

Wycliffe Bible Translators Australia

ABN 22 004 705 953

Financial Statements

For the Year Ended 31 December 2018

Wycliffe Bible Translators Australia

ABN 22 004 705 953

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Wycliffe Bible Translators Australia

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Directors' Report

31 December 2018

The directors present their report on Wycliffe Bible Translators Australia for the financial year ended 31 December 2018.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Malcolm Barker (Non-Executive Director)

Qualifications

BSc (Civil Eng)

Experience

Director since 2015, Dam design and risk analysis with GHD, Story The Bible Coordinator Australia

Special responsibilities

Member of Finance Committee

Rev Graydon Colville (Non-Executive Director, Chair)

Qualifications

BEng(Chem), BTh, DipMin

Experience

Director since 2005, International Director of Global Recordings Network

Special responsibilities

Member of Finance Committee, Member of Board Development Committee, Member of Executive

Philip Bignall (Non-Executive Director)

Qualifications

Post Grad Cert in GIS, DipBus, AssocDip of IT, Christian Workers Diploma, Cert in Electronics and Communications, Cert IV in Telecommunications Network Planning

Experience

Director since 2001, Telstra Wideband Planner - GIS Specialist

Special responsibilities

Member of Board Development Committee, Member of Finance Committee

Fai Peng Chen (Non-Executive Director)

Qualifications

LLB, MBA (International Management)

Experience

Director since 2007, Lawyer and director of public company Minter Ellison, specialising in corporate and commercial law

Special responsibilities

Member of Board Development Committee

Richard Earley (Non-Executive Director, Company Secretary)

Qualifications

BTh

Experience

Director since 2011, Associate Director of CMS SANT (2012-2017); Executive Officer, Katoomba Christian Convention 2007-2011

Special responsibilities

Member of Executive, Member of Board Development Committee

Ann Eckert (Non-Executive Director)

Qualifications

BA Christian Education/Greek, Grad Cert Human Behaviour

Experience

Director since 2009, Wycliffe member since 1969

Special responsibilities

Member of Personnel Committee

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Directors' Report

31 December 2018

1. General information

Information on directors

David Grayden (Non-Executive Director)

Qualifications

PhD, BSc, BEng (Hons)

Experience

Director since 2009, Professor and Head of Department of Biomedical Engineering at the University of Melbourne, Honorary Senior Research Fellow at the Bionics Institute, Honorary Clinical Research Fellow in the Dept of Neurology at St. Vincent's Hospital Melbourne

Special responsibilities

Member of Personnel Committee, Member of Board Development Committee

Cindy McGarvie (Non-Executive Director, Vice Chair)

Qualifications

Director since 2011, Australian Army Nurse, Assoc Dip Applied Linguistics

Experience

Wycliffe member since 1997, 12 years with SIL Uganda-Tanzania, CEO of YFC Australia

Special responsibilities

Member of Finance Committee, Member of Executive

Titus Phua (Non-Executive Director)

Qualifications

BSc, BCom

Experience

Director since 2015, Senior Human Resources Officer at Monash University

Special responsibilities

Member of Board Development Committee, Member of Personnel Committee (alternate)

Rev Geoff Shepherd (Non-Executive Director)

Qualifications

BA, MDiv, MTh

Experience

Director since 2015, Senior Pastor at Mill Park Baptist Church, Chaplain to Richmond Football Club

Special responsibilities

Chair of Personnel Committee

Kathy Snook (Non-Executive Director)

Qualifications

BA, MA

Experience

Director since 2009, Wycliffe member since 1989

Special responsibilities

Chair of Board Development Committee, Member of Executive

Darrell Thatcher (Non-Executive Director)

Qualifications

BA, BD

Experience

Director since 2013, Wycliffe WA Regional Coordinator since 2010, Ordained Presbyterian Minister, former missionary Bible College lecturer (Talua Ministry Training Centre, Vanuatu, with Australian Presbyterian World Mission)

