

Orangesky

— Australia —

IMPACT REPORT 2022/2023



**A typical Orange Sky shift
in a remote community**

We have hidden identities and location due to sensitivities in the community.

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Friend

/fr3nd/ noun

1. A person experiencing homelessness or hardship who uses Orange Sky's services.

Acknowledgement of Country

Orange Sky was founded in Meanjin (Brisbane, Australia) on Turrbal and Yuggera Country. We acknowledge Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land and waters across Australia, and acknowledge that sovereignty was not ceded. We recognise Aboriginal and Torres Strait Islander cultures as the oldest continuous living cultures in human history. We pay our respect and honour to Elders past, present and emerging and extend that respect to all First Nations people. At Orange Sky, we are committed to listening, learning, and working together with respect and humility. We endeavour to create a positive future and meaningful change through our Reconciliation Action Plan (learn more on page 28).

Orange Sky Australia Ltd

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 ABN/Charity ID: 85890622990

Chair of the Board Report

Whilst we have grown as an organisation, the demand for our services and the community's needs have consistently outpaced our growth. With broader economic circumstances exacerbating the affordability of safe, secure housing for Australians, the challenge for us has been felt across the communities we serve, and exists beyond the reach of our current footprint.

As we continue working towards our mission to positively connect communities, we have committed to improving the way we operate. We upgraded our fleet of laundry and hybrid vehicles to ensure they are as efficient and sustainable as possible, while striving towards our social impact goals. This included the installation of our Waru Dryer, which has been estimated to reduce electrical consumption by 90%, and the replacement of our original generators with solar and battery power banks. This investment in upgrading our assets is all about improving our service delivery to friends doing it tough, and maximising the social return we generate.

We have also expanded our presence and services in remote communities as we seek to make a difference to the lives of First Nations people. Our new services across Galwin'ku, Yakanarra, Kalgoorlie, Yuendumu and Gapuwiyak were rolled out this year, and there is more to come in FY24 and beyond as we work to support the improvement of health outcomes for Aboriginal and Torres Strait Islander people.

A shout-out to the Orange Sky staff team led by Lucas. Alongside co-founder Nic, the original inspiration of these two leaders in our community holds true. We have welcomed different ideas and skills into the leadership team, and witnessed others grow and be tapped for new challenges in the broader sector. To our whole team, thank you on behalf of the Board.

To my colleagues, and especially to Keiron Lander who joined us during this reporting year, thank you for your dedication, commitment and efforts. Each of you brings skills, insights and your best self to the Board table, and I pay tribute to your service.

Finally the biggest thanks to all our supporters and volunteers, new and long-standing. We seek every day to honour your faith in the Orange Sky mission, and we are grateful for your generosity and your humanity.

Andrew Fraser
 Chair of the Board



Co-Founder + CEO Report



Every year when I sit down to reflect, I start to remember all of the incredible milestones that we achieved in the last 12 months, and I am reminded of the power of our community. This year we have seen rents and the cost of living skyrocket, and subsequently the demand for our services increase. Alongside the heightened focus on equity and reconciliation for First Nations Australians, Orange Sky's work and mission of positively connecting communities has never been more important as we strive toward supporting 40,000 people by 2025 across Australia and New Zealand.

Earlier this year, we saw the release of the 2021 Census data, which showed a 5.2% increase in homelessness since 2016. (This increase is believed to be grossly understated for the current climate, as the Census data was captured prior to the cost of living crisis.) This is reflected in the demand for our services; since Census night in August 2021 to the end of the 2023 financial year we have washed 137,763 loads of laundry across our services. This spike in demand, coupled with our commitment to our friends, helped us to reach new heights in terms of our impact, supporting more people than ever before through 77,058 loads of laundry, 6,606 showers and 96,878 hours of conversation. We launched new services all across the country (and in New Zealand), welcomed many new volunteers and supporters, upgraded all of our assets to be more shift and environmentally friendly, and responded to weather events.

The challenges of this year could be summed up by the experiences of a friend who I have had the pleasure of spending a lot of time with this year. Betty has worked as a full time cleaner for 14 years, and when her rent was hiked in late December 2022, she couldn't afford the increase. After 36 unsuccessful applications, Betty was forced to live in her car, when

she first came across Orange Sky. From there, visiting an Orange Sky shift became a part of Betty's weekly routine. It was the one constant in her life during so much change. Betty has since secured accommodation, but still frequents an Orange Sky shift for that conversation, connection and of course, a load of washing! Betty's story, unfortunately, is one that we have heard all too many times this year. During so much uncertainty, something as simple as an orange chair can provide a feeling of comfort, continuity and connection. Our shift space became the one constant thing in Betty's life that she felt she could rely on.

This past year, we embarked on a comprehensive journey of learning, experimentation, and exploration with our Innovation & Imagination Team (also known as Team Delta). Our commitment to understanding the dynamics within the realm of not-for-profit and homelessness led us to craft ten distinct ventures to test. These ventures ranged from helping us reach more and different types of friends experiencing homelessness or hardship, finding more ways to support friends through essential items or basic needs, finding more ways to challenge stereotypes and stigmas of homelessness and even consulting back to the for-purpose sector.

Our commitment to our Connect 6 (ESG) initiatives remains steadfast. As an organisation, we continue to integrate these actions seamlessly into our daily work, as we build momentum on our journey to impact more than 40,000 people by FY25. Significant strides have been achieved this year, including the near-complete transition of our fleet away from diesel generators to battery and solar systems to minimise our environmental impact. Additionally, ongoing investments in the well-being and growth of our team persist, alongside our efforts in driving our Innovate RAP Actions towards completion along with a number of other initiatives that make an impact for our community.

Looking ahead to the upcoming year we, as always, have some bold ambitious plans for Orange Sky Australia.

This includes positively connecting 32,000 people through growing to 1,460 monthly shifts with our newly upgraded assets, launching into four new remote communities, adding nine new pods to regional communities and launching services into smaller communities with our laundromat model. This will be enabled by continuing to evolve our volunteer and operational model, deepening our engagement with service providers and engaging with more supporters than ever before to reach our fundraising goals to achieve this. We know that behind every load of washing, shower or conversation is a friend who is doing it tough and we can make a significant impact on their lives.

This year will also start to bring to life our next five year strategy, as we look to FY30 to ensure we are making the greatest impact for our friends. A significant part of this will be our **Orange Sky Support Centre of the Future**. After jumping from short-term office rentals across Brisbane for the past nine years, we are looking to purchase and fit-out our long-term home, as the support centre for all of our operations across Australia and New Zealand.

Orange Sky cannot make this impact without you, our community of supporters. I would like to extend my sincere thanks to everyone in our community for their ongoing support. To the volunteer heading to shift at 6am every week and braving the cold. To our partnerships with local Aboriginal community controlled or led organisations in remote Australia. To the donor who supports us with \$10 or \$100,000. And to the friend who trusts us with their only possessions in the world.

Another massive thanks to the people who helped to make it all happen - our incredible team (led by an amazing leadership team of Nic, Laura, Emma and Ryan), our Board of Directors (chaired by Andrew Fraser) and Alan Brame in New Zealand, who continue to steer us through challenges and success!

Thank you for believing in us and setting us up for an even more impactful next year!

Lucas Patchett
Co-Founder and Chief Executive Officer

Meet Betty

“

When I was living in my car, I felt very unsafe. It's not a great way to live. Visiting Orange Sky's services is very inviting. Even though I can wash my clothes at home now, I still come to Orange Sky to chat and catch up with volunteers.

”

 Brisbane, Turrbal and Yuggera Country



Our Story

MISSION + VALUES

Our Mission is to positively connect communities.

Our Values:

Passion + Focus

We feel incredibly lucky to help improve the lives of others.

Imagination + Innovation

We take pride in our ability to solve problems through invention and creativity.

Collaborative Partnerships

We succeed through sharing ideas, challenges and resources.

Energy + Drive

We value initiative and the willingness to do whatever it takes to get stuff done.

Our Story

2025 STRATEGY

Our 2025 vision is to help more people, more efficiently with more resilient revenue streams whilst still finding ways to innovate and support our communities (our friends, our people and our supporters).



HOW WE MEASURE OUR PROGRESS



Social Impact

Growing social impact quantifies the impact of Orange Sky's service on the well-being of the wider community. We measure all of our outputs, namely; washes (metro, regional and remote), showers, conversation hours, employment hours (metro and remote) and friends referred externally. An economic and social value is then assigned to each of these outputs to calculate our social impact.



Revenue

Improving our financial sustainability is about ensuring that we have the adequate financial resources required to generate this social impact. We will continue to have a range of diversified revenue streams such as general donations, peer-to-peer events like The Sudsy Challenge, corporate partnerships and philanthropic donations.



Social Return

Delivering greater social return is a ratio of our social impact compared to our relevant expenses. The social return ratio is an indicator of how effectively we are generating our impact and allows us to compare year on year how we are tracking.

