

THE BIBLE SOCIETY OF UGANDA



God's Word Life for All

Auditor's Report and Financial Statements For the year ended 31 December 2016



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Acronyms

ABIEH	A Bible In Every Home
ADRA	Adventist Development and Relief Agency
BSU	Bible Society of Uganda
CEO	Chief Executive Officer
FCBH	Faith Comes By Hearing
GSP	Good Samaritan Project
HIV/AIDS	Human Immune Virus/ Acquired Immune Deficiency Syndrome
ISP	International Support Program
PHD	People with Hearing Disability
SIL	Summer Institute of Languages
UBS	United Bible Societies
UK	United Kingdom
Ushs	Uganda Shillings



2.0 Organization Information

2.1 Registered Office and Principal Place of Business

Bible House,
Plot 38, Bombo Road,
P.O.Box 3621
Kampala Uganda.

2.2 Bankers

Barclays Bank (U) Limited,
Plot 2/4 Hannington Road,
P.O.Box 7101,
Kampala, Uganda.

Stanbic Bank Limited,
Plot 3A2/3A3 Sports Lane, Lugogo,
P.O.Box 7131,
Kampala, Uganda.

Centenary Rural Development Bank
Plot 44-46 Kampala Road,
P.O.Box 1892,
Kampala, Uganda.

2.3 Secretary and Solicitors

Sebalu and Lule Associates
EADB Building,
Plot 4 Nile Avenue,
P.O.Box 2255,
Kampala, Uganda.

2.4 Auditors

Kisaka & Company Accountants
Certified Public Accountants
P.O. Box 27917,
Kampala, Uganda
Tel: 0414255453
Fax: 0414-257592
kisaka@africaonline.co.ug
kisaka@utlonline.co.ug
www.kisaka.ug



3.0 **Governors' report**

The Governors submit their report together with the audited financial statements for the year ended 31 December 2016, which disclose the state of affairs of, the Bible Society of Uganda referred to as "BSU"

3.1 **Principal activity**

The principal activity of the BSU is to translate, print and distribute Bibles and other related scriptures to all Christian churches and institutions in Uganda

3.2 **Vision**

The BSU exists to bring up, "A people fully qualified and equipped by the Word of God to do every kind of good deed."

3.3 **Mission**

To provide affordable Holy Scriptures in languages and media that communicates effectively to the people

3.4 **Core values**

The Bible Society of Uganda's core values are;

- Professionalism
- Servant hood
- Accountability
- Motivation
- Integrity

3.5 **Aim/goal**

The aim of the BSU is to;

- Undertake, provide and promote the widest possible effective circulation of the Holy Scriptures of the Christian Faith without doctrinal comment through churches and other channels
- Encourage the study of the Holy Scriptures and in furtherance of these aims

3.6 **Objectives**

- To initiate and promote the translation of the Holy Scriptures into as many languages as shall be considered necessary in consultation and cooperation with local churches and the United Bible Societies
- To promote the production and distribution of the Holy Scriptures in appropriate format and media
- To secure financial and other material support through local contributions and donations for the BSU's work in Uganda and abroad
- To promote and encourage the ownership, reading and study of the Holy Scriptures by all Christians and others and make the scriptures available at an affordable price.



3.7 Activity performance as per objective

No	Objectives	Projects Undertaken	Budgeted Resources (UGX)	Resources Spent (UGX)	Achievements	Challenges
1.	Translation	Lusamia- Lugwe	95,266,000	88,275,700	The translation has been completed and the team started the first proofreading of the manuscript in December 2016.	Given the fact that this is a cross boarder language, the team is facing the challenge of harmonizing spellings that is why they are taking time to run the word list checks and agree on spellings that can be accepted both in Uganda and Kenya, among the Bagwe and the Basamia.
		Dhophadhola	65,280,000	77,388,400	All the books have been run through all the translation stages and the manuscript has been sent for typesetting.	There is need for a literacy booklet printed with an orthography that will teach the natives how to read Dhophadhola.
		Kupsapiny Project	168,845,200	146,437,600	Checked the books of Galatians, Ephesians, 1 & 2 Timothy, Titus and Philemon	The Kupsapiiny language has an extremely complex morphology with vowel harmony changes and it is therefore difficult to write correctly. It necessitates more time to be able to achieve a good translation.
		Ma'di Project	103,140,000	73,957,300	The project began in 2016. 3 translators have been recruited and have undergone training in paratext and Hebrew Training for the training	The translators were deployed in July, which gave a late start to the planned work for the year.
		Acholi Project	88,540,000	85,382,300	The team opted to first draft the whole New Testament before pushing the rest of the books to other stages, which they have successfully done.	There is a limited resource of funds required for reviewers that will keep them motivated to reviewing the manuscripts on time.
		Ateso Project	88,540,000	97,628,200	Checked the books of Ruth, Jonah, Joshua, Luke and John 1-12. Printed 1000 copies of the book of Joshua in December 2016, to test the quality of the translation.	The Ateso translation office was furnished partly. There is need for a standby source of power (Solar or Generator)
		Lumasaaba Project	45,280,000	47,369,550	The Translation and typesetting of the Bible was finalised and published. The launch took place on 23 rd December 2016	
2	Distribution	Bible Exhibition 2016	90,000,000	70,000,000	10,388 Copies of scriptures were realised during the exhibition	Children's bibles are still slow moving
		Overall Scripture Distribution	5,624,040,000	6,600,005,600	Distributed 278,684 Bibles, 10,339 New Testaments, 4,754 Portions, 3,680 New	The Exchange Rate differences in purchasing of the scriptures and paying the suppliers



