

OrangeSky

— Australia —

IMPACT REPORT

2021/2022



Woodburn, Bundjalung Country
March 2022 Floods - Community Recovery Support



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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 34).

Orange Sky Australia Ltd

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Chair of the Board Report



Andrew Fraser
Chair of the Board

At the close of the 2021-22 year for Orange Sky, we can reflect on the enormous challenge the last two years have been. In this sense, I don't want to invite you to empathise or sympathise with Orange Sky; the challenge I want to focus on is how the pandemic has affected the communities we serve.

Orange Sky exists to provide positive connection in the community. In that central mission, we have found ourselves forced to be less connected and less present in the communities in which we operate. Many of the friends we serve across Australia and New Zealand were amongst the most vulnerable cohorts of people with respect to the COVID-19 pandemic and we all worked to abide and ensure their safety, and the safety of our volunteers and staff.

As we turn beyond the pandemic, what must now be endemic again is our human presence. Our connection to those we serve, and those who provide their time and support to us as an organisation.

As the financial year drew to a close, we were so happy to again be turning up in record numbers across the country. We exist to serve and to connect, and being able to do so again has been enormously important to us at Orange Sky.

A special mention also to those who helped with our community recovery activities that were undertaken in response to natural disasters, especially in South-East Queensland and Northern New South Wales. It was Orange Sky at its best – adapting, turning up, offering a hand. From the tragedy of those events, new friendships and partnerships were formed.

The year has also seen us massively step up our commitment to operating more sustainably. The Waru Dryer project, alongside the solar operation of our new RV3.0 vehicles, are headline examples of how we are reducing our impact on the planet while we continue to drive our positive impact in communities.

As ever, it's a privilege to sit at the table and assist with leading Orange Sky Australia. It's a place of unique enthusiasm and a place of continual learning. Nic and

Lucas have again led with generosity and commitment. In our new structure, Lucas holds the role of CEO and I want to acknowledge his efforts and leadership alongside the insight and commitment of my colleagues at the board table.

To our partners, friends, volunteers and staff who have stayed with us, trusted us, and supported us through the pandemic when they were as uncertain of their futures as we were of ours, I want to pay tribute.

A final thanks to my fellow directors Nick Miller, Paula Holden, Sommer Davies and our company secretary Lachlan Mitchell for their ongoing support and leadership at the board table. Additionally to Alan Brame, who joined us over the financial year to chair the Orange Sky New Zealand Board and lead us on the next stage in the growth and governance journey in Aotearoa.

Orange Sky is important to so many people, and it is the friends that rely upon us to whom we remain dedicated to serving.

Co-Founder & CEO Report



Lucas Patchett
Co-Founder and
Chief Executive Officer

Every year, I am thankful for the opportunity to be able to reflect on the 12 months that have passed. I am blown away by how much we can achieve in one year – new locations, new innovations, and more friends helped, volunteers engaged and donors supporting. Every year, I come back to our core mission of positively connecting communities and the impact of conversation as we strive toward supporting 40,000 people in 2025 across Australia and New Zealand.

One conversation that struck me this year was during our flood community recovery efforts in the Northern Rivers of New South Wales (NSW). I visited one of our shifts in the early days after the second flood engulfed the community once again, only weeks after the initial devastation. It was there I met Jane; she was in her 80s and had just lost everything. In the midst of the challenging clean up, Jane's unit was flooded a second time. Jane was then relegated to a recovery camp set up in a school south of Broadwater.

After seven years of connecting on orange chairs, I have had many challenging conversations. However, hearing Jane's story was the first time that I was genuinely speechless. Nothing I could say would have helped. Over the next few hours, I washed Jane's last bag of clothes and sat with her, mostly quiet, as she reflected on her past few weeks. She lost her husband only six months ago and contemplated how she was supposed to rebuild her life at 84 years old. I was so devastated for Jane. This feeling of collective grief was echoed by many of our devoted Orange Sky team and volunteers who spent time in

these flood affected regions, supporting people who never thought they would need our service. It reminded me that we can't always help with words, but we can listen and offer a simple but practical laundry service to help get people back on their feet.

Driving home after that weekend, I couldn't help but reflect on the fact that just two years prior to meeting Jane, Orange Sky had paused all of our shifts across Australia and New Zealand due to the pandemic. Conversely, March 2022 would become our biggest month on record for impact and total people helped.