Our Year

IMPACT + REACH

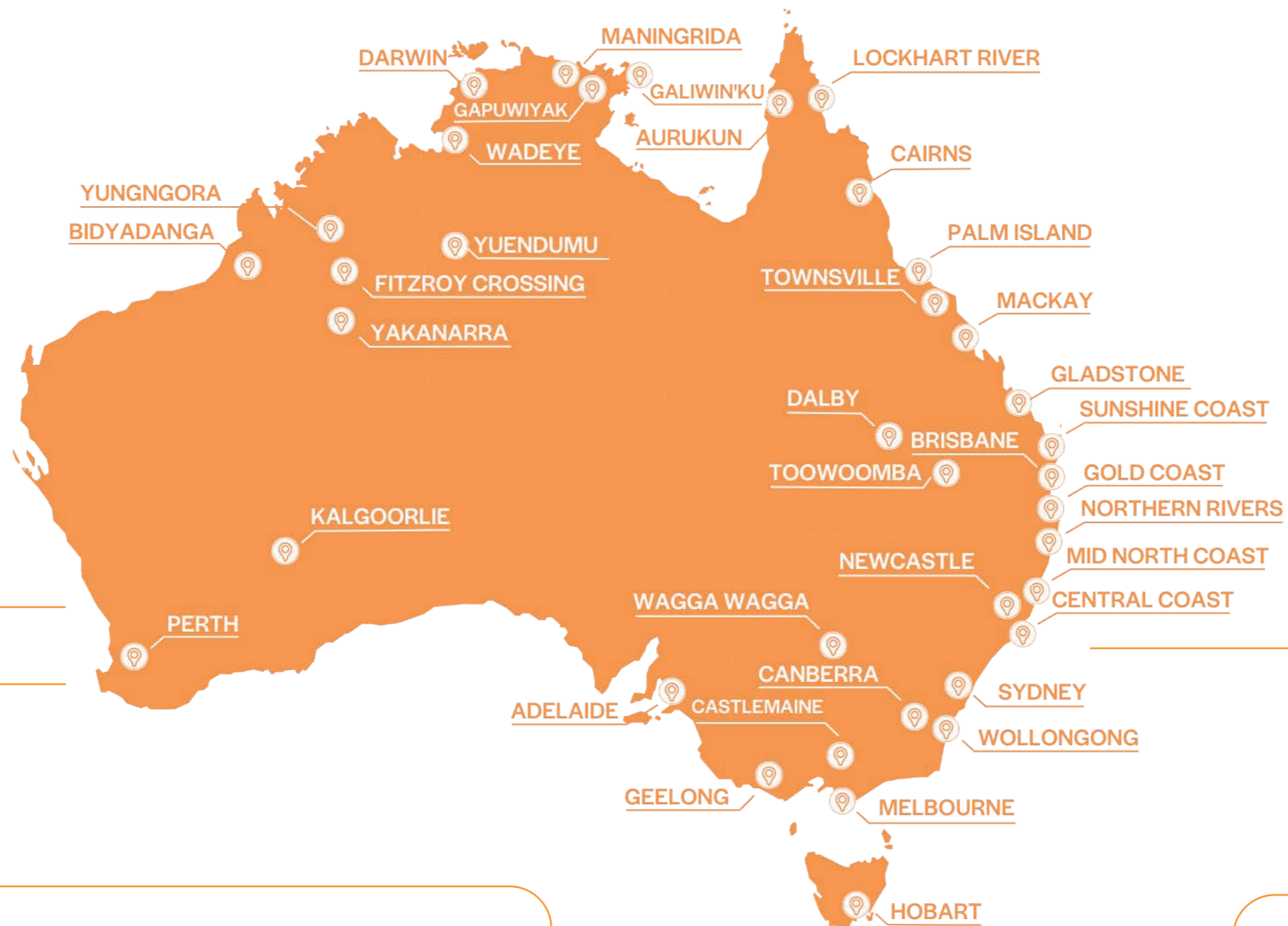
At Orange Sky, we're passionate about positively connecting communities. This year we saw significant growth in our operations and service needs. We remain committed to supporting our friends by providing access to free laundry, warm showers and genuine, non-judgemental conversation.

24,031

people
positively connected

\$17.33m

delivered in
social impact



13,056
shifts



37
locations



77,058
loads of laundry



96,878
hours of conversation



6,606
showers



2,788
volunteers

1,865

media
mentions

69.7m

media
audience reach

2,674

blog
views

13.3m

social media
impressions



29
Volaby
Partners

Our Year

HIGHLIGHTS



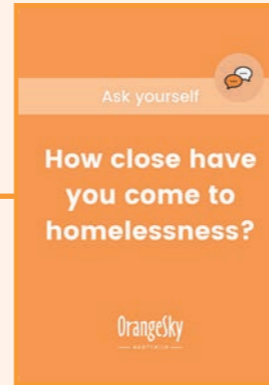
JULY 2022

We kicked off the year with Orange Sky July alongside our National Partner BOQ.



JULY 2022

We started exploring how we could remove barriers for using our service, so more people could access free laundry than ever before.



AUGUST 2022

Highlighted stories of hardship across Australia for National Homelessness Week.



SEPTEMBER 2022

Our fourth year of running The Sudsy Challenge helped us provide 15,500 loads of laundry to people doing it tough.



SEPTEMBER 2022

We launched our Galwin'ku Remote Service with an outdoor laundry.



NOVEMBER 2022

We provided access to washing and drying facilities in Forbes, NSW after flooding.



OCTOBER 2022

We celebrated Orange Sky's 8th Birthday.



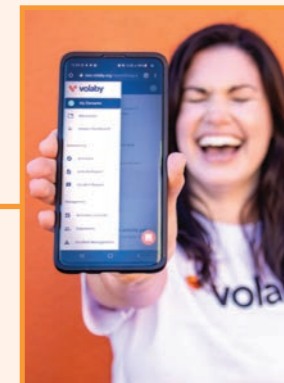
OCTOBER 2022

Our 10th remote service in Yakanarra launched!



OCTOBER 2022

We received a Good Design Awards Accolade and won AFR Best CSR Innovation Award & Most Innovative Company.



SEPTEMBER 2022

Our volunteer management system, Volaby launched to 2,511 Orange Sky Australia volunteers.



DECEMBER 2022

For our 2022 Holiday Fundraising Campaign, supporters helped to #EaseTheLoad for friends like Gemai.



JANUARY 2023

Orange Sky supported the Fitzroy Crossing, WA community with access to clean laundry and yarning, after its worst ever flood.



FEBRUARY 2023

Our Kalgoorlie, WA (pictured) and Yuendumu, NT Remote Services launched.



MARCH 2023

2021 Census Data was released - homelessness up 5.2% since 2016.



APRIL 2023

The Vehicle Upgrade Project was finalised! We upgraded 23 vehicles in Australia, and four in New Zealand.



JUNE 2023

We officially hit 300,000 loads of laundry.



JUNE 2023

Our 13th Remote Service is launched in Gapuwiyak, NT.



MAY 2023

Orange Sky took home the Community Volunteering Impact Award at the Volunteering Queensland Awards.



MAY 2023

We launched a laundry pod in Gladstone in partnership with Minderoo Foundation.



APRIL 2023

Orange Sky was invited to Queensland Government House by Her Excellency the Honourable Dr Jeannette Young AC PSM.

Our People

FRIENDS + VOLUNTEERS



Sunshine Coast,
Gubbi Gubbi Country

At Orange Sky, the people who use our service are called 'friends'. This underpins the trust and connection formed between volunteers and those using our service; akin to friendship.

To learn more about our friends' firsthand experiences, we continued conducting our 'Friend Voice Project'. The project, in partnership with impact and data consultants Rooy, was designed to understand the impact of attending an Orange Sky shift and to learn more about our friends, and how we can further assist in the communities we serve. We have been successful in beginning to collect anonymous information on our friends' demographics, experiences and needs via our website. We will continue to collect this data to help us make informed decisions on how we can better serve those who rely on our services.

Positively connecting communities would not be possible without our volunteers. Clad in orange shirts, our 2,788 volunteers drive vans, spin washes, prepare showers and foster meaningful connections all year round.

This year we explored new ways of learning from the compassion of Orange Sky volunteers. We were lucky to gather these legends together (virtually) in July 2022 for our Volunteer Summit with pizza parties around Australia and New Zealand. We conducted our second annual National Volunteer Survey, garnering 611 responses - an increase of 10% from the inaugural year. Our team gained valuable insights from our volunteers to direct strategic priorities for the upcoming year. Survey responses also illustrated volunteer motivations and satisfaction, helping us to shape volunteer personas to assist in our volunteer recruitment strategy.

There was also a significant transition in our volunteer rostering technology. In September 2022 we transferred the existing software to Volaby, our in-house-built volunteer management platform. This is an integral step in our 2025 objective of 5,000 rostered volunteers. Volaby will support our volunteer ecosystem to be as streamlined and meaningful as possible to attract, recruit, and retain our volunteers. We want our volunteers to enjoy their shifts and become advocates for volunteering with Orange Sky.

Helping 40,000 friends across Australia and New Zealand is the cornerstone of Orange Sky's 2025 Strategic Plan. To deliver our services to friends doing it tough, we need a strong and engaged volunteer team. As Orange Sky grows in size, we are focused on maturing and innovating our volunteer experience by improving engagement, recruitment and our reward and recognition programs.

To our volunteers, thank you for your daily dedication to our friends and your pivotal role in positively connecting your community.



21,439
Friends
helped



96,878
Hours of
Conversation



77,058
Loads of
Laundry



6,606
Warm
Showers



2,788
Volunteers



1,500
New Volunteers

Meet Lloyd,

Volunteer



The biggest impact that I believe Orange Sky has on our friends is the fact that someone takes an interest in them. Someone's prepared to give their time to them.



Melbourne,
Wurundjeri Country



Our People

STAFF



Catherine, Management Accountant at HQ

Across offices and homes in Australia, Orange Sky's team is the driving force behind positive change for our friends doing it tough. As Orange Sky continues into its eighth year of operations, we are committed to evolving how our team functions, while preserving the core characteristics that define an Orange Sky team member.

This year, we held two impactful planning days for our staff - coined 'Kick Off Days'. Our January event explored the theme 'My Legacy,' reflecting on the mark we leave on the world. In July, we cast our sights towards the future, looking forward to FY25 and beyond.

Our bi-annual Staff People Awards were also held. They are an opportunity to recognise outstanding contributions from our team members. Each award winner embodies the characteristics of an Orange Sky person. This year, the newest Orange Sky People Award, the orange jacket (the highest honour) changed hands from Kristanna Sutton to Catherine Turnbull. (Read more about Catherine on the opposite page).

Another significant milestone was the launch of 'My Pathways'. This innovative program has become an integral part of our development planning and career conversations. 'My Pathways' empowers our staff to decide their journey, whether it leads to becoming a Subject Matter Expert, an Emerging Leader, an Experienced Leader, or embarking on a new transition. We're aiming to not only nurture talent, but unlock potential.

Diversity and inclusion have been central themes throughout the year. We've been honoured to host a series of engaging speakers who've shared insights into these critical topics. These discussions have deepened our resolve to provide an open and supportive workplace where every member of the Orange Sky team feels safe to be their authentic selves and where we can continue to provide a forum for us to consider changes to evolve and improve.

As we peer into the future, our unwavering commitment remains: it's all about our people. Our future strategy centres on empowering our team to do the best work of their lives. Our guiding principle is that every person who becomes a part of Orange Sky, whether for a short stint or a decade, should leave us better than when they first arrived.

Thank you to every member of the Orange Sky team for their resilience, dedication, and energy over the past year. Together, we'll remain committed to supporting those who need it most.



73

Total Staff



40

Full Time Staff



79.5%

Female Staff



9.6%

Work from home



3

Babies Born



8

Staff Locations



12

Remote Community Employees



20.5%

Male Staff



2

Countries

Meet Catherine

Management Accountant at HQ, regular volunteer in Ipswich & 2023 recipient of Orange Sky Person of the Year



My journey at Orange Sky has deepened my passion for providing vital support to our friends experiencing homelessness. Alongside my role, I've been fortunate to engage in disaster relief and fortnightly Ipswich shifts; witnessing firsthand Orange Sky's transformative impact on our community.

The organisation's ethos of social impact, inclusivity, and community engagement deeply resonate with my own, creating a profound sense of belonging. I am very grateful and honoured to have been named 2023 Orange Sky Person of the Year.



Orange Sky HQ, Brisbane, Turrbal and Yuggera Country

Our People

SENIOR LEADERSHIP TEAM



Lucas Patchett OAM

Co-Founder and Chief Executive Officer

I've worked at Orange Sky...
Officially as a staff member for 6 years, but was lucky enough to have been at the first wash back in 2014!

