



Olive Tree Media Limited

ABN 97 010 240 598

Financial Report

For the Year ended 31 December 2018

Olive Tree Media Limited

ABN 97 010 240 598

Director's Report

Your Directors present their report on the company for the financial year ended 31st December 2018

Directors

The directors in office at the date of this report are:

Gregory Hammond

Gregory Low

John Kranenburg

Jane Faase

Karl Faase

James Hall

Helen Molyneux

Principal Activities

The principal activity of the company remained unchanged during the year:

Olive Tree Media Limited is a not for profit entity operating throughout Australia supporting the development and distribution of radio, television, DVD and other media products to assist with religious education and spiritual growth of individuals interested in the Christian faith.

The short term objectives of the company are to continue to promote the use of media in engaging the world with Jesus using tools such as the "Jesus the Gamechanger" series, the "Towards Belief" series, the Family Series and the Mens Series

Long term the objectives of the company are supporting the development and distribution of radio, television, DVD and other media products to assist with religious education and spiritual growth of individuals interested in the Christian faith.

Operating Result

There was an operating surplus for the year of \$ 40,311

Review of Operations

The operations of the company during the financial year continued to focus on its primary objective to promote and make known in Australia and elsewhere, the principles, ideals and teachings of Christianity through video recordings, DVDs and other methods of recording, reproductions or transmission of audio and visual material, printed books, magazines, pamphlets and literature.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which have affected, or will significantly affect, the operations of the company, the result of those operations or the result of the affairs of the company in future years.

Directors and Auditors Indemnification

The company has not during, or since, the end of the financial year, in respect of any person who is or has been an officer or auditor of the company:

- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully legally defending legal proceedings, or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability with the exception of the following matter:

During the financial year the company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company other than conduct involving wilful breach of duty in relation to the company.

Directors' Benefits.

Since the end of the previous financial year, no director has received, or become entitled to receive a benefit (other than any benefit disclosed at note 6 to the accounts), or any benefit by reason of a contract made by the company with a Director or with a firm of which he is a member or with an company in which he has a substantial financial interest.

Auditors

The company's auditors follow the independence requirements of the Australian ethical pronouncements. The auditors have provided the Board of Directors with a written declaration of their independence.

Company Structure

The company is limited by guarantee. If the company is wound up the Constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the company. At 31 December 2018 there were 7 members (last year 7) . Accordingly the amount of the guarantee was \$70 (last year \$70).

On behalf of the Board,



Gregory N Hammond
Director

Date: 18 June 2019

Olive Tree Media Limited
ABN 97 010 240 598

Directors Declaration

The directors of the company declare that:

1. The financial statements and notes satisfy the requirements of the Australian Charities and Not for Profits Commission Act 2012 including:

- (a) complying with Australian Accounting Standards - Reduced Disclosure Standards;
- (b) giving a true and fair view of the financial position as at 31 December 2018 and of the performance and cashflows of the company for the year ended on that date.

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 the requirements of sub-section 60.15(2) of the Australian Charities and Not for Profits Commission Regulation 2013.

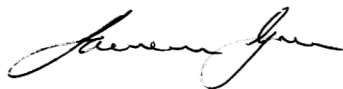
Gregory N Hammond
Director



Date: 18 June 2019

Auditors Independence Declaration

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2018 there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Shedden & Green Partners
Lawrence Green FCA - Partner

Olive Tree Media Limited
Balance Sheet
As at 31 December 2018

	Note	2018 \$	2017 \$
Accumulated Funds		<u>183,290</u>	<u>144,407</u>
Current Assets			
Cash and cash equivalents		47,571	284,593
Prepayments		2,527	27
Receivables		2,197	3,157
Foreign Currency receivables		233,254	0
Deposits		8,310	0
Inventory		43,267	18,432
Project costs - projects in progress		62,217	605,220
GST recoverable		9,222	28
		<u>408,565</u>	<u>911,457</u>
Total Assets		<u>408,565</u>	<u>911,457</u>
Current Liabilities			
Project funding received in advance		171,193	736,183
Provision for annual leave		19,413	22,495
Payables		34,669	8,372
		<u>225,275</u>	<u>767,050</u>
Total Liabilities		<u>225,275</u>	<u>767,050</u>
Net Assets		<u>183,290</u>	<u>144,407</u>