This year saw growth in our services, innovation and impact. We launched seven new services, five of which are in remote communities. Our innovation team led multiple successful ventures, launching the Waru Dryer, RV3.0 and Laundromat of the Future. As an organisation, we are committed to being an ethical, sustainable and inclusive charity leader, actualised through our Reconciliation Action Plan and Environmental Sustainability Governance initiatives.

Orange Sky cannot have an impact without you, our community of supporters. I would like to extend my sincere thanks to everyone in our ecosystem for their ongoing support. To the volunteer heading to shift at 6am every week. The flood recovery team relocating to Northern NSW to help the community rebuild. The donor who supports us with \$10 or \$10,000. Or 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 and Ryan), and our Board of Directors (chaired by Andrew Fraser), who continued to steer us through the challenges and successes!

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



“
Orange Sky cannot have an impact without you, our community of supporters.

Lucas,
Co-Founder & CEO ”

Our Story

OUR MISSION IS TO POSITIVELY CONNECT COMMUNITIES.

PASSION & FOCUS

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

ENERGY & DRIVE

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

COLLABORATIVE PARTNERSHIPS

We succeed through sharing ideas, challenges and resources.

IMAGINATION & INNOVATION

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

Our Vision

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.

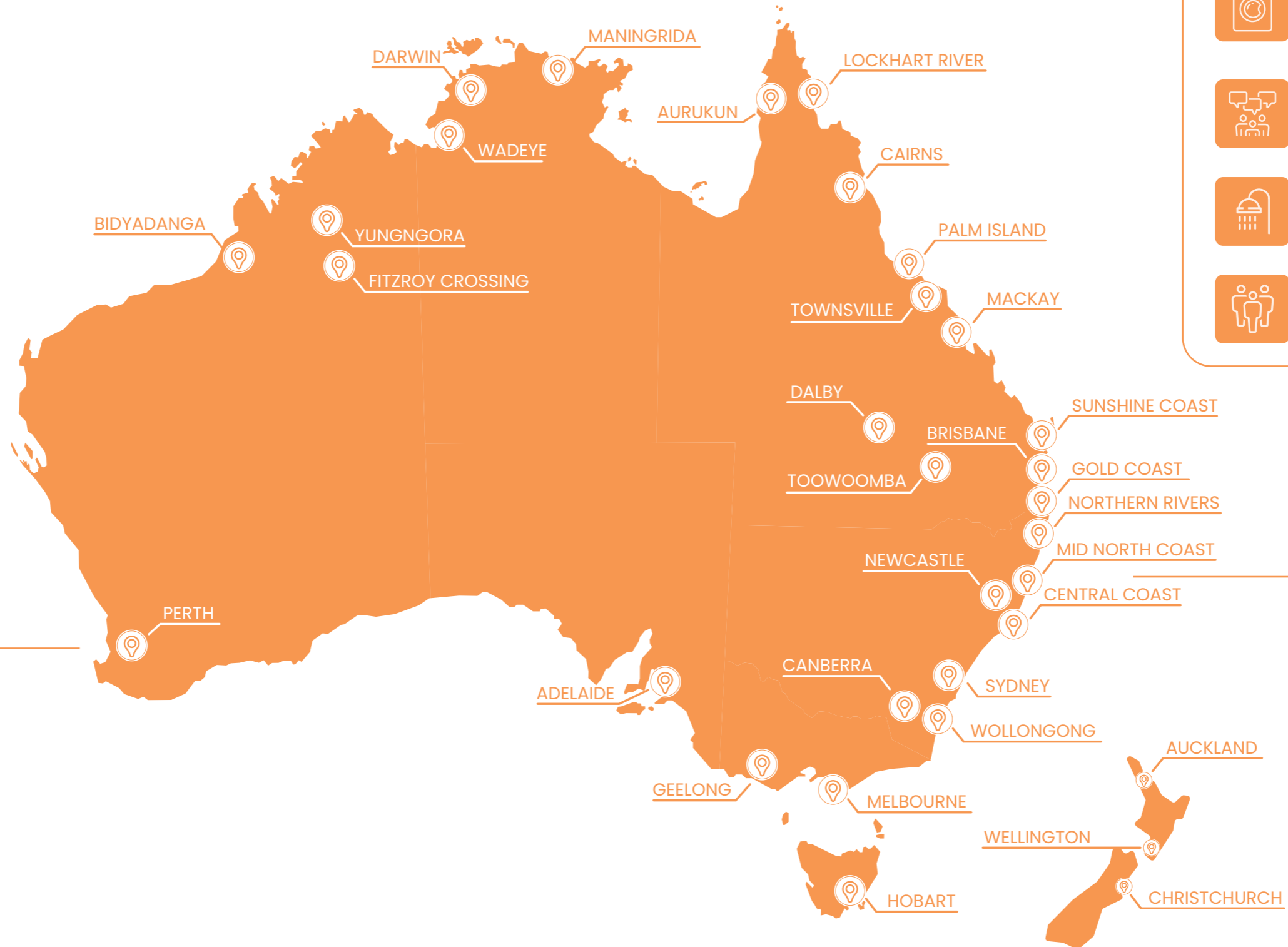
Our Year

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.