I look after...
A variety of things! I shifted into the role of Orange Sky CEO in January 2021, meaning I get to spend time across each of our teams, as well as work closely with our Board and our supporters.

To me, positively connecting communities means...

An orange chair, a load of washing and a good conversation. These conversations can lead anywhere and are the foundation of everything we do!



Nicholas Marchesi OAM

Co-Founder and Chief Delta Officer

I've worked at Orange Sky...
Ever since our first load of washing in 2014.

I look after...
Our Innovation & Imagination Department (known as Team Delta), which actively finds ways for us to create change with our variables to deliver our mission.

To me, positively connecting communities means...

A space and place where people feel safe, and are able to be seen and heard, in whatever form that looks like.



Emma Young

Chief Corporate Services Officer

I've worked at Orange Sky...
I started in 2016 as CFO, moved to a purely volunteer role in 2020, and am now excited to have returned as a staff member and CCSO in early 2023. Throughout my whole journey I've stayed connected to purpose and been a volunteer now for over 7 years.

I look after...
Our people, health, safety & risk, finance and insights teams. Together, they keep the wheels turning behind the scenes and support the broader team to make the greatest possible impact.

To me, positively connecting communities means...

Providing an inclusive space where people feel accepted and welcomed as they are, to engage in whatever way feels right for them. I hope the sense of trust we build with our friends over time leaves them feeling less isolated and like someone cares about them.



Laura Stokes

Chief Marketing and Revenue Officer

I've worked at Orange Sky...
For 4 years.

I look after...
The incredible Marketing, Fundraising and Partnerships (MFP) Team. We're responsible for building a foundation of sustainable and resilient revenue streams, incorporating new opportunities and increasing the value and connection of people to the Orange Sky brand. We aim to inspire people to act through giving of their time, money or trust in our services.

To me, positively connecting communities means...

Showing up authentically in every interaction or activity and giving what you can to support those around you to feel seen, heard and connected.



Ryan Salzke

Chief Operations Officer

I've worked at Orange Sky...
Since the start of 2022.

I look after...
Our operations across Australia and New Zealand, including our remote services. I support the teams that look after our assets, volunteers and service providers that power our washing, showers and positive connections. I'm focused on improving our Operations Team's capability, reliability and repeatability as we scale sustainably.

To me, positively connecting communities means...

Creating safe spaces for all people to bring their true selves in order to learn, grow, care and be cared for.

Vale Ros,

Friend

“

I met Ros when I first visited Musgrave Park in 2018 when I was volunteering here with my partner Dave. We would always have great conversations, debates and laughs about many different things in the world... I was so shocked when we found out that she had passed, however it was wonderful to be able to celebrate her life alongside her family, many other volunteers, service providers and a massive community that she had had an impact on. – Emma.

”



Our People

BOARD



Andrew Fraser

Chair, member of Nomination & Remuneration Committee and member of Audit & Risk Committee

Following a career that saw Andrew become the Deputy Premier of Queensland and an executive at the National Rugby League, Andrew has since become a full-time director. He serves as Chair of Australian Retirement Trust, and is a director of BESIX Watpac and the Brisbane Broncos. In 2022 he was appointed Chancellor of Griffith University. He serves as Director on Hear & Say and AICR Ltd and is also the President of Motorsport Australia. Andrew joined the Orange Sky Australia Board as Chair in 2019 and works closely with Nic and Lucas to ensure Orange Sky's sustainability



Lucas Patchett OAM

Executive Director and Member of Nomination & Remuneration Committee

Lucas is the Co-Founder and Chief Executive Officer of Orange Sky. Lucas plays a critical role in all areas of Orange Sky from the strategic direction to managing key relationships with our supporters. He is committed to leading Orange Sky to deliver on its five year strategy to help 40,000 friends by 2025 as well as shaping up our FY30 strategy over the coming year. Lucas was awarded 2016 Young Australian of the Year, 2020 an Order of Australia Medallist and in 2023 received a Churchill Fellowship. Lucas commenced as a board member for QLD Health's Gold Coast Hospital and Health Service in May 2021.



Nic Marchesi OAM

Executive Director

Nic has been an Orange Sky Board Member since inception in 2014 playing a critical role in the strategic management and operation of the organisation. Nic Marchesi is the Co-Founder and Chief Delta Officer (CDO) of Orange Sky. 2016 Young Australian of the Year and 2020 Order of Australia Medalist, Nic is an entrepreneur, innovator and storyteller. He is passionate and committed to solving problems, innovating and making a difference. This was recognised through his selection as an inaugural Global Leader for the 2019 Obama Foundation Leaders Program. As CDO Nic plays a key role in ensuring that innovation is at the forefront of our evolution, leads our technical function, is a key player in our supporter strategy and plays a critical role in managing our strategic direction as a member of the Senior Leadership Team. He is motivated by the vision to deliver on our five year strategy to help 40,000 friends in 2025 across Australia and New Zealand.



Paula Holden

Non Executive Director and Chair of Nomination & Remuneration Committee

Paula has built her practice as an executive, having gained experience across both mining and not-for-profit sectors. Paula has worked in large 'for-purpose ventures' and is currently the Chair of Footprints Community as well as the Chief People Officer for C&K, in the Early Education Sector. Paula holds a number of business qualifications to support her 'whole of business' knowledge and is recognised as a Certified Practising Fellow of the Australian HR Institute (FCPHR), as well as a Graduate of the Australian Institute of Company Directors. Paula chairs the Nomination and Remuneration Committee and has been an Orange Sky Australia Board member since 2019.



Sommer Davies

(Non Executive Director and member of Audit & Risk Committee)

Sommer has over 25 years of fundraising and not-for-profit experience helping some of Australia's most impactful charities raise more funds and help more people, including the Royal Flying Doctor Service, Children's Hospital Foundation and Cancer Council Queensland. Sommer has since stepped away from her executive roles to focus on consulting for a range of small and large not-for-profits, as well as running her own tourism business. Sommer joined the Orange Sky Australia Board in 2019 and holds an MBA from Queensland University of Technology and a BSc from the University of Queensland.



Nick Miller

(Non Executive Director and Chair of Audit & Risk Committee)

Nick has been an Orange Sky Australia Board member since January 2018, and has been involved with Orange Sky since first volunteering in 2015. Nick is also currently Managing Partner at Fortitude Investment Partners, and a Non-Executive Director for Origo Education, AQUILA, Digital Lifecycle Group, Shorthand, The Energy Network and Active Adventures New Zealand. Nick has a Bachelor of Engineering (1st Class Honours) and a Bachelor of Commerce from the University of Queensland, and an MBA from the London Business School.



Lachlan Mitchell

(Company Secretary)

Lachlan is a principal at Talbot Sayer and practices in corporate law, with a particular focus on mergers and acquisitions, joint ventures and corporate advisory matters. In his role at Talbot Sayer, Lachlan acts for private equity funds, founders, SMEs, large corporations and institutional investors across a broad range of sectors. Lachlan has been company secretary for Orange Sky since February 2019 and has previously provided strategic pro-bono legal advice to Youngcare and acted as the coordinator of the Roma House Homeless Persons' Legal Clinic. Lachlan holds a Bachelor of Arts and Bachelor of Laws (Honours) from the University of Queensland.



Keiron Lander

(Non Executive Director)

Keiron, a proud Dieri and Mithaka man from South West Queensland (Quilpie), has been an Orange Sky Australia Board member since November 2022. With over a decade of experience in Aboriginal Community Controlled health services, he has played a crucial role in developing one of Australia's most successful preventative health programs, Deadly Choices. In addition to his board membership, Keiron has also been a director at the Mithaka Aboriginal Corporation for six years. Since April 2022, he has led the Indigenous impact strategy at Young Guns Container Crew, focusing on improving employment and career development outcomes for Aboriginal and Torres Strait Islander job seekers.

Our Community

SUPPORTERS

Our supporters are the spark that ignites each service, each heartfelt conversation, and every moment of positive change. Orange Sky is committed to fostering sustainable revenue streams, discovering unique opportunities, and deepening our supporters' connection to our mission.

Throughout this year, our focus has been on securing the necessary resources to push boundaries and make a greater impact. This year with your help, we exceeded our overall revenue target. These are not just targets to us, allowing Orange Sky to facilitate 13,000 shifts, provide 77,000 washes, 6,600 showers, and engage in 96,800 hours of meaningful conversations. These numbers exemplify the transformative power of your support.

One of our core commitments has been to enhance the experience for our supporters. From improving communication to refining our fundraising efforts and enhancing impact reporting, we've made notable progress. These upgrades have been driven by our unwavering desire to ensure that your connection to Orange Sky is as meaningful and fulfilling as possible.

One of our highlights from the year included the extraordinary success of our '5k a Day in May' campaign. This new initiative, created with the

intention of reaching new supporters, generated a remarkable \$129,293 in funding; a testament to the generosity and enthusiasm of our supporters. Additionally, our 'Double the Difference Day' campaign witnessed the combined efforts of everyday supporters and philanthropists coming together to create a monumental impact. Finally, our enduring connection and support from our philanthropic supporters, Trusts and Foundations and corporate partnerships provided the ongoing funding we need to support and sustain Orange Sky. From new projects and assets to capacity building, these supporters enable so much of the impact Orange Sky provides.

Your involvement and dedication are the driving force behind these accomplishments. Each contribution, whether big or small, plays a pivotal role in our ability to effect change and help those who need it most.

As we continue our journey towards an ever growing Orange Sky, we aim to maintain this positive momentum, deepening the bond between our supporters and the Orange Sky mission. Thank you to every individual, organisation, and institution that has placed their trust in us with their invaluable support. Your partnership fuels our mission to make a profound difference in the lives of Australians experiencing homelessness.



INDIVIDUAL & REGULAR GIVING

6,942
individual givers

Over 950
regular givers

\$1.465m
individual's donations

\$396,000
regular's donations



COMMUNITY FUNDRAISING & PEER-TO-PEER EVENT

3,387
community fundraisers

\$1.076m
community fundraising donations

SPEAKING EVENTS

20
presentations by
Co-Founders and Senior
Leadership Team

GRANTS

\$527,426
received in grants
\$450,500 AUD + \$76,926 Value in kind
grants received (from December 2022)



CORPORATE SUPPORTERS

29
corporate partners

\$1.817m
corporate donations



MAJOR DONORS, TRUSTS & FOUNDATIONS

90
philanthropists,
Trusts and Foundations

\$3.491m
philanthropic giving



Melbourne,
Wurundjeri Country

Our Work

METRO + REGIONAL

Sustainable growth was a key theme across our metropolitan and regional services in the 2023 Financial Year. The past 12 months highlighted the ripple effects of the cost of living crisis, with the growing and changing landscape of homelessness in Australia.