No	Objectives	Projects Undertaken	Budgeted Resources (UGX)	Resources Spent (UGX)	Achievements	Challenges
3	Fundraising	Membership Drive	240,000,000	265,000,000	<p>Reader Portions during 2016</p> <ul style="list-style-type: none"> Increased Membership especially at Branch levels. Increased income due to payment of life member and this is attributed to the increased Corporate engagements Increased membership to 2,648 members 	<ul style="list-style-type: none"> Follow up especially of annual members whose follow up costs sometimes is equal or more than their contribution. Members prefer paying once yet many of them cannot afford Life membership.
		Annual Bible Dinner	80,000,000	67,000,000	<ul style="list-style-type: none"> Increased income from this activity Increase in the number of Donors Increased advocacy for the Blind which was the cause for fundraising 	<ul style="list-style-type: none"> High expectations from Donors that need to be met. More income coming from old people i.e above 50 years
		Deaf Bible Opportunity Project	65,000,000	36,450,000	<ul style="list-style-type: none"> Increased advocacy for the deaf. Income generated for the project for the Deaf 	<ul style="list-style-type: none"> Christians have little knowledge about the deaf and this affected the contribution. Partnerships with unclear terms
		Bible Week	110,000,000	107,080,000	<ul style="list-style-type: none"> Increased denominational participation Increased income at a slow rate 	<ul style="list-style-type: none"> Increased Competition for resources at Church levels due to the need for churches to develop. Increased Individual Churches without a defined hierarchy like the one of the traditional churches (these are hard to reach because of the level of independence.) The wave of missing verses has affected the relationship with some churches (Ignorance to the knowledge of the History Bible contributes to this.)
		Youth and Media	140,000,000	127,000,000	Organised the Annual youth Assembly, Visited churches, Youth and recruited Members in 2016	
		Trauma Healing THEA Project	200,000,000	167,000,000	<ul style="list-style-type: none"> Notable change among the beneficiaries. an example in prisons and refugees Increased demand/requests for trauma healing sessions. 	<ul style="list-style-type: none"> The funds were donor hoped but didn't come through so the activities were not carried out as budgeted The need of beneficiaries is so huge for



No	Objectives	Projects Undertaken	Budgeted Resources (UGX)	Resources Spent (UGX)	Achievements	Challenges
		SURE WHAT			<ul style="list-style-type: none"> Peace and reconciliation among people that have attended the healing sessions Increase publicity for BSU work Ongoing Construction of a trauma healing facility in Dungu, Congo 	<p>the available budget.</p> <ul style="list-style-type: none"> The radio waves are wide reaching to far places, when people call for help, they are far away to be reached easily Some programs are aired late night and response calls are made immediately hence inconveniencing the call receivers
		PVD Project	350,000,000	434,150,000	<ul style="list-style-type: none"> 52 Full Braille Bibles have been distributed Distribution of 100 different Bible stories Distribution of 35 Faith comes by hearing listening gadgets Visitations, Workshops and Radio programs, Bible symposium, White canes day and 29 Family visits. 	<ul style="list-style-type: none"> Overwhelming demands for PVDs Lack of Braille in the local language.
		DBOU	85,000,000	40,952,350	Distributed 98 sets (294 pieces) of Ugandan sign language DVDs Translated three Topics; into Ugandan sign language Baptism, Salvation, and Love	Some schools where the DVDs were distributed don't have power and DVD Players.
		ALPHA PROJECT	68,000,000	84,088,000	The project continued to give out scripture to its beneficiaries across the country. Distributed 3,694 scriptures worth Ugx. 84,000,000	Limited funding for the project
		FCBH	50,000,000	37,390,000	Distributed 162 Proclaimers	Few proclaimer as per the public's demand
		Gospel of John 1	89,000,000	76,880,000	Awareness of, and interest in Scriptures have already been raised. More than 1,000,000 people have heard about the significance of the Gospel of John while 20,000 people have so far received a copy in at least one of the 9 different languages.	Reaching remote areas was a problem
	Total		7,775,931,200	8,779,435,000		



3.8 Board of trustees and governors

The members of the Board of Trustees and Governors who held office during the year to the date of this report are listed:

Board of Trustees

No	Name	Title	Status	No of meetings attended ¹
1	Pastor Christian Aliddeki	Chairman	S	3
3	Arch Bishop Paul Bakyenga	Trustee	S	1
4	Metropolitan Yona Lwanga	Trustee	S	1
5	Pastor Nicholas Wafula	Trustee	S	2
6	Rt. Rev. Charles Bernard O	Trustee	S	3