19,807
people
positively connected

\$13.74m
delivered in
social impact



 **12,021**
shifts

 **29**
locations

 **63,299**
loads of laundry

 **89,402**
hours of conversation

 **6,521**
showers

 **1,824**
volunteers

Our Year

Year in Review



JULY '21

Brought our HQ team together for Kick Off Days

20%

of Australians have experienced some form of homelessness.

AUGUST '21

Commissioned a study for National Homelessness Week that revealed 20% Australians have experienced homelessness



SEPTEMBER '21

Third year running The Sudy Challenge, raising a record \$475,000



SEPTEMBER '21

Launched our new Laundry Pod on the Gold Coast



OCTOBER '21

Celebrated Orange Sky's 7th Birthday



OCTOBER '21

Launched two innovations, the Waru Dryer and Laundromat of the Future in Toowoomba



OCTOBER '21

Launched remote services Wadeye (NT), Fitzroy Crossing and Bidiyadanga (WA)



DECEMBER '21

Launched Adelaide Social Impact Laundry



DECEMBER '21

Supported Inglewood, QLD flooding



MARCH '22

Supported QLD and NSW communities impacted by flooding, resulting in our biggest ever month of impact providing 9,638 loads of laundry



MARCH '22

Released Rita Rolley merchandise



APRIL '22

Launched a new remote service in Aurukun, QLD



MAY '22

'Innovate' Reconciliation Action Plan endorsed and launched



JUNE '22

Launched a new remote service in Yungngora, WA



JUNE '22

10,000 washes provided to QLD/NSW communities affected by flooding

Our People

Friends

At Orange Sky, we use the term 'friend' for people who use our service. We do this because our service is based on connection and trust, much like a friendship. This year we were reminded of the ever-changing face of homelessness, with rising costs of living and devastating natural disasters. Many of our friends never envisioned themselves sitting on our orange chairs.

Learning more about our friends' firsthand experiences is an important factor in us improving our service. In December, we launched a pilot 'Friend Voice Project', designed

to understand the impact of attending an Orange Sky shift.

This ran for five weeks, capturing 50 responses and providing helpful insights into the operation of our shifts. The success of this pilot program will be repeated and grown as part of our future strategy.

Natural disasters caused significant damage across the east coast this year. In late February, South East Queensland and Northern New South Wales were struck by wide scale flooding.

Our team was fortunate to be able to quickly respond and support many new friends across the east coast. This effort, along with general service growth, saw us record our biggest

ever month of impact helping more friends than ever before - with 1,300 shifts, 9,500 washes and 610 showers.

This year saw us support families and individuals who never thought they would need a service like Orange Sky through access to free laundry, warm showers and genuine conversation.

We acknowledge the ongoing challenges for our friends and our responsibility to provide support where we are needed most.

Orange Sky's 2025 Strategic Plan is centred around helping 40,000 people across Australia and New Zealand in 2025. We will do this through scaling the Friend Voice Project to drive further

change, improving the resources available to our friends and growing the frequency and breadth of our shifts to support more people doing it tough.

Meet Dawn, Friend

“ I like that you can come here, get your washing done, have a little bit of a chat and talk to your neighbours. It's a great foundation. This has been a benefit to a lot of people, including myself. ”



 Sydney, Gadigal Country



18,131
Friends
helped



89,402
Hours of
Conversation



63,299
Loads of
Laundry



6,521
Warm
Showers

Meet Margot, Volunteer

“ We get to do something for our friends that they don't get anywhere else. They can come and have a chat and tell us about what they've been doing, it might be their art if they're artists, all while getting their clothes washed and having a shower. So everyone's a winner, including us. ”

Orangesky
Australia

Darwin, Larrakia Country



Our People

Volunteers

To say we couldn't do what we do without our volunteers would be a drastic understatement. Each wash, shower and yarn is delivered by our team of orange-shirted legends. This year we were reminded, yet again, of the unique compassion of Orange Sky volunteers through their commitment to positively connect communities through free laundry, showers and conversation.