A closer look at one of our upgraded hybrid vans

As we continue to grow with the goal of helping 40,000 friends across Australia and New Zealand in 2025, our expansion remains driven by data and impact. The most recent Census data highlighted that 122,494 Australians are experiencing homelessness, up 5%. There is an increase in friends needing our service, which showed across our 11,000 shifts, 57,000 washes and 6,600 showers. But most importantly, we fostered 81,764 hours of meaningful conversations.

Our commitment to positively connecting communities drove expansion into three new locations with Gladstone, Queensland, marking our 37th Orange Sky service which launched in May 2023. This service, funded by The Minderoo Foundation, represents a vital new region with homelessness having increased by 34% (ABS, 2022). Our Gladstone Laundry Pod, equipped with two washing machines and two Waru dryers, offers essential hygiene services and provides a safe space for community members to connect.

In the pursuit of effective outreach, we rebranded the Port Macquarie service to better reflect its regional scope, now known as Mid North Coast. This change coincided with the replacement of the service's Laundry Van with four Laundry Pods, a significant upgrade to better serve the growing need of the community.

Our Vehicle Upgrade Project was successfully concluded across Australia by April 2023, with 23 laundry and hybrid vans upgraded. Aiming for greater sustainability and efficiency, we removed diesel generators from our laundry and hybrid van models, and installed solar-powered battery banks instead. Additionally, we introduced the innovative 'Waru Dryer' to replace existing dryers, reducing electrical consumption by 90%. These enhancements not only reduce our environmental footprint but also ensure greater reliability, allowing us to help an estimated 1,000 additional friends every year.

Throughout the year, we remained committed to supporting communities affected by natural disasters. We provided essential relief services during flooding in Forbes (NSW), and Melbourne (VIC). With the changing climate, disaster relief is a vital aspect of Orange Sky's assistance to those in need.

The 2023 Financial Year has been a period of both expansion and resilience. Our future focus is on increasing shifts, improving our asset utilisation, upgrading our shower vans to hybrid models and expanding into new geographies. We are committed to supporting Australians experiencing homelessness and hardship, with gratitude for your help in making our services possible.



4
new services



230
service partners



17
laundry vans upgraded



6
hybrid vans upgraded

Say hello to our Gladstone Laundry Pod

Gladstone, Goong Country



Our Work

REMOTE

In the heart of 13 remote communities across Australia, Orange Sky is spinning washing and a yarn. We are grateful to the local partners and residents we work alongside and extend our respects to the Traditional Custodians in each community we operate in. As we embark on the new financial year, our focus remains grounded in our mission to provide essential services, promote wellbeing, and foster culturally safe spaces for connection.

Across remote Australia, many people encounter difficulty with laundry access due to geographical and financial barriers. That is why we continued to expand our reach and deepen our impact in the farthest communities across Australia. This year we have been welcomed into five new communities, establishing new services in Galwin'ku (NT), Yakanarra (WA), Kalgoorlie (WA), Yuendumu (NT), and Gapuwiyak (NT), finishing the financial year with 13 services, operated by 12 paid employees. We also were able to create employment opportunities for 20 local residents in 11 of our 13 locations, through our partnership model. This is no small feat, with remote services now contributing to over one third of all Orange Sky locations across Australia, and washing well above an average metropolitan shift.

This financial year, we conducted comprehensive service visits to existing community partners, including Maningrida, Yungngora, Fitzroy Crossing, Bidyadanga, Aurukun, Lockhart River, and Palm Island. These visits bolstered our connections and understanding of each community's unique needs. In addition, we upgraded the way we measure our social impact, enhancing our ability to develop and adapt our services, now and into the future.

Orange Sky engaged Social Ventures Australia to help us define and measure the outcomes and impact generated across our remote services. We worked collaboratively to include a cross section of communities, being Palm Island, Maningrida and Kalgoorlie, to develop an overarching Theory of

Change and outcomes framework. This framework will be implemented as a trial across the three communities prior to broader implementation. The outcomes measured will support the ongoing evaluation of our service as well as build a case for further funding to support and scale future growth.

We secured our first Government funding for our remote program, with Queensland Health committing to 18 months of partially supporting our existing Queensland remote services, and investing in our expansion. In the Fitzroy River, WA, the devastating late 2022 floods saw a dedicated service initiative unfold. The community response support spanned five weeks and was supported by five volunteers and one HQ team member.

Our vision remains steadfast as we look towards 2025. We are committed to steady growth of our remote services, fostering connections with more communities and expanding our reach to facilitate improved health outcomes, employment opportunities and quality of life through local delivery and management of the Orange Sky service. We are dedicated to maintaining our services to generate meaningful social impact in every remote community we serve. We are dedicated to delivering culturally strong and valuable partnerships. Overall, our future strategy is a reflection of our mission; to positively connect communities.

We will continue to engage in advocacy and awareness initiatives across sectors, government levels, academic institutions, and not-for-profit organisations, striving to do our part in supporting communities that are often overlooked. Orange Sky acknowledges the dedication and trust of our partners, team, supporters and residents in the communities we serve.



1,882
shifts



14,623
hours of
employment
created



5
new
services



2
trailers



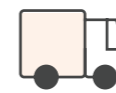
1
indoor
laundry



20,081
washes



13
services
total



8
trucks



2
pods


Meet Stewart,

Orange Sky
Remote Staff Member



One morning, an elderly man living in community had passed away. All the community came out from their houses and camping sites. For several hours they gathered in and around the Orange Sky van, identifying it as a safe space. They found comfort, relief and a sense of love and acceptance. The family of the elderly man came and sat with us, also crying and finding comfort and compassion. It was a very special moment.



 Kalgoorlie,
Wangkathaa Country



Our Innovation

DELTA

Team Delta embodies Orange Sky's commitment to innovation, growth, and change. Represented by the Greek alphabet letter – a triangle, it is at the heart of Orange Sky's efforts to renew how we make a difference. Our aim is not merely to innovate for the sake of it but to address real challenges within our ecosystem, using innovation as a powerful tool for positive social change.

This year brought us exciting achievements, winning the 2022 AFR BOSS Most Innovative Companies award in the Government, Education & NFP sector. Our drive for innovative design was further recognised as both the Waru Dryer and RV3.0 projects received the prestigious Good Design Awards accolade in the Social Impact category.

Over the past year, we took significant steps to formalise Orange Sky's internal innovation program. This initiative included the development of a dedicated learning module, the establishment of an Innovation Champions program, and the introduction of Internal Innovation awards. Proudly, 100% of our staff completed our Innovation Training program, underlining our team's unwavering commitment to developing the necessary skills and mindset to drive meaningful and lasting change.

We conducted extensive research to gain deeper insights into the trends within the NFP and homelessness space. Throughout the year, we created ten high-level concepts, each designed to either reach new groups of people or to make a more meaningful impact in the lives of people experiencing homelessness or hardship.

As we cast our sights toward the future, the vision for Team Delta in the years ahead is bold and exciting. Our primary focus is on seamlessly transitioning projects from Delta into Orange Sky's core streams. Already, we've initiated this process by successfully integrating our upgraded remote vehicles into the Operations department. In the

coming year, our goal is to fully embed Volaby within Orange Sky operations, further enhancing efficiency and impact across the organisation.

We firmly believe that innovation thrives in a collaborative and inclusive environment. Our objective is to foster a culture of innovation among all individuals who work, volunteer, and engage with Orange Sky. We recognise that our people are the wellspring of our future innovations, and our role is to empower them to contribute their creative solutions.



3

Industry award wins



Conducted research across a range of stakeholders



10

New prototypes designed



100%

Staff Innovation Training



Established internal innovation champions



Nic,

Co-Founder & Chief Delta Officer



"To be living and working on a country that has been innovating for millennia, I hope we can all pause and acknowledge the first innovators whose land we work on everyday. The only reason we can innovate is because of the trust of our supporters to invest in us, volunteers working with us and friends who everyday trust us with their valued possessions and conversations."



Our Innovation

RECONCILIATION ACTION PLAN

This year marked the first anniversary of Orange Sky Australia's 'Innovate' Reconciliation Action Plan (RAP), our formal commitment to celebrating culture, acknowledging our shared history and improving the health and social outcomes of Aboriginal and Torres Strait Islander peoples.

Reconciliation is vital to our work, touching all aspects of what we do. Not only in remote communities or for our friends, but in every place we operate and with every person we work alongside. This financial year, **88% of our RAP deliverables were completed or remain on track**, and we are committed to addressing the 12% of tasks that are yet to be completed by April 2024.

The expansion of our remote services has been a key highlight throughout the year. We have almost doubled our remote services since launching our RAP - now operating in 13 locations across Australia (see Remote section page 24).

We also made important progress in increasing the representation of First Nations people and voices in our community. 8% of our staff and 3% of our volunteers identify as Aboriginal or Torres Strait Islander, as well as Dieri and Mithaka man, Keiron Lander, joining our board earlier this year.

Cultural learning is of significant importance for our friends on orange chairs to our staff throughout Australia. That is why we have provided several tailored cultural training opportunities for our staff, to ensure our team is equipped with the resources to facilitate safe and inclusive operations and policies.

For true reconciliation to exist, it is evident that there is much more work to be done. In the context of homelessness, the recent Census reported that one in five people experiencing homelessness identify as Aboriginal or Torres Strait Islander (ABS, 2021); considerably higher than their non-Indigenous counterparts.

Orange Sky is committed to being open, honest and transparent about our progress while striving to make tangible change through our RAP. We would like to thank and acknowledge our Aboriginal and Torres Strait Islander friends, staff, board and committee members, volunteers, partners and supporters. Orange Sky community is strengthened by your voices and perspectives.



64

Total actions established



61%

Actions met



27%

Actions on track



20.4%

of all Australians experiencing homelessness identify as Aboriginal and or Torres Strait Islander



8%

workforce are First Nations peoples



3%

of Orange Sky volunteers are First Nations peoples

Innovate Reconciliation Action Plan

APRIL 2022 - APRIL 2024

OrangeSky
— Australia —



Our Financials

Each day individuals, families and corporations generously believe in what we do. We take their support seriously; diligently allocating every dollar to create the greatest possible impact for our friends, now and into the future. This year we have made this go further than ever, with a combined Australia & New Zealand social return of 1.84, generating over \$18.3 million of social impact.

We recognise the importance of robust reporting, data modelling, and analysis in making informed decisions that enhance our social impact. This year, we have made substantial strides in equipping ourselves with the tools and insights needed to drive positive change. Next year, we remain focused on refining our social impact calculation to ensure its accuracy and relevance to our work. Additionally, we are actively automating our systems and processes to support our team's efficiency.

We take great care in managing the funds entrusted to us by our supporters. Our \$414,923 surplus generated this year is retained within the organisation, improving our ability to support our friends when and where they need us. Both now, and into the future. This approach reinforces our commitment to fiscal responsibility and long-term sustainability. Next year we are hoping to further improve future forecasting to have greater insight into our sustainability.