Board of Governors

No	Name	Title	Status	No of meetings attended
1.	Rev.Can. Dr. Olivia Nassaka Banja	Chairperson	S	3
2.	Justice Ezekiel Muhanguzi	President	S	2
3.	Achbishop John Baptist Odama	V/President	S	0
4.	Mr. George William Nyeko	Treasurer	S	3
5.	Pastor Emmanuel Waako	Member	S	3
6.	Ms. Gladys Nalubega	Member	S	2
7.	Msgr. Dr. Lawrence Ssemusu	Member	S	3
8.	Dr. Godfrey Onyango	Member	S	3
9.	Hon. Justine Khainza	Member	S	1
10.	Pastor David Simwogerere	Member	S	3
11.	Mr. Byron Mwanje	Member	S	1
12.	Rev. Sr. Felicitas Babirye	Member	S	3
13.	Mrs. Margaret Wamboga	Member	S	3
14.	Mrs. Sarah Nyende	Member	S	3
15.	Mr. Moses Kibirige	Member	S	1
16.	Fr. Mark Richard Ssajjabbi	Member	S	3
17.	Mr. Simon Peter Mukhama	GS/ CEO	S	3

KEY: S – Still serving

¹ KEY: 1 – 21st Mar 2016; 2 – 4th Jul 2016; 3 – 15th Nov 2016



3.9 Future Plans

No	Objectives	Projects to be undertaken	Planned achievements	
			Output/Outcome	Impact
1.	Translation	Kupsapiiny Project	Publish letter of Romans, Reading/Writing books and Stories. Sensitising community on project	Increased mother tongue literacy Increased reading materials in schools
		Lusamia Lugwe Project	Complete Lusamia-Lugwe manuscript Print and Launch Bible	The Samia will receive the Word of God in their mother tongue
		Dhopadhola Project	Typeset Dhopadhola Print and Launch Bible	The Dhola will receive the Word of God in their mother tongue
		Acholi Revision Project	Training Translators Consultant Checking of Exodus, 1&2 Samuel and 1 & 2 Kings Published book of Exodus	Feedback from the Revised edition of Acts
		Ateso Revision Project	Training Translators Consultant Checking of 1 & 2 Thessalonians, Acts, 1 & 2 Corinthians Published book of Acts	Feedback from the Revised edition of Exodus
		Ma'di Project	Reviewing Genesis, Exodus, Leviticus and Numbers Printing book of Genesis and NRPs with new orthography	Feedback on the new orthography of Genesis
2	Distribution	ABIEH	Distribute 10,000	Distribute 10,000 Bibles through the channels of Hand, Heart, Home, Hotel and Hospital
		Bible Distribution	Distribute 300,000 Bibles countrywide	Avail Scriptures to Ugandans Countrywide
		Online Bible Shop	Distribute 4,000 Bibles	Avail Scriptures through the diaspora
3	Fundraising	Church Relations	Reaching out to 545,000 people in Churches	Creating awareness about BSU in Churches
		Membership	Reaching out to 25,000 people and encouraging people to support Bible Society Work	Have 3,000 members supporting the work
		Branch Growth	Raise awareness of BSU in the different regions of the country as well extending the different projects to those regions	Have regional coverage of support and project implementation countrywide
4	Engagement	Trauma Healing	Equipping the church to respond to Trauma Healing needs in the community Reaching out to refugees	Restoration of hope for the hurt towards the Word of God
		Faith Comes By Hearing	Distribute 650 proclaimers to refugee camps	Engage the refugees with the Word of God
		Scriptures for People with Visual Impairment	Distribute Braille Bibles Creating opportunities for the visually impaired to participate in church activities	Trained Church leaders to reach out to the blind in their communities Equipping the blind with the Word of God
		Youth and Media	Engage the Youth in studying the	Increased knowledge of the



No	Objectives	Projects to be undertaken	Planned achievements	
			Output/Outcome	Impact
			Word of God	youth with the Word of God
		Deaf Bible Opportunity	To produce 500 sets of sign language scriptures on DVDs	The deaf people will engage with the Word of God

3.10 Auditors

The auditors, Kisaka & Company were appointed to carry out the audit of the organization for the year ended 31 December 2016 and have expressed their willingness to continue in office in accordance with Section 159(2) of the Companies Act, Cap 110, and Laws of Uganda

By order of the Board



General Secretary/CEO

Date: 3rd April 2017



4.0 Statement of Governors' Responsibilities

In accordance with the Constitution of the BSU , the Board of Governors are responsible for the preparation and presentation of financial statements for each year that show a true and fair view of the state of affairs of the BSU as at the end of the financial year.

In preparing those financial statements, the Board of Governors are required to:


- a) Select suitable accounting policies and apply them consistently;
- b) Make judgments and estimates that are reasonable and prudent;
- c) Comply with United Bible Societies' financial policies and procedures, local laws , statutes and regulations;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the BSU will not continue in business.

The Finance Committee which is a committee of the Board of Governors is responsible for keeping proper Books of Account, which disclose with reasonable accuracy, at any time, the financial position of the BSU. They are also responsible for safeguarding the assets of the company.