Volunteer Survey

In November 2021 we finalised the inaugural National Volunteer Survey. With over 550 responses received, our team gained insights from our volunteers to direct strategic priorities for the upcoming year. Survey responses also illustrated volunteer motivations and satisfaction, and have provided baseline

data for an annual pulse check.

Flexible Volunteering

The volunteer team introduced Flexible Volunteering across Australia in January 2022. Over 500 volunteers subscribed to the program, which has saved between 10-20 shifts each week, that would have otherwise been cancelled. Looking ahead to the next financial year, we aim to grow the number of volunteers subscribed to this group and improve the governance surrounding it.

Flood Response

We would like to acknowledge the significance of the February and March period for many of our east coast volunteers. Orange Sky mobilised our biggest ever community recovery across South-East Queensland (QLD) and Northern New South Wales (NSW) in response to devastating floods.

Our volunteers formed a key part of our response and assisted with filling shifts and supporting communities that needed our help.

Growing Volunteers

In order to achieve our 2025 objective of 5,000 rostered volunteers, our ecosystem needs to be as streamlined and meaningful as possible to attract, recruit, and retain our volunteers. We will transfer existing software to Volaby, our in-house-built volunteer management platform. Leveraging Volaby will be crucial to ensure that Orange Sky's services can be more reliable and have the ability to scale and support more people in need. We want our volunteers to enjoy their shifts and become advocates for volunteering with Orange Sky.

Data driven decisions will be critical to help Orange Sky grow and progress beyond our 2025 Strategic Plan.

As we grow in size, we need to capture robust data about our teams, how they are operating, and the health of our services to determine where best to allocate resources.



1,824
Volunteers



736
New Volunteers



672
Tenure (Avg Days)

Our People

Staff

Orange Sky's people are our drivers of positive connections. In offices and homes across Australia and New Zealand, our team continues to provide the tools and support to help our friends on the street. As we entered another year of staggering change due to the global pandemic and natural disasters, we want to acknowledge the hard work and adaptable nature of our people.

Do The Best Work Of Your Life

We are focused on empowering our people to do the best work of their life to drive the greatest impact for our friends. We do this through our onboarding program, leadership programs, career pathways, and feedback models. We also conduct 'kick off days' bi-annually in January and July. This event plays a big role in our team reflecting on the past six months

and strategising for the next; as we work towards our 2025 goals.

Be Seen, Be Celebrated

We believe hard work pays off; that is why we prioritise recognition and reward for our team's contributions. Wider remuneration benchmarking and salary packaging options have been key focuses for us, alongside a peer-to-peer recognition program that has run for many years.

It has been admirable to witness the resilience of our team as they navigated ongoing disruptions to work and life as a result of the pandemic and natural disasters. To support this dynamic working landscape, we developed a flexible work policy and parental leave entitlements. Our future strategy is focused on an employee value proposition which ensures our people experience a long and rewarding engagement with Orange Sky.