The above Statement is to be read in conjunction with the accompanying notes

Olive Tree Media Limited
Statement of Changes in Equity and Accumulated Funds
For the Year ended 31 December 2018

	2018	2017
	\$	\$
Net Operating Surplus/(Deficit)	40,311	16,787
Prior period adjustments	(1,428)	0
Accumulated Funds at the beginning of the year	<u>144,407</u>	<u>127,620</u>
Accumulated Funds at the end of the Year	<u>183,290</u>	<u>144,407</u>

The above Statement is to be read in conjunction with the accompanying notes

Olive Tree Media Limited
Statement of Income and Other Comprehensive Income
For the Year ended 31 December 2018

	Note	2018 \$	2017 \$
Income			
Donations and charitable grants received		150,850	298,950
Project specific receipts		400,899	175,175
Merchandise sales		132,431	92,281
Other income		25,975	25,511
Professional fees		23,848	25,584
Interest received		251	350
Total income		<u>734,254</u>	<u>617,850</u>
Expenses			
Advertising and promotions		5,662	2,146
Bank and merchant charges		4,210	3,092
Bookkeeping & consultancy		40,240	20,609
Project costs		246,475	177,534
Cost of goods - merchandise and events		33,106	41,408
Foreign exchange gain/loss		4,064	3
Insurances		5,770	3,717
Office expenses		3,367	3,753
Postage and delivery		12,482	8,939
Printing, reproduction and stationery		1,329	9,840
Provision for annual leave		(3,082)	1,193
Rent		12,500	0
Staffing costs		290,659	243,062
Staffing costs directly allocated to projects		(84,803)	
Subscriptions		2,586	2,441
Sundry costs		40,954	5,430
Telecommunications		5,527	4,766
Travel		39,928	55,024
Website and computer costs		32,968	18,105
Total Expenses		<u>693,944</u>	<u>601,063</u>
Net Operating Surplus/(Deficit)		<u>40,311</u>	<u>16,787</u>

The above Statement should be read in conjunction with the accompanying notes

Olive Tree Media Limited
Statement of Cashflows
For the Year ended 31 December 2018

	Note	2018 \$	2017 \$
Funds from/(used in) operating activities			
Donations and charitable grants received		551,749	474,125
Other income		(382,736)	879,559
Interest received		251	350
Payments to suppliers		<u>(155,060)</u>	<u>(1,213,594)</u>
Net inflow/(outflow) of funds from operations		<u>14,204</u>	<u>140,439</u>
Increase/(decrease) in receivables		960	1,205
Increase/(decrease) in foreign currency receivables		(233,254)	0
Increase/(decrease) in deposits		(8,310)	0
Prior year adjustment		(1,428)	0
Decrease/(increase) in GST recoverable		<u>(9,194)</u>	<u>4,913</u>
Net inflow/(outflow) of funds		<u>(251,226)</u>	<u>6,118</u>
Increase in cash and cash equivalents		(237,022)	146,557
Cash at the beginning of the year		<u>284,593</u>	<u>138,035</u>
Cash at the end of the Year		<u>47,571</u>	<u>284,593</u>
Reconciliation from Operating Surplus/(Deficit) to funds from operations			
Surplus/(Deficit) for the year		40,311	16,787
Increase/(Decrease) in payables		26,297	219
Increase/(Decrease) in prepayments		(2,500)	(27)
Decrease/(Increase) in inventories		(24,835)	(8,695)
Increase/(decrease) in project funding in advance		(564,990)	736,183
Decrease/(Increase) in project costs for projects in progress		543,003	(605,220)
Increase/(decrease) in provision for staff entitlements		<u>(3,082)</u>	<u>1,193</u>
Cash from/(used in) operations		<u>14,204</u>	<u>140,439</u>

The above Statement should be read in conjunction with the accompanying notes

Olive Tree Media Limited
Notes to and forming part of the Accounts
For the Year ended 31 December 2018

Note Significant Accounting Methods and Policies

Basis of Accounting

The Financial Statements are general purpose statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), to satisfy the requirements of the Australian Charities and Not For Profits Commission Act 2012 and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions events and conditions. Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied unless otherwise stated. The following is a summary of the significant accounting policies adopted in the preparation of the accounts.