Special responsibilities

Member of Personnel Committee

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Directors' Report

31 December 2018

1. General information

Information on directors

Ross Wilkerson (Non-Executive Director)

Qualifications

Dip Bus (Accounting), CPA

Experience

Director since 2001, Wycliffe member (1986-1999), Interserve Australia Finance and Administration Manager (2003-2013)

Special responsibilities

Member of Finance Committee

Timothy Wilson (Non-Executive Director, Treasurer)

Qualifications

BBus (Accounting), Accountant

Experience

Director and Treasurer since 1991, Accountant and Tax Agent

Special responsibilities

Chair of Finance Committee, Member of Executive

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of Wycliffe Bible Translators Australia during the financial year consisted of:

- Recruiting, training and supporting volunteers.
- Communicating and interacting with Australian Christians and churches.
- Promoting, supporting and equipping activities in the area of Bible translation.
- Raising, managing and distributing finances.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Assist new volunteers to develop sufficient financial and prayer support to take up their assignment.
- Provide our volunteers with good member care and training to do their job well.
- Ensure the Wycliffe properties are financially sustainable and well maintained.
- Have relationships built on mutual respect and prayer in order to provide appropriate support towards the goals of Wycliffe Global Alliance partners in the region.
- Meet our funding commitments for the year for specific projects, and for organisational development under Next Step Development.

Long term objectives

The Company's long term objectives are to:

- See a Bible translated in every language that needs one.
- Assist existing Bible translation projects towards completion.
- See people regularly engaging with Scripture in a language of their heart.
- See lives transformed through Scripture.
- See Wycliffe Global Alliance partners in the nearby region strengthened and able to meet their goals for supporting the Bible translation movement in their own country.

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Directors' Report

31 December 2018

1. General information

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Focus on Bible translation and Scripture Engagement needs, particularly in the immediate Pacific and Asia region.
- Engage the Australian Church to participate in the ongoing need for Bible translation and Scripture Engagement.
- Train and coach Members in good Partnership Development attitudes and practices.
- Provide adequate Member care for all Members.
- Connect with Bible Colleges and Christian tertiary education bodies to recruit future Bible translators.
- Continue to build relationships with those who financially resource and support translation and literacy projects.
- Build personal relationships with Wycliffe Global Alliance partners through sharing and prayer before asking what might WBTA be able to do to support their organisational goals.
- Manage the Wycliffe properties well.

Members' guarantee

Wycliffe Bible Translators Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member, is limited to \$ 20 each subject to the provisions of the company's constitution. Honorary members are not required to contribute.

At 31 December 2018 the collective liability of members was \$ 5,660 (2017: \$ 5,660) based on 283 (2017: 283) ordinary members.

2. Other items

Meetings of directors

During the financial year, the number of meetings of directors (including committees of directors) and attendances by each director during the year were as follows:

	Full Board		Finance Committee		Personnel Committee		Board Development Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Malcolm Barker	4	3	5	3	-	-	-	-
Rev Graydon Colville	4	4	5	5	-	-	3	3
Philip Bignall	4	4	5	5	-	-	3	3
Fai Peng Chen	4	3	-	-	-	-	3	2
Richard Earley	4	4	-	-	-	-	3	2
Ann Eckert	4	3	-	-	3	3	-	-
David Grayden	4	3	-	-	3	3	3	2
Cindy McGarvie	4	3	5	3	-	-	-	-
Titus Phua	4	4	-	-	-	-	3	2
Rev Geoff Shepherd	4	4	-	-	3	3	-	-
Kathy Snook	4	4	-	-	-	-	3	3
Darrell Thatcher	4	4	-	-	-	-	3	3
Ross Wilkerson	4	3	5	4	-	-	-	-
Timothy Wilson	4	4	5	5	-	-	-	-

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Directors' Report
31 December 2018

Auditor's independence declaration

The lead auditor's independence declaration in accordance with division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 31 December 2018 has been received and can be found on page 6 of the financial report.