The Committee members accept responsibility for the annual financial statements set out on pages 16 to 32, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards for small and medium-sized entities (*IFRS for SMEs*) and comply with the requirements of the BSU Constitution and the United Bibles Societies' financial policies and procedures. The members are of the opinion that the Financial Statements give a true and fair view of the state of affairs of the BSU and of its operating results. The members further accept responsibility for the maintenance of accounting records, which have been relied upon in the preparation of Financial Statements, as well as adequate systems of internal control.

Nothing has come to the attention of the Governors to indicate that the BSU will not remain a going concern for at least the next twelve months from the date of this statement.


Date 3rd APRIL 2017
Chairman Finance Committee


Date 3rd April 2017
General Secretary/CEO

5.0 The Independent Auditor's Report to the Members of the Bible Society of Uganda

5.1 Opinion

We have audited the financial statements of the BSU which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, set out on pages 20 to 32.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BSU as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), the United Bible Societies' Financial Policies and the Constitution of the Bible Society of Uganda..

5.2 Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibility under those standards are further described in the *Auditor's Responsibilities for Audit of the Financial Statements* section of our report. We are independent of the BSU in accordance with the International Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5.3 Emphasis of matter

We draw your attention to the fact that the financial statements were prepared using a new accounting package (Ebisframe) which the staff were still learning. As a result, there were numerous adjustments passed during the audit, the major adjustment related to cost of sales which had been understated by over UGX 1 billion. These call to question the effectiveness of the controls on posting and reporting processes in the new system. Management engaged the system engineers to further build staff capacity as regards the new system and also close any existing gaps in the configuration of the system.

5.4 Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

- Ineffective reconciliation process; although the ISP reconciliations were prepared and signed off, this control was not effective during the period of review because the reconciliation statements were not prepared on a monthly basis but rather during the period of audit in March 2017. It was more of a procedure performed rather than fulfilling the purpose for which it was meant. There were also no reconciliations done for payables and receivables. In addition, the December 2016 bank reconciliation for Barclays main account was not prepared until the period of the audit.
- Inadequacy of internal controls at the branches; the branches did not have well organized books of account which casts doubt on the completeness and accuracy of all account balances

5.4 Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (*IFRS for SMEs*), requirements of the BSU Constitution and the United Bibles Societies' financial policies and procedures, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BSU or to cease operations, or has no realistic alternative but to do so.

The Board of Governors is responsible for overseeing the BSU's financial reporting process.

5.5 Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

5.6 Other Reporting Responsibilities

In addition, we carried out the following procedures;

- a) Assessed compliance with the NGO Act, the United Bible Societies' Financial Policies and the constitution of the BSU.
- b) Assessed the economy, efficiency and effectiveness of the BSU's operations by establishing whether good procurement practices and budget controls were in place, society's targets were achieved within the planned time and at the budgeted cost.
- c) We reviewed the BSU's operations to confirm whether it had complied with the provisions in its constitution. We did not come across any significant instances of non-compliance with the

stipulations of the BSU's documents. Activities were in line with the objectives of the organization.

- d) The BSU complied with the NGO Registration Regulation of 2009, regulation 16 of submitting the annual returns.
- e) Compliance with the Income Tax Act CAP 340 - The annual income tax return for the year 2015 was filed on 27th June, 2016.
- f) Economy, Efficiency and Effectiveness



Economy

Economy may be defined as minimizing the cost of resources used for an activity having regard to the appropriate quality. Economy relates to all types of resources such as physical, financial, human and information. In relation to the procurement of scriptures, and significant procurements, management reasonably practiced economy.

Efficiency and Effectiveness

Efficiency refers to the relationship of inputs and outputs; it is relevant to the use of resources. Effectiveness is defined as an ends-oriented concept that measures the degree to which predetermined goals and objectives for a particular activity or program are achieved (the attainment of the right results from usage of resources and organizational operations). Our review of the efficiency and effectiveness was based on the analysis of operational expenses. As noted from the statement of comprehensive income (section 7.0), there was an increase in the proportion of program costs to total operating expenses by 13% from 37% in 2015 to 50% in 2016. On the other hand, the proportion of employee costs decreased from 38% to 30%, while the administrative costs proportion decreased from 25% to 21% in 2015 and 2016 respectively.

The engagement partner on the audit resulting in this independent auditor's report was



J. K. Mbulamba
KISAKA & COMPANY
Certified Public Accountants
CERTIFIED PUBLIC ACCOUNTANTS
DATE: 18/7/2017
P.O. BOX 27917, KAMPALA