Make An Impact

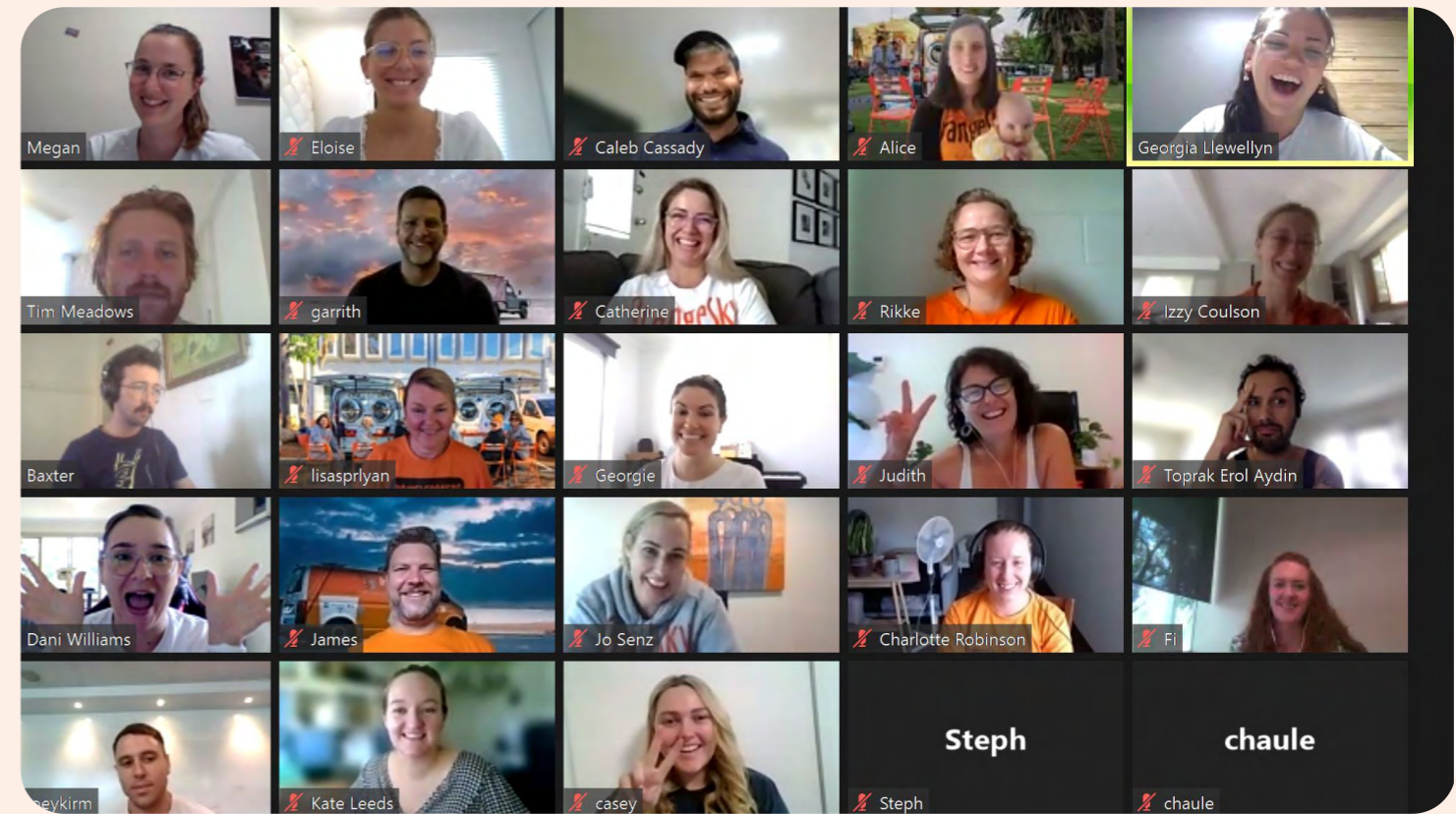
Orange Sky strives to provide an open and supportive workplace, where our team feels safe to bring their whole self to work, and express their views and ideas with respect for themselves and others. This year we established committees within our Environment Social Governance commitments. These included the Diversity, Equity and Inclusion and Reconciliation Action Plan committees.

Be Your Best Self

Supporting our staff and volunteers' mental health and emotional wellbeing continues to be a key priority for us, delivered through self-development and wellbeing strategies. This focus will see us introduce wellness advocacy programs to drive resilience and the ability to cope with ambiguity, as well as ensure our people are looking after themselves.

Investing in our team is a critical component of our ability to help 40,000 people across Australia and New Zealand in 2025. Looking forward, we are finalising our employee value proposition to ensure we are continuing to attract the right people to keep Orange Sky as a desirable workplace in a challenging labour market. This includes workforce planning to FY25, progressing succession planning at a board and team level, and formalising pathways between our volunteer and staff community.

A sincere thank you to every Orange Sky person in the team this year, whose resilience and hard work steered us through a challenging 12 months. We are excited to continue to innovate when it comes to ways of working, and how we empower our team to help our friends doing it tough.



43

Full Time Staff



8

Staff Locations



90%

Female Staff



10%

Male Staff



17

Remote Community Employees

Meet Kristanna,
Fundraising & Events
Coordinator & recipient
of the 2022 Orange Sky
Person of the Year
(CEO Award)



“ Orange Sky has given me a fantastic platform to learn and grow in my role within the fundraising team. I’ve been given the space to take on opportunities and responsibilities that really excite me, and I hope it continues into the future! It’s the small story-sharing across our team that motivates me every day; whether it’s hearing about a volunteer’s first shift, the friend who we could help at the toughest time in their life, or school kids giving their all to fundraise and support Orange Sky’s services. ”

Brisbane, Yuggera Country

Our People

Senior Leadership Team



Lucas Patchett
OAM
Co-Founder,
Chief Executive Officer
and Acting Chief
Financial Officer

I’ve worked at Orange Sky...
Officially as a staff member for 5 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 some of our supporters.