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

Director: 
Rev Graydon Colville (Chair)

Director: 
Timothy Wilson (Treasurer)

Dated this 29th day of APRIL 2019

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF WYCLIFFE BIBLE TRANSLATORS AUSTRALIA

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



rdl.accountants

29th April 2019
Blackburn, Victoria

Wycliffe Bible Translators Australia

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue	4	2,329,418	2,299,679
Accounting and audit fees		(11,270)	(10,400)
Conferences and board meetings		(18,950)	(35,215)
Contributions, gifts and donations		(141,572)	(33,308)
Cost of sales		(24,951)	(31,710)
Depreciation expense		(373,087)	(361,083)
Employment costs		(234,229)	(244,243)
Finance costs		(4,523)	(3,592)
General office expenses		(133,893)	(140,869)
Insurance		(50,072)	(49,455)
Operating expenses		(586,496)	(655,536)
Other expenses		(186,352)	(188,116)
Program costs		(307,674)	(271,534)
Property expenses		(242,623)	(179,750)
Travel expenses		(72,751)	(65,172)
Tithe expenses		(25,679)	(58,070)
		<u>(2,414,122)</u>	<u>(2,328,053)</u>
Deficit before income tax expense		(84,704)	(28,374)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Wycliffe Bible Translators Australia	19	(84,704)	(28,374)
Items that will be reclassified to profit or loss when specific conditions are met			
(Loss)/gain on revaluation of available-for-sale financials assets, net of tax		(21,805)	(3,058)
Gain on revaluation of investments, net of tax		14,089	3,888
		<u>(7,716)</u>	<u>830</u>
Total comprehensive income for the year		(92,420)	(27,544)

The accompanying notes form part of these financial statements.

Wycliffe Bible Translators Australia

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Statement of Financial Position

As At 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	904,192	887,257
Trade and other receivables	6	77,962	73,156
Inventories	7	40,612	35,086
Held-to-maturity financial assets	8	1,250,000	1,402,981
Other financial assets	9	188,801	210,606
Other assets	12	98,032	100,644
TOTAL CURRENT ASSETS		<u>2,559,599</u>	<u>2,709,730</u>
NON-CURRENT ASSETS			
Investment in joint ventures	10	2,423,429	2,409,340
Other financial assets	11	1,631,266	1,731,266
Loans and advances	13	318,624	323,022
Property, plant and equipment	14	3,617,033	3,636,172
TOTAL NON-CURRENT ASSETS		<u>7,990,352</u>	<u>8,099,800</u>
TOTAL ASSETS		<u>10,549,951</u>	<u>10,809,530</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15(a)	969,246	1,055,705
Employee benefits	17	6,283	5,998
Other financial liabilities	16	-	6,650
TOTAL CURRENT LIABILITIES		<u>975,529</u>	<u>1,068,353</u>
NON-CURRENT LIABILITIES			
Trade and other payables	15(b)	572,505	646,840
TOTAL NON-CURRENT LIABILITIES		<u>572,505</u>	<u>646,840</u>
TOTAL LIABILITIES		<u>1,548,034</u>	<u>1,715,193</u>
NET ASSETS		<u>9,001,917</u>	<u>9,094,337</u>
EQUITY			
Reserves	18	7,507,563	7,593,863
Retained earnings	19	1,494,354	1,500,474
TOTAL EQUITY		<u>9,001,917</u>	<u>9,094,337</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2018