6.0 Statement of financial position

	Note	2016 UGX '000	2015 UGX '000
Non-Current Assets			
Property and Equipment	10.3	3,431,118	3,543,411
Park Hotel	10.4	100	100
Intangible Asset	10.5	186,938	207,709
		3,618,157	3,751,220
Current Assets			
Inventory	10.6	3,318,426	2,037,979
Accounts Receivable	10.7	1,377,871	676,023
Cash and Bank	10.8	376,495	240,438
		5,072,793	2,954,440
Total Assets		8,690,950	6,705,660
Reserves & Liabilities			
Reserves			
General Reserve	10.9	2,575,435	2,417,057
Revaluation Reserve	10.10	2,429,247	2,429,247
Bible House Re-Development Fund	10.11	732,189	732,189
		5,736,871	5,578,493
Current Liabilities			
UBS Current Account	10.12	987,154	499,140
Creditors and Accruals	10.13	1,966,927	506,141
		2,954,080	1,005,281
Deferred Income	10.14	-	121,888
		2,928,804	1,127,169
Total Reserves & Liabilities		8,690,950	6,705,660

The accounting policies and notes set out on pages 20 to 32 form an integral part of these financial statements

The Financial Statements were approved by the Board of Governors on its behalf by:


Chairman

Date: 03/04/17 
Treasurer

Date: 30 April 2017


General Secretary/CEO

Date: 30 April 2017



7.0 Statement of comprehensive income

		2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
Scripture sales	10.15	5,568,036	7,477,462	5,299,074
Discount allowed	10.16	(858,648)	(1,074,440)	(771,312)
Net scripture sales		4,709,388	6,403,023	4,527,762
Cost of Sales	10.17	(2,169,888)	(3,311,084)	(2,349,424)
Gross Profit		2,539,500	3,091,939	2,178,338
Other Income	10.18	2,558,250	2,597,563	1,656,724
Operating Income		5,097,750	5,689,502	3,835,062
Operating Expenses				
Program expenses	10.19.1	2,570,250	2,728,170	1,453,829
Employee costs	10.19.2	1,650,347	1,630,234	1,470,744
Administrative expenses	10.19.3	1,445,946	1,152,556	987,627
		5,666,543	5,510,961	3,912,200
Surplus/ (Deficit)		(568,793)	178,541	(77,137)



8.0 Statement of changes in reserves

	General reserves	Revaluation reserve	Re-Development Fund	Total
	UGX '000	UGX '000	UGX '000	UGX '000
Balance as at 01/01/2015	2,494,194	2,429,247	732,189	5,655,629
Prior period adjustment	-	-	-	-
Deficit for the year (note 7.0)	(77,137)	-	-	(77,137)
Balance as at 31/12/2015	2,417,057	2,429,247	732,189	5,578,492
Balance as at 01/01/2016	2,417,057	2,429,247	732,189	5,578,492
Prior period adjustment	(20,162)	-	-	(20,162)
Surplus for the year (note 7.0)	198,704	-	-	198,704
Balance as at 31/12/2016	2,575,436	2,429,247	732,189	5,736,871



9.0 Statement of cash flows

	Note	2016 UGX '000	2015 UGX '000
Cash flows from operating activities			
Surplus/(Deficit)	7	178,541	(77,137)
Adjustments for:			
Gains on disposal of Assets	10.18.2	(22,999)	(30,700)
Depreciation & Amortisation	10.3	259,742	190,025
Cash flow before movement in working capital		415,284	82,188
Decrease/(Increase) in Inventory	10.6	(1,280,447)	1,133,074
Decrease/(Increase) in Receivables	10.7	(701,848)	(207,449)
Increase/(Decrease) in Creditors	10.13	1,460,786	(645,878)
Cash generated from Operating Activities		(106,226)	361,935
Cash Flows from Investing Activities			
Proceeds From Sale of Fixed Assets	10.15	22,999	30,700
Purchase of intangible asset		-	(207,709)
Purchase of Fixed Assets	10.3	(146,842)	(290,096)
Net cash used in investing activities		(123,843)	(467,105)
Cash Flows from Financing Activities			
Increase(decrease) in Deferred Income	10.14	(121,888)	2,332
Advances from ISP	10.12	488,014	(338,031)
Net cash used in financing activities		366,126	(335,699)
Increase (Decrease) in Cash and cash equivalents		136,056	(440,870)
Cash and Bank Balances			
As at 1 January	10.7	240,439	681,309
As at 31 December		376,495	240,439



10.0 Notes to the Financial Statements

10.1 The Accounting Entity

BSU is a non-profit Christian NGO, serving churches by translating, producing and distributing the Holy Scriptures with a mandate of achieving the widest possible, effective and meaningful distribution of the Holy Scriptures.

Its head office is at the Bible House on Bombo Road, Kampala, Uganda. The BSU has distribution centers in Iganga, Mbale and Fort Portal. It has branches in Rwenzori, Teso and Ankole region.

It has so far been able to translate the whole Bible in 12 Languages and these include: Luganda, Runyankole-Rukiga, Runyoro-Rutoro, Ng'akarimojong, Alur, Acholi, Kinadi, Ateso, Madi, Kumam, Lusamia, and Lumasaba.

The Financial Statements presented disclose the sales and grants received by the BSU in furtherance of the above objective during the year ended 31 December 2016.