This year we invested in the Vehicle Upgrade Project aimed at improving the efficiency, reliability and sustainability of our vehicle fleet. This initiative involved the removal of more than 20 diesel generators, drastically reducing our future operational costs and our environmental footprint, all while maintaining dependable services. Next year we will explore relocating into a Support Centre of the future, a multipurpose space for Orange Sky to embed our values.

Orange Sky New Zealand is a wholly owned subsidiary of Orange Sky Australia with its own Board of Directors. All funds raised in New Zealand go towards furthering New Zealand's purpose, however, financials are consolidated for reporting purposes. A management support fee is paid by Orange Sky New Zealand to Orange Sky Australia to manage its shared services. This includes operations management, health and safety, marketing, fundraising, finance, human resources and administration.

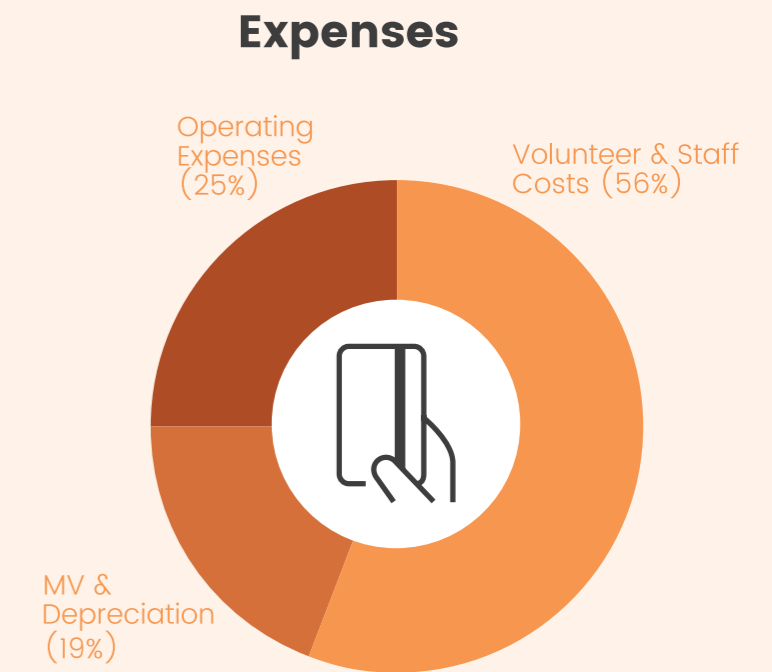
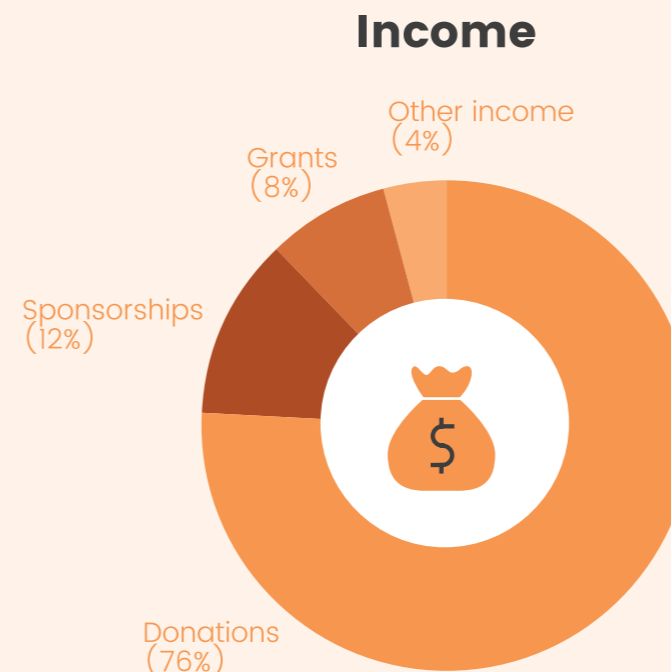
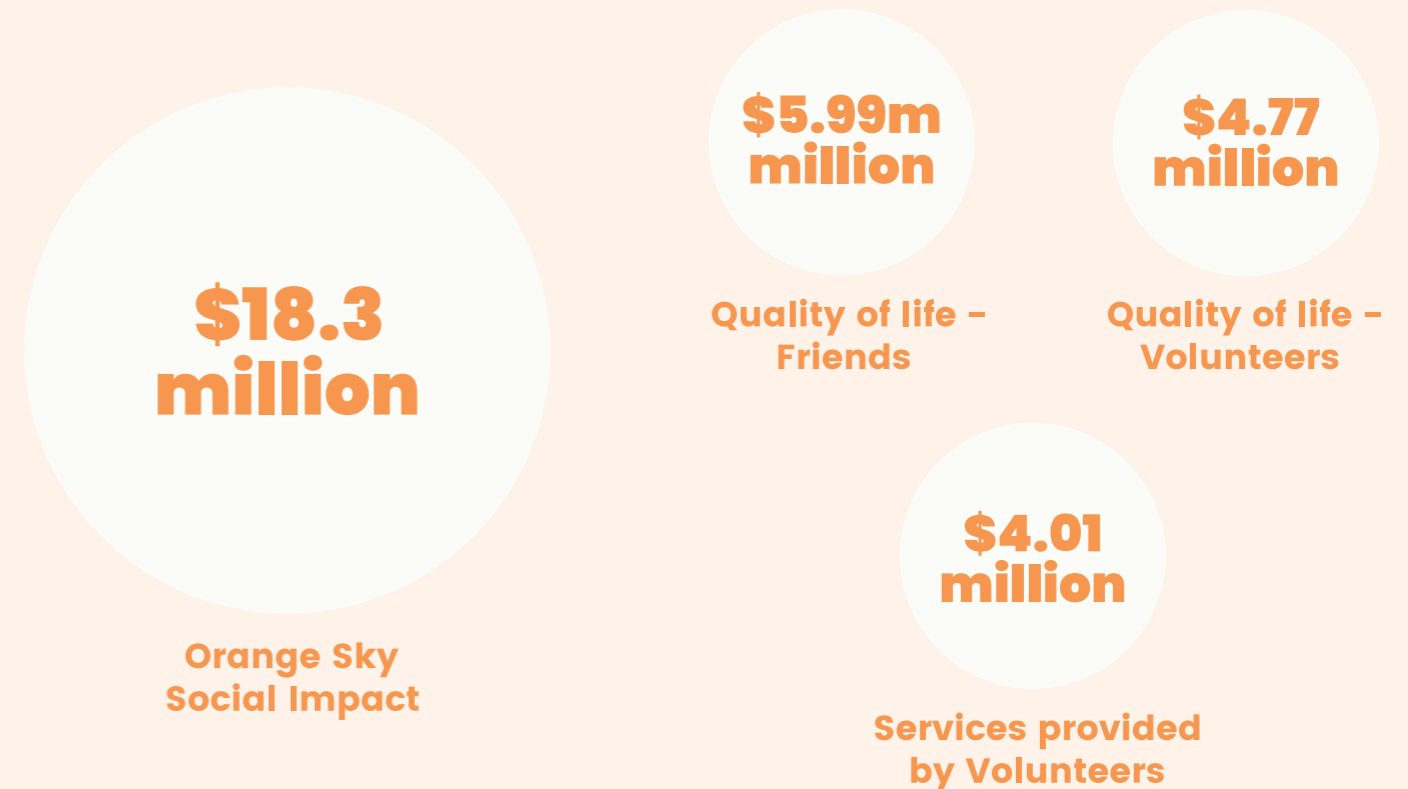
The year ahead will see us ensuring that Orange Sky is best placed for FY25 and beyond. We know we cannot do that without you, our supporters. We thank you for your continued belief in our mission.



Across Australia and New Zealand:



Our Impact



Our Partners

PRINCIPAL PARTNER



NATIONAL PARTNERS



OFFICIAL CHARITY PARTNERS

- | | | |
|--------------------------|--------------------|-----------------|
| Adairs | ME Bank | Turks Legal |
| AlSCO Uniforms | REA Group | Unilever |
| Arteva Funding | Redarc Electronics | Unity Water |
| Canva Foundation | Richard Jay | Urban Utilities |
| CMV Staff Foundation | Roche Australia | Woodside Energy |
| Decjuba Foundation | Rochele | Yurika |
| Give for Good Foundation | Sportsbet | |
| Greater Western Water | Symbio | |
| Hastings Deering | The Lott | |

WITH THANKS TO

- | | |
|---------------------------|-------------------|
| Austcover | Enjoy |
| BDO Australia | Hatch Electrical |
| Boe Design | Lander & Rogers |
| Courageous Leadership Hub | Perpetual Limited |
| Dattner Group | |

MEDIA PARTNERS

- Brisbane Broncos
- Charities Fund
- Nine Entertainment
- oOh! Media

We are immensely grateful to each and every one of our amazing partners for their continued support, generosity and belief in Orange Sky and our mission.

Our Philanthropic Supporters

TRUSTS + FOUNDATIONS



THE HUGH D.T. WILLIAMSON FOUNDATION



- | | | |
|--------------------------------------|-------------------------------|---------------------------------|
| Dimmick Charitable Trust | Mulgrew Family Endowment | The Chrysanthemum Foundation |
| Eden Foundation | Neilson Foundation | The David Mactaggart Foundation |
| Flannery Foundation | Olding Family Foundation | The J & P Richardson Trust |
| Goldburg Family Foundation | Portland House Foundation | The James Galvin Foundation |
| Graf Family Foundation | Quinn Femelle PAF | The Jamoca Foundation |
| Green Family Foundation | R.B & W Hare | The Jenour Foundation |
| James Frizelle Charitable Foundation | Rado Family Foundation | The JMQ Foundation |
| Jelley Family Foundation | Seaford Foundation | Thyne Reid Foundation |
| Knox Foundation | Seaton Foundation | Valhalla Foundation |
| Lambert Bridge Foundation | Snow Foundation | |
| Merchant Charitable Foundation | Sunraysia Foundation | |
| | The Bowden Marstan Foundation | |

MAJOR DONORS

- Jim and Leanne Thompson
- Kim Taylor
- Margaret Mackisack
- Sister Judith Murphy, Presentation Sisters
- The Chi Family
- The Fairfax Family

GRANTS

- Perpetual IMPACT Philanthropy Program
- Queensland Health

ORANGE SKY WOULD LIKE TO ACKNOWLEDGE THE FOLLOWING GIFTS MADE IN MEMORY OF:

- Mr E.H. Rumpf
- Heather Merle Williams

We are extremely grateful to our incredible philanthropic supporters and major donors, both those named here and those who choose to remain anonymous, for their generous and continued support of our mission to positively connect communities.



Financial Report Year Ended 30 June 2023



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Your directors present this report on the company for the financial year ended 30 June 2023.