2018

	Retained earnings	Investment reserve	Shares revaluation reserve	Joint venture revaluation reserve	Other reserves	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2018	1,500,474	4,477,937	99,753	1,754,098	1,262,075	9,094,337
Deficit after income tax expense for the year	(84,704)	-	-	-	-	(84,704)
Other comprehensive income for the year, net of tax	-	-	(21,805)	14,089	-	(7,716)
Total comprehensive income for the year	(84,704)	-	(21,805)	14,089	-	(92,420)
Transfers to/(from) reserves	78,584	(130,012)	-	(75,651)	127,079	-
Balance at 31 December 2018	1,494,354	4,347,925	77,948	1,692,536	1,389,154	9,001,917

2017

	Retained earnings	Investment reserve	Shares revaluation reserve	Joint venture revaluation reserve	Other reserves	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2017	1,498,888	4,573,271	102,811	1,750,210	1,196,701	9,121,881
Deficit after income tax expense for the year	(28,374)	-	-	-	-	(28,374)
Other comprehensive income for the year, net of tax	-	-	(3,058)	3,888	-	830
Total comprehensive income for the year	(28,374)	-	(3,058)	3,888	-	(27,544)
Transfers to/(from) reserves	29,960	(95,334)	-	-	65,374	-
Balance at 31 December 2017	1,500,474	4,477,937	99,753	1,754,098	1,262,075	9,094,337

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,360,752	2,640,722
Payments to suppliers and employees	(2,385,139)	(1,893,808)
Dividends received	4,958	5,012
Interest received	145,014	136,076
Net cash provided by/(used in) operating activities	25 <u>125,585</u>	<u>888,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of plant and equipment	4,610	5,546
Proceeds from disposal of investments	502,981	613,472
Payments for plant and equipment	(359,591)	(266,347)
Payments for investments	(250,000)	(1,052,982)
Net cash provided by/(used in) investing activities	<u>(102,000)</u>	<u>(700,311)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(6,650)	(13,299)
Net cash provided by/(used in) financing activities	<u>(6,650)</u>	<u>(13,299)</u>
Net increase/(decrease) in cash and cash equivalents held	16,935	174,392
Cash and cash equivalents at beginning of year	<u>887,257</u>	<u>712,865</u>
Cash and cash equivalents at end of financial year	5 <u><u>904,192</u></u>	<u><u>887,257</u></u>

The accompanying notes form part of these financial statements.

Wycliffe Bible Translators Australia

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Notes to the Financial Statements For the Year Ended 31 December 2018

The financial report covers Wycliffe Bible Translators Australia as an individual entity. Wycliffe Bible Translators Australia is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Wycliffe Bible Translators Australia is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) 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 the Company 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.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

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

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Interest revenue

Interest is recognised when received.

Dividend revenue

Dividends are recognised when received.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Donations and bequests

Donations and bequests are recognised when received.

Legacies shown is net of 10% assessment which is included as operating income. According to our finance policy 10% and 25% of this net legacy has been allocated to Tithes income and Program income respectively.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the standard costs basis and is net of any rebates and discounts received. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(f) 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.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the assets useful life to the Company, as follows:

Buildings	3-20 years
Plant and equipment	3-10 years
Motor vehicles	6-10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed.

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(g) Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at cost, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at cost. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(j) Foreign currency transactions and balances

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(k) Trade and other receivables

Trade receivables are initially recognised at fair value. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

Other receivables are recognised at amortised cost, less any provision for impairment.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(m) Fair value measurement

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(n) Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method.

Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the company's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key estimates - provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence

Notes to the Financial Statements

For the Year Ended 31 December 2018

3 Critical Accounting Estimates and Judgments

Key estimates - employee benefits provision

As discussed in note 1(i), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future 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

4 Revenue and Other Income

	2018	2017
	\$	\$
Donations and gifts	42,788	26,014
Dividends	4,958	5,012
Interest	145,014	136,076
Rent and hire income	315,162	334,025
Legacies income	219,776	108,166
Levies income	528,746	493,484
Program income	294,697	348,120
Operating income	663,033	732,890
Other income	59,985	47,834
Sale income	27,510	36,944
Tithe income	27,749	31,114
	<u>2,329,418</u>	<u>2,299,679</u>