As at 31 December 2016, the BSU had 2,648 members as shown below;

Type of Membership	Number of members	
	2016	2015
Associate	473	389
Couple	452	356
Single	618	424
Junior	312	248
Group	58	40
Life (Partial and Full)	682	150
Bible A Month Club	33	37
Company / Organisation	20	4
	2,648	1,648



10.2 Significant Accounting Policies

The principal accounting policies adopted for the preparation of the financial statements are:

a) Basis of Accounting

The accounting and reporting policies adopted by the BSU are in accordance with the International Financial Reporting Standards for small and medium-sized entities (*IFRS for SMEs*). Section 2.36 of the *IFRS for SMEs* requires an entity to prepare its financial statements, except for cash flow information, using the accrual basis of accounting. BSU uses the modified accrual basis of accounting with the modification on membership subscriptions which are recognised when received rather than when earned.

b) Property and Equipment

All property and equipment are initially recognized at cost. Subsequently, land and buildings are measured at their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses for buildings. Other property and equipment after initial recognition are measured at cost less accumulated depreciation and accumulated impairment losses.

Increases in the carrying amount as a result of revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in the profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss – Sec 17.15C. Decreases in the carrying amount as a result of revaluation are recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect to that asset. The decrease in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

Gains or losses on derecognition of property and equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The gains or losses on derecognition are recognised in the profit or loss when the item is derecognized.

While depreciation is charged on a prorata basis for acquisitions made during the year, depreciation is not charged in the year of disposal. Depreciation is calculated using straight-line method to write-down the cost or revalued amounts of assets over their estimated useful lives, as follows:

Furniture and Fittings	10%	Per annum
Computers and Equipment	25%	Per annum
Motor Vehicles	25%	Per annum
Buildings	2%	Per annum

Amortisation of Lease holds

Leasehold land and buildings are amortized over the lease period of 89 years with effect from 1 July, 1992.



Fair Value is the amount for which an asset could be exchanged, a liability settled or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

c) Intangible asset

All intangible assets are initially recognized at cost. Expenditure incurred internally on an intangible item, including all expenditure for both research and development activities, is recognised as an expense when it is incurred unless it forms part of the cost of another asset that meets the recognition criteria of this standard. Subsequently, the intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortization is calculated using straight-line method to write-down the cost or revalued amounts of the intangible asset over their estimated useful life of 10 years.

d) Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. In accordance with the United Bible Society guidelines, the cost is stated at average. The average cost includes purchase cost of the scripture (from the supplier), insurance, transport and handling costs which are incurred in bringing the scriptures to their present location and condition.

e) Cash and Cash Equivalents

Cash and cash equivalents are presented in the statement of financial position at cost. For the purposes of the statement of cash flow, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

f) Translation of foreign currencies

Income and expense items in foreign currency are translated into Uganda Shillings using the exchange rates at the time of the transaction. Foreign denominated assets and liabilities reported in the statement of financial position are translated using closing rates. The closing rate used at 31 December 2016 was UGX 3650: USD 1

g) Sales revenue

Revenue is measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates allowed by the Society. The Society includes in revenue only the gross inflows of economic benefits received and receivable by the entity on its own account. All amounts collected on behalf of third parties are not included in the revenue.



Revenue is recognised from the sale of scriptures when all the following conditions are satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither a continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transactions can be measured reliably

h) Donations, grants and in-kind contributions

Grants from donors shall be recognized as deferred grants when they are received. The BSU shall recognize Grant Income from the donors after the activity for which the grant was given has been carried out, or upon depreciation of donated fixed assets.

Donations in kind shall be valued by management and/or the donor, at market value and shall be accounted for as Grant Income or Capital Grant and an equivalent expense or asset shall be recognized at that value.

There were no in kind contributions

i) Members' subscription, interest income, rental income and other income

- i. Income from membership subscriptions is recognised when received rather than when earned
- ii. Interest received from investments shall be recognized as income when they are earned
- iii. Rental income shall comprise payments as a result of renting the BSU's properties to other organizations or individuals.
- iv. Other receipts shall comprise such incomes like, sale of promotional items, fundraising incomes, foreign exchange gains, sub-letting etc. These shall be recognized as they arise.



j) Provision for bad debts

No specific provisions are made for doubtful debts. Bad debts are written off after all reasonable steps to recover them have been taken without success.

k) Comparatives

Comparative information shall be disclosed in respect of previous periods for all amounts reported in the financial statements. This aims at allowing the coherence and comparison of the financial information published by the Society.

l) Employee Benefit Scheme

i. National Social Security Fund (NSSF)

The Bible Society, as an employer in Uganda, is required to contribute to NSSF. This is a statutory defined contribution scheme whereby the Bible Society contributes 10% of the employee earnings while the employee contributes 5% of the same. The Bible Society has no legal or constructive obligation to contribute beyond these formal terms.

ii. Staff Provident Fund

The BSU decided to institute a contributory Staff Provident Fund effective January 2006, replacing the non-contributory United Bible Societies Provident Fund. The Fund was initially funded by the United Bible Societies contributions to 31st December 2005. Thereafter the scheme is funded by 15% and 7.5% of the earnings respectively by the BSU and the employee. This then changed to 10% and 5%. In addition, the BSU is obligated to meet all the operational expenses of the scheme.

