 (continued)

	2015	2014
	\$	\$
Fundraising		
Donations and grants	7,060,137	7,782,118
Bequests	1,833,447	2,297,439
	<u>8,893,584</u>	<u>10,079,557</u>
Fundraising and publicity costs	(2,834,473)	(2,568,172)
Net surplus from fundraising	<u>6,059,111</u>	<u>7,511,385</u>
Cost of charitable services		
Income from publishing and printing	25,407,326	2,976,421
Printing, publishing & communication	(24,661,195)	(3,854,130)
	<u>746,131</u>	<u>(877,709)</u>
International mission	(2,270,924)	(2,294,349)
Local mission and campaigns	(3,260,683)	(2,484,438)
Church & community relations	(629,657)	(659,181)
	<u>(5,415,133)</u>	<u>(6,315,677)</u>
Other expenditure		
Investment management fees	(140,170)	(113,621)
Executive and governance	(1,381,567)	(1,154,581)
Realised & unrealised investment gains/(losses)	(529,035)	-
	<u>(7,465,905)</u>	<u>(7,583,879)</u>
	<u>(1,406,794)</u>	<u>(72,494)</u>
Other income		
Dividends	570,899	477,402
Interest & other	1,758,366	702,699
Realised & unrealised investment gains/(losses)	-	239,296
Surplus for the year	<u>922,471</u>	<u>1,346,903</u>
<b>Summary</b>		
Revenue	36,630,175	14,475,375
Expenditure	<u>(35,707,704)</u>	<u>(13,128,472)</u>
	<u>922,471</u>	<u>1,346,903</u>

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 28 Contingent liabilities

### (a) Mission initiatives

The Group has entered into arrangements with international charities, including United Bible Societies, to support their endeavours over the next financial year. The initiatives have certain performance measures and delivery requirements included in the arrangements.

At balance date these commitments were:

	2015	2014
	\$	\$
International Christian projects to support literacy & the Scriptures	1,294,650	1,507,701

### (b) Cross-guarantee with controlled entities

In March 2011, the Bible Society Australia ("BSA") Board agreed to execute a cross-guarantee between Bible Society Australia; Bible Society NSW and The Bible Society in Australia (Victoria) which commits each of the entities to secure all obligations of each of the others should they default. It should be noted that all entities have sufficient equity to meet all obligations and it is highly unlikely that the guarantee will be exercised within the next financial year.

### (c) The Bible Trust - Deposit Fund

Bible Society Australia has provided a guarantee to The Bible Trust ("TBT"), (formerly "Bible Society Australia Trustees' Deposit Fund") to pay any shortfall in investors' balances if needed. A contingent liability exists in relation to this guarantee for the balance of investor funds. TBT holds total cash and investments in excess of investor funds and it is not expected that a liability would arise from the guarantee. At 31 December 2015 investor funds at call in TBT were \$10,130,598 (2014: \$11,074,985). Total cash and investments in TBT were \$10,299,540 (2014: \$11,223,818).

### (d) Relocation of Ingleburn operations

During 2015 the decision was made to relocate the Ingleburn operations to Erskine Park. Employees were given the opportunity to relocate or to accept a voluntary redundancy. The contingent liability for voluntary redundancies not yet accepted is \$173,313.

The amount of these redundancies recorded as an expense for financial year 2015 is \$108,728.

### (e) Overdraft Facility

An overdraft facility of \$300,000 is secured over the assets of one of our subsidiaries. This facility was unused during the year. If used, interest would be charged at the variable floating rate.

## 29 Contingent Asset

At the time of acquiring Koorong Books Pty Limited and Crossroad Distributors Pty Limited, the companies held Franking Credits to the value of \$10,037,655. Since this date a further \$276,661 has been paid to the ATO that relates to company tax attributable to pre-acquisition profits. An additional \$100,665 has been paid as tax instalments attributable to post-acquisition profits.

The post-acquisition instalments have been recorded as other debtors while not charged against profits.

Recovery of these Franking Credits are contingent upon the two entities having sufficient funds to be able to distribute franked dividends. At this time no dividends have been declared. The recovery of value from this contingent asset would favourably affect the value of goodwill.

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729

Notes to and forming part of the Consolidated Financial Statements

For the Year Ended 31 December 2015

## 30 Events after the end of the reporting period

### (a) Sale of airplane

On 24 February 2016 an agreement was entered into to sell the airplane. The decision to sell the plane was made in 2014 on the basis that project partners with economies of scale in airplane management could better utilise the funds. The sale price of \$220,000 is equal to the carrying value as at 31 December 2015. As a result this will have no impact on the surplus or deficit. Refer to note 12 for further details.

### (b) Capital commitments

A decision was made in 2015 to relocate the Ingleburn operations to Erskine Park where the Koorong warehouse is located. The estimated total cost of changes required to accommodate these operations and costs associated with the move is \$400,000. This excludes the cost of voluntary redundancies offered to staff. Refer to note 28(d) for further details.

## 31 Authorisation of financial statements

The consolidated financial statements for the year ended 31 December 2015 (including comparatives) were approved by the board of directors on 20 April 2016.



R Grellman  
Director



D Carver  
Director

# Bible Society Australia and its controlled entities

ABN: 85 214 424 729


## Directors' Declaration

In the opinion of the directors of Bible Society Australia:

1. the consolidated financial statements and notes of Bible Society Australia and its controlled entities satisfy the requirements of the Australian Charities and Not for Profits Commission Act 2012 with the ACNC Act 2012, including:
  - (a) giving a true and fair view of its financial position as at 31 December 2015 and its performance for the financial year ended on that date; and
  - (b) complying with Australian Accounting Standards-Reduced Disclosure Requirements (including the Australian Accounting Interpretations), the Australian Charities and Not-for-Profits Commission Regulations 2013.
2. there are reasonable grounds to believe that Bible Society Australia will be able to pay its debts as and when they fall due and payable;
3. at the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

There are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in note 28 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee;
4. the provisions of the Charitable Fundraising Act and the conditions attached to the Authority to Fundraise have been complied with; and
5. internal controls exercised by the company are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Signed in accordance with the requirements of Section 60.15(2) of the Australian Charities and Not for Profits Commission Regulation 2013



Director



Director

Dated: 20 April 2016