5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	5,982	3,885
Cash at bank - AUD	450,203	839,959
Short-term deposits - AUD	400,000	-
Cash at bank - USD	48,007	43,413
	<u>904,192</u>	<u>887,257</u>

6 Trade and Other Receivables

	2018	2017
	\$	\$
Trade receivables	4,581	7,499
Other receivables	41,900	48,117
Accrued income	31,481	17,540
	<u>77,962</u>	<u>73,156</u>

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Notes to the Financial Statements For the Year Ended 31 December 2018

7 Inventories

	2018	2017
	\$	\$
Stock on hand - at cost	40,612	35,086
	<u>40,612</u>	<u>35,086</u>

8 Held-to-maturity investments - Current

	2018	2017
	\$	\$
Term deposits	1,250,000	1,402,981
	<u>1,250,000</u>	<u>1,402,981</u>

9 Other financial assets - Current

	2018	2017
	\$	\$
Secured investment loan - Word	100,000	100,000
Listed shares	88,801	110,606
	<u>188,801</u>	<u>210,606</u>

10 Investment in joint ventures

	2018	2017
	\$	\$
Interest in joint venture	2,423,429	2,409,340
	<u>2,423,429</u>	<u>2,409,340</u>

Refer to note 22 for further information on interests in joint ventures.

11 Other financial assets - Non-current

	2018	2017
	\$	\$
Secured investment loan - Word	481,766	581,766
Unsecured investment loan - RMBL	1,149,500	1,149,500
	<u>1,631,266</u>	<u>1,731,266</u>

12 Other Assets

	2018	2017
	\$	\$
Prepayments	98,032	100,644
	<u>98,032</u>	<u>100,644</u>

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Notes to the Financial Statements For the Year Ended 31 December 2018

13 Loans and Advances

	2018	2017
	\$	\$
Unsecured members' loans	318,624	323,022
	<u>318,624</u>	<u>323,022</u>

14 Property, plant and equipment

	2018	2017
	\$	\$
Freehold land		
At cost	11,603	11,603
Total Land	<u>11,603</u>	<u>11,603</u>
Buildings		
At cost	5,122,252	5,350,033
Accumulated depreciation	(1,770,786)	(2,046,959)
Total buildings	<u>3,351,466</u>	<u>3,303,074</u>
Plant and equipment		
At cost	579,050	732,670
Accumulated depreciation	(424,789)	(540,774)
Total plant and equipment	<u>154,261</u>	<u>191,896</u>
Motor vehicles		
At cost	291,620	403,186
Accumulated depreciation	(191,917)	(273,587)
Total motor vehicles	<u>99,703</u>	<u>129,599</u>
Total property, plant and equipment	<u>3,617,033</u>	<u>3,636,172</u>

Notes to the Financial Statements

For the Year Ended 31 December 2018

14 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2018					
Balance at the beginning of year	11,603	3,303,074	191,896	129,599	3,636,172
Additions	-	313,610	45,981	-	359,591
Disposals	-	-	(5,643)	-	(5,643)
Transfers	-	-	(11,803)	11,803	-
Depreciation expense	-	(265,218)	(66,170)	(41,699)	(373,087)
Balance at the end of the year	11,603	3,351,466	154,261	99,703	3,617,033

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2017					
Balance at the beginning of year	11,603	3,426,112	221,904	71,886	3,731,505
Additions	-	128,945	53,889	83,513	266,347
Disposals	-	-	-	(597)	(597)
Depreciation expense	-	(251,983)	(83,897)	(25,203)	(361,083)
Balance at the end of the year	11,603	3,303,074	191,896	129,599	3,636,172

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Notes to the Financial Statements For the Year Ended 31 December 2018