The Board of Governors contracted M/s Insurance Company of East Africa Limited (ICEA (U) Ltd) to manage the Fund on its behalf. It has been confirmed that there are no outstanding operational expenses and/or any other legal or constructive outstanding obligation to contribute to the scheme.

The Board agreed to cease provident fund contributions on request of the staff in August 2013.



10.3 Property and Equipment

Cost	Land & Building Lease Hold UGX '000	Land & Buildings Free Hold UGX '000	Computer Equipment UGX '000	Furniture Equipment UGX '000	Vehicle & Bikes UGX '000	Total UGX '000
As at 1/1/2016	2,710,662	630,000	276,967	208,086	631,994	4,457,709
Additions	-	-	45,031	41,811	60,000	146,842
Disposal	-	-	-	-	(57,000)	(57,000)
As at 31/12/2016	2,710,662	630,000	321,998	249,897	634,994	4,547,551
Depreciation						
As at 1/1/2016	241,192	2,353	218,775	132,064	319,913	914,297
Charge	37,506	5,263	36,432	18,021	141,748	238,971
Disposal	-	-	-	-	(56,999)	(56,999)
As at 31/12/2016	295,259	11,219	255,207	150,086	404,662	1,116,433
Net Book Value						
As at 31/12/2016	2,415,403	618,781	66,791	99,811	230,332	3,431,118
As at 31/12/2015	2,469,470	627,647	58,192	76,022	312,081	3,543,411



10.4 Park Hotel

In 1987 the United Bible Society of 63 Carter Lane, London paid a sum of \$175,000- for purchase of Plot No.10 Army Lane, Kampala (Park Hotel) on behalf of the BSU. Although the payment was acknowledged by one of the Directors of the selling company on 15th April, 1987, the company has to-date failed to deliver the property and the Title Deed. BSU sued the Director of the above company for a redress and though the ruling was in our favour, the Defendant filed for Bankruptcy of which Court has failed to find and attach any of his property to recover the debt. After the above fruitless efforts and being highly probable that BSU may never recover the above land, a resolution was made to write this item off at 25% over four years starting from the year ended 31 December 2005 up to UGX 100,000. The position of the account as of 31 December 2016 is as below;

	2016 UGX '000	2015 UGX '000
Balance as at 1 January	100	100
Carrying Amount as at 31 December	100	100

10.5 Intangible asset

	2016 UGX '000	2015 UGX '000
Cost		
As at 1 January	207,709	-
Addition	-	207,709
	207,709	207,709
Amortisation		
As at 1 January	-	-
Charge for the year	20,771	-
	20,771	-
Net Book Value	186,938	207,709



10.6 Inventories

Inventories are valued at cost which is arrived at after taking into account transport, freight, Insurance and handling costs. Agency costs are expensed during the period. The amount reflected in the accounts is arrived at after physical inventory taking, application of the relevant costs and Goods in transit. The BSU had the following inventories as at 31 December, 2016

	2016 UGX '000	2015 UGX '000
Physical stock available	3,318,426	2,037,979
	3,318,426	2,037,979

10.7 Accounts Receivable

	2016 UGX '000	2015 UGX '000
Trade Debtors	915,588	178,896
Other Debtors –Staff Advances	108,254	116,867
Loans and Advances	354,029	380,260
	1,377,871	676,023

10.8 Cash and Bank

	2016 UGX '000	2015 UGX '000
Cash Balances		
Cash at Hand- Book shop	89,472	29,446
Petty Cash- General	2,000	82
Petty Cash-GS office	500	1
	91,972	29,529
Bank Balances		
Barclays Bank of (U) Ltd A/C 1055504	20,539	50,151
Barclays Bank of (U) Ltd A/C 1125677	12,492	21,382
Barclays Bank of (U) Ltd A/C 1127688	806	105,654
Stanbic Bank - Kampala A/C 0140063535601	71,781	21,720
Stanbic Bank US Dollar A/C 0221463535601	178,450	12,003
Centenary Bank - Kampala A/C 2110600071	300	-
	284,523	210,910
	376,495	240,439



10.9 General Reserve

	2016 UGX '000	2015 UGX '000
Balance as at 1 January	2,417,056	2,494,194
Surplus/(Deficit) (note 7.0)	198,704	(77,137)
Balance as at 31 December	<u>2,615,760</u>	<u>2,417,052</u>

10.10 Revaluation Reserve

	2016 UGX '000	2015 UGX '000
Balance as at 1 January	2,429,247	2,429,247
Balance as at 31 December	<u>2,429,247</u>	<u>2,429,247</u>

10.11 Bible House Redevelopment Reserve

	2016 UGX '000	2015 UGX '000
Balance as at 1 January	732,189	732,189
Balance as at 31 December	<u>732,189</u>	<u>732,189</u>

10.12 UBS Current Account

	2016 UGX '000	2015 UGX '000
Balance 1 January	(499,140)	(837,171)
Add: Net transactions during the year	(488,014)	338,031
Balance as at 31 December	<u>(987,154)</u>	<u>(499,140)</u>