Directors

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

Lucas Patchett	Executive Director
Nicholas Marchesi	Executive Director
Andrew Fraser	Chairperson
Nicholas Miller	Non-Executive Director
Paula Holden	Non-Executive Director
Sommer Davies	Non-Executive Director
Keiron Lander	Non-Executive Director (appointed November 2022)
Lachlan Mitchell	Company Secretary

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

Principal Activities

Orange Sky Australia's mission is to positively connect communities. We believe that all people should have access to basic human rights such as clean clothes, showers and conversation.

Orange Sky Australia Limited (Orange Sky) supports people experiencing homelessness, defined as the absence of safe, healthy and permanent accommodation. We aim to connect with people living in poverty, people adversely impacted by natural disaster and those fleeing unsafe environments through positive, genuine and non-judgmental conversations.

In 2014, Orange Sky introduced the world's first free mobile laundry service for people experiencing homelessness. In 2017, we began providing free warm showers via dedicated shower vans, or via hybrid vehicles containing a shower, washers and dryers.

In less than nine years, Orange Sky has developed a network of over 2,800 volunteers across Australia.

The single common denominator is their strong desire to help people in need.

Orange Sky's vans are based in metropolitan, regional and remote locations throughout Australia, where anyone who wants to use our service can do so freely, without assessment or judgment. In remote communities, the focus of our service is improving access to health hardware and as a result health outcomes, increased local employment or greater connected communities. This is achieved through strong local partnerships with Aboriginal Controlled Organisations and our custom fitted trucks.

We also assist people who are affected by temporary homelessness through natural disasters, such as cyclones, floods, bushfires and earthquakes. Our service can provide a sense of normality to those affected by catastrophes and support with recovery efforts.

Operations and results

The 2022/2023 financial year was Orange Sky's largest year of impact to date and we are confident we have emerged from the pandemic as a stronger, more impactful organisation. Our focus for the past 12 months has been to continue the momentum of growth in a post-COVID world and delivering the greatest impact and support for our friends doing it tough. All of this is impossible to do without bringing our volunteers, friends, supporters and staff on the journey with us and taking an innovative approach to delivering our vision of Positively Connecting Communities.

There were a number of highlights across Australia and New Zealand including:

In Australia we had significant growth across the majority of regions as we received the census results showing a 5.2% growth in homelessness between 2016 - 2021. We delivered a total of 13,141 shifts, 77,058 loads of washing, 6,606 showers, 96,878 hours of conversation by our 2,788 volunteers. We launched new services in Wagga Wagga (NSW), Castlemaine (VIC), Galiwin'ku (NT), Yakanarra (WA), Kalgoorlie (WA), Yuendumu (NT), Gapuwiyak (NT) and Gladstone (QLD). We also responded to a number of weather events, including an extended flood clean up in Lismore (NSW), floods in Forbes (NSW) and the Fitzroy Valley (WA). As a result of all of this activity, we helped more people than ever before over the financial year and continued to build a strong foundation of impact for us to continue to build towards our FY25 strategy of positively connecting 40,000 people.

In New Zealand we delivered 846 shifts, 3,464 washes, 907 showers and 7,461 hours of conversation as we continued to rebuild post-COVID as we solidified our operations across the country, launched into Hamilton and supported a flood recovery in Auckland.

We continued to take leaps forward with our innovations and ESG initiatives as we were awarded two Good Design Awards for our Waru Dryer and Remote Vehicle (3.0). We also transitioned all of our vehicles away from diesel generators onto battery and solar power. In addition to this, we made significant progress with the second year of our Reconciliation Action Plan (RAP) deliverables.

Orange Sky exceeded \$10 million dollars in revenue with a net surplus for the financial year of \$414,923 (2022: surplus \$872,275). We believe that achieving a reasonable surplus helps us balance the needs of now with the needs of the future, and continue building a sustainable organisation. The sustainability of Orange Sky is one of the key focus areas for Orange Sky's board and management.

Information on Directors

Lucas Patchett OAM GAICD – Executive Director and CEO

Lucas has been an Orange Sky Board Member since inception in 2014 playing a critical role in the strategic direction and culture of Orange Sky. Lucas was central to building and executing Orange Sky's five year strategy with an aim to support 40,000 people by 2025. In May 2021, Lucas was appointed as a non-executive director to the board of the Gold Coast Hospital and Health Service. Lucas was awarded the 2016 Young Australian of the Year and an Order of Australia Medal in 2020.

Nicholas Marchesi OAM GAICD – Executive Director and CDO

Nic has been an Orange Sky Board Member since inception in 2014 playing a critical role in the strategic management and operation of the organisation and is the Co-Founder and Chief Delta Officer (CDO). 2016 Young Australian of the Year and 2020 Order of Australia Medalist, Nic is an entrepreneur, innovator and storyteller. He is passionate and committed to solving problems, innovating and making a difference. This was recognised through his selection as an inaugural Global Leader for the 2019 Obama Foundation Leaders Program. As CDO Nic plays a key role in ensuring that innovation is at the forefront of our evolution, leads our technical function, is a key player in our supporter strategy and plays a critical role in managing our strategic direction as a member of the Senior Leadership Team. He is motivated by the vision to deliver on our five year strategy to help 40,000 friends by 2025.

Andrew Fraser – Chairperson

As a full-time director, Andrew leads and contributes to a range of boards across a variety of industries and sectors. In addition to Chairing Orange Sky Australia, Andrew is the Chair of Sunsuper and the Chair of Motorsport Australia. He is the Deputy Chancellor of Griffith University, a Director of the Hear and Say Centre and of 3rd Space. He is also a director of BESIX Watpac and ASFA. Previously he has been an executive at the NRL and is a former Deputy Premier and Treasurer of Queensland. Andrew joined Orange Sky as Chair in 2019 and works closely with Nic and Lucas to ensure Orange Sky's sustainability. He holds a Bachelor of Laws and Bachelor of Commerce from Griffith University, with First Class Honours.

Nicholas Miller – Non-Executive Director

Nick has been an Orange Sky Board member since January 2018 and has been involved with Orange Sky since first volunteering in 2015. He is also currently a Non-Executive Director for Origo Education, AQUILA, Digital Lifecycle Group, Shopper Media Group and Active Adventures New Zealand and is an Executive Director for Fortitude Investment Partners Pty Ltd. Nick has a Bachelor of Engineering (1st Class Honours) and a Bachelor of Commerce from the University of Queensland, and an MBA with Distinction from London Business School.

Paula Holden – Non-Executive Director

Paula is an experienced and practiced leader with a proven track record in the people and culture space. Paula has held various senior executive and Non-Executive Director roles and has contributed to a number of commercial "for purpose" organisations, large and small.

Alongside her business qualifications and MBA; Paula is a Certified Practising Fellow of the Australian HR Institute (FCPHR), a Graduate of the Australian Institute of Company Directors (GAICD), and a Justice of the Peace (Qual). Paula brings to the Board a passionate but balanced people and culture perspective. Paula chairs the nominations and remuneration committee and has been an Orange Sky Board member since 2019.

Sommer Davies – Non-Executive Director

Sommer has over 20 years fundraising and not-for-profit experience helping some of Australia's most impactful charities raise more funds and help more people, including the Royal Flying Doctor Service, Children's Hospital Foundation and Cancer Council Queensland. Sommer has since stepped away from her executive roles to focus on consulting to a range of small and large not-for-profits as well as running her own tourism business. Sommer joined the Orange Sky Australia Board in 2019 and holds an MBA from Queensland University of Technology and a BSc from the University of Queensland.

Keiron Lander – Non-Executive Director

Keiron has been an Orange Sky Australia Board member since November 2022. A proud Dieri and Mithaka man from South West Queensland (Quilpie), Keiron brings to the board table his expertise in preventative health and youth advocacy, with a focus on Aboriginal and Torres Strait Islander peoples outcomes. Keiron was instrumental in the early development of one of Australia's most successful preventative health programs, Deadly Choices. Since April 2022, Keiron has been at Young Guns Container Crew, leading their Indigenous impact strategy, aimed at getting young people into the labour market.

Lachlan Mitchell – Company Secretary

Lachlan is a principal at Talbot Sayer and practices in corporate law, with a particular focus on mergers and acquisitions, joint ventures and corporate advisory matters. In his role at Talbot Sayer, Lachlan acts for private equity funds, founders, SMEs, large corporations and institutional investors across a broad range of sectors. Lachlan has been company secretary for Orange Sky since February 2019 and has previously provided strategic pro-bono legal advice to Youngcare and acted as the co-ordinator of the Roma House Homeless Persons' Legal Clinic. Lachlan holds a Bachelor of Arts and Bachelor of Laws (Honours) from the University of Queensland.

Meetings of Directors

During the financial year, eleven (11) meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings		Audit and Risk Committee Meetings		Nominations and Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Lucas Patchett	11	11	4	4	2	2
Nicholas Marchesi	11	11	-	-	-	-
Andrew Fraser	11	11	4	4	2	2
Nick Miller	11	11	4	4	-	-
Paula Holden	11	9	-	-	2	2
Sommer Davies	11	10	4	4	-	-
Keiron Lander	6	6	-	-	1	1
Lachlan Mitchell (Co Sec)	11	11	-	-	-	-

Contributions on winding up

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$100.

Indemnification and Insurance of Directors and Officers

The Company has insured the Directors of the Company for costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO Audit Pty Ltd, as part of, and subject to, the terms of its audit engagement agreement all claims by third parties arising from the audit. No payment has been made to indemnify BDO Audit Pty Ltd during or since the financial year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 9 of the financial report.

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

Director

Dated this 10th day of November 2023

AUDITOR'S INDEPENDENCE DECLARATION



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Fax: +61 7 3221 9227
www.bdo.com.au

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Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF ORANGE SKY AUSTRALIA LIMITED

As lead auditor of Orange Sky Australia Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Orange Sky Australia Limited and the entities it controlled during the period.