15 Trade and Other Payables

(a) Current payables

	2018	2017
	\$	\$
Trade payables	19,843	31,856
Bonds & deposits	5,899	57,106
GST payable	5,790	5,025
Superannuation payable	319	207
Credit cards	18,402	16,971
Amounts owed to members	848,019	919,731
Other payables	70,974	24,809
	<u>969,246</u>	<u>1,055,705</u>

(b) Non-current payables

	2018	2017
	\$	\$
Amounts owed to members	1,045	22,564
Designated funds external	571,460	624,276
	<u>572,505</u>	<u>646,840</u>

16 Other Financial Liabilities

	2018	2017
	\$	\$
Lease liability	-	6,650
	<u>-</u>	<u>6,650</u>

17 Employee Benefits

	2018	2017
	\$	\$
Annual leave	6,283	5,998
	<u>6,283</u>	<u>5,998</u>

18 Reserves

	2018	2017
	\$	\$
Investment reserve	4,347,925	4,477,937
Shares revaluation reserve	77,948	99,753
Joint venture revaluation reserve	1,692,536	1,754,098
Other reserves	1,389,154	1,262,075
	<u>7,507,563</u>	<u>7,593,863</u>

Notes to the Financial Statements For the Year Ended 31 December 2018

18 Reserves

(a) **Investment reserve**

The reserve represents funds invested capital assets, the joint venture and investment loans.

(b) **Shares revaluation reserve**

The reserve is used to recognise the changes in the market value of listed investments held.

(c) **Joint venture revaluation reserve**

The reserve is used to recognise revaluation of joint venture in Tree Tops Lodge Cairns.

(d) **Other reserves**

Other reserves consist of the following:

- The Designated Funds Reserve which is used to recognise the amount set aside for Supplementary Support, Special Assistance, Medical Emergencies and Internal Programs.
- The Memorial Home Loan Reserve which is used to recognise legacies to be used for home loans to members.
- The McClelland Vehicle Fund Reserve which is used to recognise the legacy to be used for vehicle loans to members.
- The T&E Hibberd Memorial Funds which are used to recognise the legacy, the interest from which goes to advancing national translators.
- The Personal Loan Fund Reserve which is used to recognise the amount set aside for personal loans to members.
- The CBC Missionary Support Fund which is used to recognise the funds from sale of a church building. Interest on this (less assessment) is set aside for the support of a particular member. 12 months after her completion of service it is to go to another member.
- The Tithe Reserve which is used to recognise the amount set aside for tithe payments in accordance with the Board Tithe Policy.

19 Retained Earnings

	2018	2017
	\$	\$
Retained earnings at the beginning of the financial year	1,500,474	1,498,888
Net profit attributable to beneficiaries of the trust	(84,704)	(28,374)
Transfers in	78,584	29,960
Retained earnings at end of the financial year	1,494,354	1,500,474

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Notes to the Financial Statements For the Year Ended 31 December 2018

20 Key management personnel disclosures

The following persons were directors of Wycliffe Bible Translators Australia during the financial year:

- Malcolm Barker
- Graydon Colville
- Philiip Bignall
- Fai Peng Chen
- Richard Earley
- Ann Eckert
- David Grayden
- Cindy McGarvie
- Titus Phua
- Geoff Shepherd
- Kathy Snook
- Darrell Thatcher
- Ross Wilkerson
- Timothy Wilson

The company's constitution does not allow the payment of fees for service as a director.

21 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by RDL Accountants, the auditor of the company:

	2018	2017
	\$	\$
<i>Audit services - RDL Accountants</i>		
- audit of the financial statements	10,500	10,125
- other services	563	-
Total	11,063	10,125

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Notes to the Financial Statements For the Year Ended 31 December 2018

22 Interests in Joint Arrangements

Name	Principal place of business / Country of Incorporation	Percentage Owned (%) 2018	Percentage Owned (%) 2017
Tree Tops Lodge Cairns Joint Venture	Cairns Australia	50	50

The following information is provided for joint ventures that are material to Wycliffe Bible Translators Australia and is the amount per the Joint Venture financial statements, adjusted for fair value adjustments at acquisition date and differences in accounting policies, rather than Wycliffe Bible Translators Australia's share.