Income Tax

No income tax is payable as the company is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997. It is registered with the ACNC as a registered Charity.

Structure

The entity is incorporated as a company limited by guarantee.

Income

Income comprises primarily donations from foundations, organisations and individuals. Donations are brought to account upon receipt. Donated goods in kind are brought to account at Fair Value upon receipt.

Incorporation and Segment of Activity

Olive Tree Media Limited is a not for profit entity operating throughout Australia supporting the development and distribution of radio, television, DVD and other media products to assist with religious education and spiritual growth of individuals interested in the Christian faith.

Inventories

Inventories of books, literature, DVD's etc are brought to account at cost.

Olive Tree Media Limited
Notes to and forming part of the Accounts
For the Year ended 31 December 2018

1 Summary of Significant Accounting Policies

Employee Entitlements

Liabilities for employees entitlements to wages and salaries, annual leave, and other current employee entitlements are accrued at nominal amounts calculated on the basis of current wage and salary rates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and on deposit and cash at bank.

Operating Revenue

Donations are brought to account in the year in which they are received.

Members Guarantee

The company is limited by guarantee. If the company is wound up the Constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the company. At year end there were 7 members (2017 - 7).

Impairment of Financial Assets

No less frequently than at each reporting date the Board assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount.

Goods and Services Tax (GST)

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

Application of new and revised accounting standards

Under Reduced Disclosure Requirements there is no requirement to state details of new and revised accounting standards. The primary new standards announced but not yet required relate to Leasing and Revenue, neither of which are anticipated to have a significant impact on the company's financial position or results.

Financial Instruments and Risk

The company carries no exposure to market risks. Its invested funds are in banks covered by the Financial Claims Scheme.

There is no significant affect on the entity from changes in interest rates.

The company holds no structured financial products.

The company is exposed to short term fluctuations in currency arising from fluctuations in the US Dollar associated with funding support from the US for certain of its projects. The degree of exposure is reflected in a separate "Receivables in Foreign Currency" account on the balance sheet. These amounts are typically received within 90 days of invoice and accordingly currency exposure is somewhat limited. Currency fluctuations are brought to account and disclosed separately in the income statement.

Olive Tree Media Limited
Notes to and forming part of the Accounts
For the Year ended 31 December 2018

2 Related Parties

Directors of the company who held office at any time during the year were:

Gregory Hammond
Gregory Low
John Kranenburg
Jane Faase
Karl Faase
James Hall
Helen Molyneux

No Board Member received remuneration during the year with the exceptions that:

- (i) members may have received minor reimbursements for expenses incurred on behalf of the company
- (ii) Karl and Jane Faase are Board members and employed by the company. Their salaries and other remuneration is determined by the Board having regard to commercial rates for comparable roles.

3 Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2018	2017
Payable - minimum lease payments		
Not later than 12 months	30,750	0
Between 12 months and five years	47,250	0
	78,000	0



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

Report on the Audit of the Financial Report

Opinion

In our opinion, the financial report of Olive Tree Media Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not For Profits Commission Act 2012, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 and requirements of the Constitution.

Basis for opinion

We conducted the audit in accordance with 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 registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the responsible entities are responsible for assessing the registered entity'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 responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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Liability limited by a scheme approved under Professional Standards Legislation

Auditor's Responsibilities for the Audit of the Financial Report

The audit 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 the financial report. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the audit opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the registered entity 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 the audit.

Shedden and Green Partners
Lawrence R Green FCA – Partner



21 June 2019, Miranda NSW