This is a current account that is maintained by the United Bible Society (UBS) where all transactions made by the BSU (ISP Originator) are reconciled to those made by the UBS (ISP recipient). A positive balance is an amount owed to UBS and a negative balance is an amount owed by UBS

10.13 Creditors and Accruals

	2016 UGX '000	2015 UGX '000
Other Payables	328,134	361,756
Trade Creditors	1,638,792	144,385
	<u>1,966,927</u>	<u>506,141</u>



10.14 Deferred Income

	2016	2015
	UGX '000	UGX '000
HIV Project Funds B/f	121,888	119,556
Transferred to P&L	(16,814)	2,332
Transferred back Swedish Bible Society	(105,074)	-
HIV Project Funds C/f	<u>-</u>	<u>121,888</u>

10.15 Scripture sales

	2016	2016	2015
	Budget	Actual	Actual
	UGX '000	UGX '000	UGX '000
Sales Retail	5,568,036	5,440,794	2,195,154
Sales Wholesale	<u> </u>	<u>2,036,669</u>	<u>3,103,920</u>
	<u>5,568,036</u>	<u>7,477,462</u>	<u>5,299,074</u>

10.16 Discount allowed

	2016	2016	2015
	Budget	Actual	Actual
	UGX '000	UGX '000	UGX '000
Discount Wholesale	<u> </u>	<u>396,130</u>	<u>264,594</u>
Discount Retail	<u>858,648</u>	<u>711,309</u>	<u>506,718</u>
	<u>858,648</u>	<u>1,074,440</u>	<u>771,312</u>

10.17 Cost of Sales

	Note	2016	2016	2015
		Budget	Actual	Actual
		UGX '000	UGX '000	UGX '000
Opening inventory		2,037,979	2,037,979	3,171,053
Purchases	10.17.1	131,909	4,591,531	1,216,350
Closing inventory		<u>-</u>	<u>(3,318,426)</u>	<u>(2,037,979)</u>
		<u>2,169,888</u>	<u>3,311,084</u>	<u>2,349,424</u>



10.17.1 Purchases

	2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
Cost of Goods Sold	2,109,388	3,166,588	2,291,681
Finished Goods		3,318,426	2,037,979
Opening inventory	(2,037,979)	(2,037,979)	(3,171,053)
Dispatch & Freight Charges	58,000	144,495	51,787
Preparations/Stock Adjustments	2,500	-	5,956
	131,909	4,591,531	1,216,350

10.18 Other Income

	Note	2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
Grant income	10.18.1	1,894,250	1,838,947	1,078,782
Local income	10.18.2	664,000	758,616	577,942
		2,558,250	2,597,563	1,656,724

10.18.1 Grant Income

	2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
International Support Program	1,894,250	224,946	410,086
FCBH ISP & Other Projects	-	1,614,001	668,696
	1,894,250	1,838,947	1,078,782



10.18.2 Local Income

	2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
Other local income	150,000	205,609	179,369
Individual	200,000	252,561	149,121
Churches	150,000	131,264	99,411
Special fundraising effort	80,000	45,892	59,688
Exchange rate difference	15,000	10,623	10,774
Gain on disposal of a vehicle	15,000	22,999	30,700
Property rental	40,000	30,245	36,575
General donations	5,000	44,097	6,743
Interest received	3,000	1,016	1,121
Membership Corporate	3,000	11,500	2,200
Bible A Month Club	3,000	2,810	2,240
	664,000	758,616	577,942

10.19 Operating expenses

10.19.1 Program Expenses

	2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
Marketing Costs	1,984,250	2,027,042	913,704
Travel And Vehicle Expenses	435,000	566,415	397,227
Meetings	151,000	134,713	129,131
HIV/AIDS Good Samaritan Program	-	-	13,767
	2,570,250	2,728,170	1,453,829

10.19.2 Employee costs

	2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
Salaries	1,063,541	1,108,239	892,290
Employees Benefits	586,806	474,065	507,202
Commissions	-	47,929	71,251
	1,650,347	1,630,234	1,470,743



10.19.3 Administrative expenses

	2016 Budget UGX '000	2016 Actual UGX '000	2015 Actual UGX '000
Office Expenses And Supplies	630,000	336,234	314,645
Property Operating Costs	85,000	107,073	69,187
Property Rent & Service Charge	20,000	15,321	9,550
Depreciation And Amortisation	220,946	259,742	190,025
Membership fees	140,000	136,122	118,520
Printed Material	150,000	79,133	106,050
Exchange Rate Difference	100,000	100,415	99,256
Miscellaneous	33,000	40,381	30,111
Insurance	25,000	43,976	23,844
Bad and doubt full debts written off	-	960	938
Legal Fees	17,000	590	5,580
Audit Fees	15,000	15,710	10,458
Interest and Bank Charges	10,000	16,900	9,463
	1,445,946	1,152,556	987,627

10.20 Scripture Sales

	2016 Budget Units	2016 Actual Units	2015 Actual Units
Bibles	250,000	278,684	242,905
New Testaments		10,339	6,982
Portions		4,754	7,338
New Reader Portions		3,680	5,180
	250,000	297,457	262,405
Value in UGX		7,477,462	5,299,074