Tree Tops Lodge Cairns	2018	2017
Summarised statement of financial position		
Cash and cash equivalents	270,354	299,263
Other current assets	23,577	45,529
Non-current assets	4,556,298	4,476,630
Current financial liabilities	(3,371)	(2,743)
Net assets	<u>4,846,858</u>	<u>4,818,679</u>

Summarised statement of profit or loss and other comprehensive income

Revenue	367,092	351,264
Other revenue	321	1,954
Depreciation and amortisation	(48,700)	(43,505)
Profit / (loss) on sales of assets	1,941	1,599
Other expenses	(292,474)	(303,535)
Surplus before income tax	28,180	7,777
Other comprehensive income	-	-
Total comprehensive income	<u>28,180</u>	<u>7,777</u>

Joint ventures - Reconciliation table

Reconciliation of carrying amount of interest in joint venture to summarised financial information for joint ventures accounted for using the equity method:

	2018	2017
	\$	\$
Tree Tops Lodge Cairns		
Opening carrying amount	2,409,340	2,405,451
Share of surplus after income tax	14,089	3,889
Closing carrying amount	<u>2,423,429</u>	<u>2,409,340</u>

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2018 (2017: None).

Wycliffe Bible Translators Australia

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Notes to the Financial Statements For the Year Ended 31 December 2018

24 Related Parties

The Company's main related parties are as follows:

Wycliffe Bible Translators Australia is the parent entity.

Key management personnel - disclosures are set out in Note 20.

Joint arrangements - refer to Note 22.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2018	2017
Loans to key management personnel	92,973	92,973
Loans to other related parties	92,972	92,972
	<u>185,945</u>	<u>185,945</u>

An interest-free loan was provided to a director and spouse for the purchase of a property in 2010. The property is a personal home but also provides a base for logistics for Wycliffe Cairns. Upon the earlier of 30 years from the drawdown date or sale of the property, Wycliffe is entitled to 50% of the property value or sale proceeds. The loan made to the director is similar to other arrangements made with missionary members.

25 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Deficit after income tax for the year	(84,704)	(28,374)
Non-cash flows in profit:		
- depreciation	373,087	361,083
- net loss/(gain) on disposal of property, plant and equipment	1,033	(4,949)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(408)	271,221
- (increase)/decrease in prepayments	2,612	(11,958)
- (increase)/decrease in inventories	(5,526)	1,762
- increase/(decrease) in trade and other payables	(160,794)	293,219
- increase/(decrease) in employee benefits	285	5,998
Cashflows from operations	<u>125,585</u>	<u>888,002</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2018

26 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

27 Statutory Information

The registered office and principal place of business of the company is:

Wycliffe Bible Translators Australia
70 Graham Road
KANGAROO GROUND VIC 3097

Wycliffe Bible Translators Australia

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Directors' Declaration

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Company declare that:

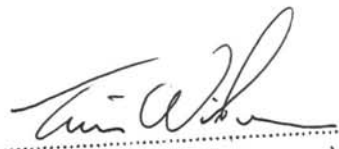
1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director


Rev Graydon Colville (Chair)

Director


Timothy Wilson (Treasurer)

Dated

29/4/2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYCLIFFE BIBLE TRANSLATORS AUSTRALIA

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Wycliffe Bible Translators Australia (the company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Wycliffe Bible Translators Australia has been prepared in accordance with Division 60 of the *Australian and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Australian and Not-for-profits Commission Act Regulation 2013*.

Basis for Opinion

We have conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the *Australian and Not-for-profits Commission Act 2012* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian and Not-for-profits Commission Act 2012*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes

such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Matthew Hung, CA
rdl.accountants

1 May 2019
Blackburn, Victoria