R M SWABY
Director

BDO Audit Pty Ltd

Brisbane, 10 November 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
Revenue from continuing operations	4(a)	10,111,651	9,608,760
Dividend income		146,044	121,715
Interest income		33,130	599
Operating expenses	4(b)	(9,866,762)	(8,668,187)
Interest expense		(7,392)	(923)
Fair Value (loss) on investments		(833)	(185,994)
Gain/(Loss) on foreign exchange		(915)	(3,696)
Current year surplus before income tax		414,923	872,276
Income tax expense	5	-	-
Net current year surplus		414,923	872,276
Other comprehensive income for the year		(14,823)	3,699
Total comprehensive income for the year		400,100	875,975

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	5,433,866	4,567,395
Accounts receivable and other debtors	7	196,584	91,561
Prepayments and other assets	8	416,883	364,113
TOTAL CURRENT ASSETS		6,047,333	5,023,069
NON-CURRENT ASSETS			
Investments	9	2,929,115	2,969,844
Fixed assets	10	2,855,107	2,770,320
TOTAL NON-CURRENT ASSETS		5,784,222	5,740,164
TOTAL ASSETS		11,831,555	10,763,233
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	12(a)	610,990	550,946
Contract liabilities	12(b)	1,406,791	964,084
Provision for employee entitlements	13	276,471	253,113
Lease liabilities	11	120,406	20,807
TOTAL CURRENT LIABILITIES		2,414,658	1,788,950
NON-CURRENT LIABILITIES			
Provision for employee entitlements	13	23,525	32,588
Lease liabilities	11	51,577	-
TOTAL NON-CURRENT LIABILITIES		75,102	32,588
TOTAL LIABILITIES		2,489,760	1,821,538
NET ASSETS		9,341,795	8,941,695
EQUITY			
Reserves	14	45,147	59,971
Retained surplus / (deficit)	15	9,296,648	8,881,724
TOTAL EQUITY		9,341,795	8,941,695

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share Capital \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2021	-	56,272	8,009,448	8,065,720
Comprehensive income				
Surplus for the period	-	-	872,276	872,276
Other comprehensive income for the year	-	3,699	-	3,699
Total comprehensive surplus for the year	-	59,971	872,276	875,975
Balance as at 30 June 2022	-	59,971	8,881,724	8,941,695
Balance at 1 July 2022	-	59,971	8,881,724	8,941,695
Comprehensive income				
Surplus for the period	-	-	414,923	414,923
Other comprehensive income for the year	-	(14,824)	-	(14,824)
Total comprehensive surplus for the year	-	(14,824)	414,923	400,100
Balance as at 30 June 2023	-	45,147	9,296,648	9,341,795

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, sponsorships, grants and customers		10,456,360	10,420,126
Payments to suppliers and employees		(8,839,967)	(8,154,096)
Interest expenses		(253)	(923)
Interest income		33,130	599
Dividend income		59,969	121,715
Net Cash Flows from Operating Activities	6	1,709,239	2,387,421
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(811,132)	(2,081,593)
Proceeds from sale of property, plant & equipment		-	350,879
Payments for purchase of investments		-	-
Proceeds from sale of investments		118,200	190,143
Net cash flows used in investing activities		(692,931)	(1,540,571)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings		-	-
Repayment of leasing liabilities		(125,000)	(124,096)
Net cash flows used in financing activities		(125,000)	(124,096)
Net increase / (decrease) in cash held		891,308	722,754
Effect of exchange rate changes on cash		(24,837)	3,698
Cash at the beginning of the financial year		4,567,395	3,840,943
Cash at the end of the financial year	6	5,433,866	4,567,395

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. Corporate Information

The financial statements of Orange Sky Australia Limited (Orange Sky) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on November 2023.

Orange Sky is a not-for-profit Company limited by guarantee incorporated and domiciled in Australia since 14 June 2017. The nature of the operations and principal activities of the Company are described in the Directors' Report. The financial statements are for the consolidated entity consisting of Orange Sky and its subsidiary, Orange Sky New Zealand Ltd.

Registered Address:
17-31 Dover Street
Albion Qld 4010

2. Summary of Significant Accounting Policies

a. Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001, Australian Charities and Not-For-Profits Commission Act 2012* and Australian Accounting Standards. Such accounting policies are consistent with those of previous periods unless stated otherwise. The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

b. Statement of Compliance

The financial statements comply with Australian Accounting Standards.

New Standards Issued and Interpretations not yet adopted

There are no standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

c. Basis of Consolidation

The consolidated financial statements consist of the financial statements of the Company and all of its wholly-owned subsidiaries (the "Group"). All significant inter-company balances and transactions within the Group have been eliminated.

d. Income

Revenue is recognised at allocated transaction prices as associated performance obligations are met by the Group. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(i) *Fundraising income and cash donations*

Revenue is recognized at fair value of the consideration received net of any charge for goods and services tax (GST). Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the amount of the revenue can be reliably measured.

(ii) *Donated goods*

Donated goods are an important and valued supply. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the amount of the revenue can be reliably measured.

(iii) *Interest income*

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(iv) *Dividends*

Dividends are recognized as income when the Group's right to receive payment is established.

(v) *Sponsorships*

Sponsorship agreements entitle the sponsor to something of value in return for their support. Revenue is recognised over the period in which Orange Sky satisfies its performance obligation in accordance with AASB15– Revenue from Contracts with Customers.

(vi) *Grants and Subsidies*

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

Capital grants are recognised as income when (or as) it satisfies its obligations under the transfer. Capital grants are a type of grant where the company receives a financial asset to acquire or construct a non-financial asset to identified specifications; retains control of the non-financial asset (i.e. for its own use); and the transaction is enforceable.

Gifted assets acquired at a nominal value are recognised at their fair value at the date the Group obtained control over the asset.

(vii) *Subscription revenue*

Revenue from term SaaS contracts is recognised on a daily basis over the term of the contract. The Group considers that such contracts represent a right to access the Group's licenced intellectual property and as such the performance obligation is fulfilled over the contract term. Payment terms in respect of SaaS Fees are typically annual within 14 to 30 days of invoice. Invoiced amounts are reflected in trade receivables. Unsatisfied performance obligations in respect of SaaS Fees are disclosed as prepaid subscription revenue in the consolidated statement of financial position.

Unearned revenue represents a contract liability which is recognised on the customer being invoiced and unwound as revenue is earned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

e. *Expenses*

All expenses are recognised on an accruals basis and have been classified under headings that reflect the nature of the activity.

f. *Cash and Cash Equivalents*

Cash includes cash on hand and in banks and term deposits at call, which are readily convertible to cash on hand and which are used in the cash management function on a day- to-day basis. For the purposes of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above.

g. *Trade and Other Receivables*

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is carried on a forward- looking basis under the expected credit losses methodology of AASB 9 – Financial Instruments.

h. *Investments*

Investments are considered held for trading financial assets and are shown at their fair value. Orange Sky classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short-term.

Financial assets at fair value through profit or loss are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with gains or losses recognised in the profit or loss in the period in which they arise.

Financial assets at fair value through profit or loss are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

i. *Trade and other payables*

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

These amounts are unsecured and are typically paid within 60 days of recognition.

j. *Financial instruments*

Recognition, initial measurement and derecognition

Financial assets and financial liabilities, collectively financial instruments are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Classification and subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Classification of financial instruments

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through profit or loss (FVTPL);

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

Classifications are determined by both:

- The entities business model for managing the financial asset;
- The contractual cash flow characteristics of the financial assets.

Subsequent measurement of financial assets

i) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument as well as long-term deposits. This category includes term deposits over 90 days.

ii) Impairment of financial assets

AASB 9 – Financial Instrument's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVTOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'), and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

At 30 June 2023, the Group assessed the fair value of certain financial assets to determine if there were any indicators of impairment present; no material indicators were noted, and therefore there was \$0 in impairment losses recognised (2021: \$0)

k. Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. Donated goods are recorded at market value when Orange Sky plans to retain the asset for its own use.

Depreciation

Depreciation is calculated on a straight-line basis or reducing balance over the estimated useful life of the assets. Depreciation rates for each class of asset are as follows:

Plant & Equipment	- 16.67 to 100%
Motor Vehicles	- 25%
Office Equipment & Computers	- 20 to 100%

Depreciation expense is recognised in the income and expenditure statement in the expense category consistent with the function of the asset.

De-recognition and Disposal

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from de-recognition of an asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the Statement of Comprehensive Income in the year the asset is de-recognised.

l. Leased Assets

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as a "contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- The Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Group has the right to direct the use of the identified asset throughout the period of use. The group assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest it is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

m. Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits if appropriate, and annual leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating leave are recognised when the leave is taken and are measured at the amount paid or payable.

n. Income Tax

Income Tax

Orange Sky is a registered charity and is exempt from income tax in accordance with Division 50 section 50-5 of the Income Tax Assessment Act 1997. It is also exempt from State payroll taxes.

Orange Sky migrated from an incorporated associated to a company limited by guarantee during the 2017 financial year. The process of migration does not create a new legal entity, and as such, Orange Sky has avoided any adverse impact to its income tax exempt status.

Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

o. Parent Entity Financial Information

The financial information for the Parent entity, Orange Sky, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements.

p. Foreign Currency Translation

The consolidated financial statements are presented in Australian dollars, which is also the function currency of the Parent Company.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Australian dollar are translated into Australian dollars upon consolidation.

On consolidation, the assets and liabilities have been translated into Australian dollars at the closing rate at the reporting date. Income and expenses have been translated at the weighted average exchange rates for the year.

The exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. When the foreign operation is disposed of the cumulative translation differences recognised in equity are reclassified to profit and loss and recognised as part of the gain or loss on disposal.

q. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

r. Going Concern Basis of Preparation

The financial statements have been prepared on a going concern basis. At 30 June 2023 the entity holds cash or cash equivalents of \$5,433,866 (2022: \$4,567,395). It is the plan of the Directors and management to continually raise funds through donations and fundraising in order to fund the activities of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial report requires the making of judgements, estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The judgements, estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from the judgements, estimates and assumptions.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or the period of revision and future periods if the revision affects both current and future periods.

Property, Plant and Equipment

The carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. Management believes that the assigned values and useful lives, as well as the underlying assumptions, are reasonable, though different assumptions and assigned lives could have a significant impact on the reported amounts.

Grant funding revenue recognition

The Group reports to the grant funding bodies the hours of services provided and the cost of services provided. Where funding is provided based on a certain number of service hours expected to be delivered, unexpended grant funds is determined based on the service hours not yet delivered. If, for the same services, the amount of unexpended grant funds was to be determined based on the difference between grant funds provided and the cost of services delivered, the amount of unexpended grant funds reported may be different.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

4. Revenue and Expenses

	2023	2022
	\$	\$
(a) Revenue		
Gross donations received	7,708,227	6,858,020
Sponsorships received	1,210,682	1,675,463
Grants received	795,710	817,250
Other income	397,031	258,027
Revenue from continuing operations	<u>10,111,651</u>	<u>9,608,760</u>
(b) Expenses		
Employment expenses	5,500,687	4,735,457
Operational expenses	2,471,539	2,316,072
Depreciation and amortization expenses	875,690	727,200
Service delivery support expenses	1,018,847	889,458
Operating expenses	<u>9,866,792</u>	<u>8,668,187</u>

5. Income Tax

Orange Sky Australia Limited has been endorsed by the Commissioner of Taxation as an income tax exempt charity pursuant to Section 50-B of the Income Tax Assessment Act (1997). Accordingly, no income tax has been provided for in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash accounts	5,433,866	4,567,395
Cash and cash equivalents	<u>5,433,866</u>	<u>4,567,395</u>
Reconciliation of the operating surplus / (deficit) after tax to the net cash flows from operations		
Net surplus	414,923	872,276
Adjust for investing income		
Fair value loss/(gain) on investments	833	(190,143)
	<u>833</u>	<u>(190,143)</u>
Adjust for non-cash items		
Depreciation and amortization	875,690	727,200
Other non-cash items	3,518	122,188
	<u>879,208</u>	<u>849,388</u>
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(97,646)	553,515
(Increase)/decrease in prepayments and other assets	(54,391)	(15,887)
Increase in contract liabilities	442,600	257,851
Increase in accounts payable and other payable	104,026	27,702
Increase in employee provisions	19,684	32,719
	<u>414,275</u>	<u>855,900</u>
	<u>1,709,239</u>	<u>2,387,420</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7. Accounts Receivable and Debtors

	2023	2022
	\$	\$
Trade receivables	184,201	52,123
Other debtors	265	2,820
GST receivable	2955	32,593
Refundable franking credits	9,163	7,915
Provision for expected credit losses	-	(3,890)
Accounts receivable and other debtors	<u>196,584</u>	<u>91,561</u>

8. Prepayments and Other Assets

	2023	2022
	\$	\$
Prepayments	172,240	120,679
Other assets	244,643	243,434
Total prepayments and other assets	<u>416,883</u>	<u>364,113</u>

9. Investments

	2023	2022
	\$	\$
Equity instruments at fair value	2,929,115	2,969,844
Total investments	<u>2,929,115</u>	<u>2,969,844</u>

For the various investments, the fair values were determined through reference to a combination of Level 1 and Level 2 inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10. Fixed Assets

	2023	2022
	\$	\$
Plant & Equipment	670,727	515,661
Less Accumulated Depreciation	(259,529)	(117,872)
	411,198	397,789
Motor Vehicles	5,142,397	4,650,967
Less Accumulated Depreciation	(3,132,780)	(2,579,562)
	2,009,617	2,071,405
Office equipment & computers	112,700	82,376
Less Accumulated Depreciation	(90,496)	(70,895)
	22,203	11,481
Leasehold Improvements	-	33,501
Less Accumulated Depreciation	-	(33,501)
	-	-
Right of Use Asset	293,472	144,533
Less Accumulated Depreciation	(124,238)	(123,886)
	169,234	20,647
Artwork	6,302	6,302
Work in Progress	236,552	262,696
Total Fixed Assets	2,855,107	2,770,320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Reconciliations of the carrying value of fixed assets at the beginning and end of the current financial year are set out below:

For the year ended 30 June 2023:

	Right of Use Asset \$	Plant & Equipment \$	Motor Vehicles \$	Work in Progress \$	Leasehold Improvements \$	Office Equipment & Computers \$	Artwork \$	Total \$
Opening Balance	20,647	397,789	2,071,405	262,696	-	11,481	6,302	2,770,320
Additions	269,000	-	157,013	502,361	-	32,103	-	960,477
Disposals	-	-	-	-	-	-	-	-
Transfers	-	155,202	373,302	(528,504)	-	-	-	-
Depreciation	(120,413)	(141,793)	(592,253)	-	-	(21,231)	-	(875,690)
Closing Balance	169,234	411,198	2,009,467	236,552	-	22,353	6,302	2,855,107

For the year ended 30 June 2022:

	Right of Use Asset \$	Plant & Equipment \$	Motor Vehicles \$	Work in Progress \$	Leasehold Improvements \$	Office Equipment & Computers \$	Artwork \$	Total \$
Opening Balance	144,533	119,961	1,283,770	126,803	-	17,482	6,302	1,698,851
Additions	-	-	98,458	2,019,273	-	9,159	-	2,126,890
Disposals	-	-	(111,929)	(236,139)	-	(153)	-	(348,221)
Transfers	-	325,578	1,288,162	(1,647,241)	33,501	-	-	-
Depreciation	(123,886)	(47,750)	(507,056)	-	(33,501)	(15,007)	-	(727,200)
Closing Balance	20,647	397,789	2,071,405	262,696	-	11,481	6,302	2,770,320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

11. Leases

Lease liabilities are presented in the statement of financial position as follows:

	2023	2022
	\$	\$
Current	120,406	20,807
Non-Current	51,577	-
Total lease liabilities	171,983	20,807

The Group has a lease for its main office located at 17 Dover Street, Albion. The lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 10).

The lease imposes a restriction that the right-of-use asset can only be used by Orange Sky. The lease is non-cancellable and the building must be kept in a good state of repair and returned in its original condition at the end of the lease. Further, Orange Sky must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contract.

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Office building	1	14 months	14 months	-	-	-	-

12. Accounts Payables and other payables

a. Trade and other payables

	2023	2022
	\$	\$
Trade payables	95,365	46,126
Accrued expenses	263,321	248,582
Payroll liabilities	167,693	144,686
Credit cards	84,611	111,552
Accounts payable and other creditors	610,990	550,946

b. Contract liabilities

	2023	2021
	\$	\$
Revenue received in advance	1,406,791	964,084
Contract liabilities	1,406,791	964,084

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13. Provision for Employee Entitlements

	2023	2022
	\$	\$
Current		
Provision for annual leave	263,432	241,995
Provision for long service leave	13,039	11,118
Total provision for employee entitlements	276,471	253,113
Non-Current		
Provision for long service leave	23,525	32,588
Total provision for employee entitlements	23,525	32,588

14. Reserves

	2023	2022
	\$	\$
Foreign Currency Translation Reserve	45,146	59,971
Total reserves	45,146	59,971

15. Retained Surplus

	2023	2022
	\$	\$
Opening balance	8,881,724	8,009,448
Surplus / (Loss) for the period	414,923	872,276
Closing balance	9,296,648	8,881,724

Management's objective when managing capital is to ensure the entity continues as a going concern and is in a position to continue achieving its stated objectives. A monthly review of management accounts is carried out by the Board.

16. Related Party Disclosure

(a) Board Members

The Directors in office at the date of this report and during the 12-month period (unless otherwise stated) were:

Lucas Patchett
Nicholas Marchesi
Andrew Fraser
Nicholas Miller
Paula Holden
Sommer Davies
Keiron Lander
Lachlan Mitchell

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(b) Key Management Personnel

Details relating to key management personnel, including remuneration paid, are included in Note 17.

(c) Transactions with Related Parties

During the year, no transactions occurred that were not within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available to other employees, customers or suppliers. Directors or their related entities may also have provided pro-bono services to Orange Sky during the year.

17. Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the organization. The Company has identified five positions through the period and as at balance sheet date (2022: five positions) that meet this definition.

Key Management Personnel compensation during the year ended 30 June 2023 was:

	2023	2022
	\$	\$
Short-term employee benefits	862,197	748,137
Total Compensation	<u>862,197</u>	<u>748,137</u>

No non-executive director received any remuneration for the year (2022: Nil) in relation to services as a non-executive director of Orange Sky.

18. Financial Risk Management Objectives and Policies

The Company's principal financial instruments are cash and short-term deposits, trade receivables and trade payables which arise directly from operations. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 of the financial statements.

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations with financial liabilities. The risk is controlled by the Company retaining sufficient cash and cash equivalents to meet normal operating requirements.

The remaining contractual maturities of the Company's financial liabilities are:

	2023	2022
	\$	\$
6 – 12 months	631,720	571,752
Over 1 year	-	-
Total	<u>631,720</u>	<u>571,752</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

(i) Interest rate risk

The Company's main interest rate risk arises from borrowings. The Company's policy is to manage its interest cost using fixed rate debt. As at the reporting date the Company has no variable rate borrowings.

The Company's borrowings (excluding the embedded derivative liability) and receivables are carried at amortised cost.

The exposure of the Company's borrowing to interest rate change at the end of the reporting period is Nil.

(ii) Foreign currency risk

The Company's exposure to foreign currency risk at 30 June, expressed in Australian dollars was as follows:

	30 June 2023	30 June 2022
	NZD	NZD
	\$	\$
Cash and cash equivalents	209,796	422,443
Other Assets	11,124	11,001
Property, Plant & Equipment	394,500	166,311
Trade and other payables	(111,798)	(205,485)
Provisions	(8,418)	(13,841)

19. Commitments & Contingencies

Details and estimates of maximum amounts of contingent liabilities are as follows:

a) Bank Guarantee

Orange Sky has a bank guarantee of \$34,375 (2022: \$34,375) as a deposit for the office lease at 31 Dover Street, Albion.

20. Subsidiaries

Interests in subsidiaries:

The consolidated financial statements of the Group include the following entities:

Name of Entity	Principal Activities	Equity Interest	
		30 June 2023	30 June 2023
Orange Sky New Zealand Ltd *	Free mobile laundry and shower service for people experiencing homelessness	100%	100%

* This entity was incorporated and registered in New Zealand on 15 May 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

21. Auditor Remuneration

	2023	2022
	\$	\$
Audit of company financial statements*	62,817	40,469

* Service received free of charge for the year ended 30 June 2023 was \$50,817 (2022: \$40,469)

During the current and prior financial years, the Company received financial statement audit services at a heavily discounted rate as a donated audit service fee. Services received free of charge are recognized as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those services is recognized as an expense. Services received free of charge are recorded as either revenue or gains depending on their nature.

22. Parent Entity Financial Information

(a) Summary Financial Information

The individual financial statements for the Parent entity (Orange Sky Australia Limited) show the following aggregate amounts:

	2023	2022
	\$	\$
Assets		
Current assets	5,921,021	4,717,194
Non-current assets	5,239,666	5,534,572
Total assets	<u>11,160,687</u>	<u>10,251,766</u>
Liabilities		
Current liabilities	2,285,407	1,661,706
Non-current liabilities	-	32,588
Total liabilities	<u>2,285,407</u>	<u>1,694,294</u>
Net assets	<u>8,875,280</u>	<u>8,557,472</u>
Equity		
Retained surplus	<u>8,875,280</u>	<u>8,557,472</u>
Total equity	<u>8,875,280</u>	<u>8,557,472</u>
Income for the year	<u>315,150</u>	<u>729,575</u>
Total comprehensive income for the year	<u>315,150</u>	<u>729,575</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

23. Events After the Balance Sheet Date

There have been no other matters or circumstances which have arisen subsequent to the reporting date which would have significantly affected, or may significantly affect, the above dealings of the Company.

In the opinion of the Directors:

1. The financial statements and notes of Orange Sky Australia Limited for the financial year ended 30 June 2023 are in accordance with the Corporations Act 2001 and the Australian Charities and Not-For-Profits Commission Act 2012, including:
 - a. Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - b. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and the Australian Charities and Not-For-Profits Commission Regulation 2013.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board



Dated this 10th day of November 2023



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INDEPENDENT AUDITOR'S REPORT

To the members of Orange Sky Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Orange Sky Australia Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Orange Sky Australia Limited, is 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 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our 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 Group in accordance with the auditor independence requirements of 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 (including Independence Standards)* (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.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of those charged with governance for the Financial Report

Those charged with governance are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, those charged with governance are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

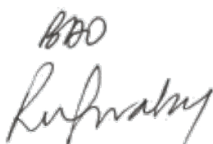
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 10 November 2023