To me, impact means...
Starting with a conversation and taking it from there. You can’t make an impact without first understanding.



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, impact means...
Having the trust of the community, showing up and connecting.



Laura Stokes
Chief Marketing
and Revenue Officer

I’ve worked at Orange Sky...
For 3 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 them to act through giving of their time, money or trust in our services.

To me, impact means...
Delivering positive tangible and intangible change that makes society a better place.



Ryan Salzke
Chief Operations
Officer

I’ve worked at Orange Sky...
Since the start of 2022 – quickly navigating the regrowth of services post lockdowns, alongside our largest natural disaster recovery.

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 positive connections and non-judgemental conversations. I’m focused on improving our Operations Team’s capability, reliability and repeatability as we scale towards sustainable growth.

To me, impact means...
Creating memorable and meaningful moments in people’s lives.

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 two other charities, Third Space and Hear & Say as well as 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. Lucas was awarded 2016 Young Australian of the Year and in 2020 an Order of Australia. Lucas commenced as a board member for Queensland (QLD) Health's Gold Coast Hospital and Health Service in May 2021.



Nicholas 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, and managing our strategic direction as a member of the Senior Leadership Team.



Paula Holden

Non Executive Director and Chair of Nomination & Remuneration Committee

Paula has an extensive career as an executive, having gained experience across both mining and not-for-profit sectors. Paula has worked in both small and large 'for-purpose ventures' and is currently the Chair of You Turn Youth Support and 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 a Partner at Fortitude Investment Partners, and a Non-Executive Director for Origo Education, AQUILA, Digital Lifecycle Group, Shorthand and Active Adventures New Zealand. Nick has a Bachelor of Engineering (1st Class Honours), 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.

Our Community

Supporters

Our supporters are the fuel that powers each wash, shower and conversation. Our team is dedicated to increasing the connection of supporters to the Orange Sky mission, while building a foundation of sustainable and resilient revenue streams and discovering new revenue opportunities. Over the past 12 months, we are proud to have moved even closer to these goals.

Throughout the year, our team focused on funding new initiatives and natural disaster relief. We proudly supported the development and launch of Delta innovations, the Waru Dryer and Remote Vehicle 3.0. After the devastating flooding in communities across the mid-east coast, Orange Sky mobilised a response to support our friends experiencing hardship and unexpected homelessness. Our community of supporters dug deep to enhance our efforts in these regions, resulting in a higher than average year-on-year growth.

This included Orange Sky's largest natural disaster funding of \$500,000 from The Minderoo Foundation to help lead the flood response and build our natural disaster capacity in the future. This funding allowed us to surpass our revenue projections for the period and remain on track to help more people across Australia.

Systems were a key focus of this financial year with the implementation of new CRM technology. This platform will help our team improve communication and understand the journey of stakeholder groups. Our future strategy relies on us harnessing these systems to tailor our communications and channels to suit the needs of our friends, volunteers and supporters. By listening to and learning from our audiences', we can provide the best experience for our community.

This year, matched funding proved a supportive mechanism for growing our impact. Shine On Foundation and the Merchant Charitable Foundation supported our first matched gift for our Holiday Appeal. This sort of charitable leadership illustrates the power of

philanthropy and how it can be used to solve Australia's biggest challenges, such as homelessness.

The Sudsy Challenge is an important event in our community calendar each September, allowing us to connect with engaged and new audiences. In its third year, this peer-to-peer event is going from strength to strength having a record number of 2,645 participants. In particular, we saw incredible participation and engagement from schools and corporate partners. The Sudsy Challenge continues to be a great avenue to grow community awareness, break down misconceptions and rewrite the narrative about homelessness.

Each August, we commemorate Homelessness Week which allows us to put a spotlight on the reality of life for our friends doing it tough. In August 2021, we released findings from our first research project, conducted by YouGov, to support the Homelessness Week campaign. As emerging leaders in the sector, this was our commitment to improving the community's understanding and growing the

conversation around homelessness. This research indicated that 20% of Australians have experienced some sort of homelessness. Access to research and trends will continue to be a focus for us to inform our service offering and deliver on the needs of our friends and volunteers.

The fuel of our supporters is crucial in allowing us to help 40,000 people across Australia and New Zealand in 2025. That's why we have set an equally ambitious target of \$10.2 million Australian funding revenue in 2025. We will achieve this by establishing resilient revenue streams and connecting our supporters with Orange Sky's mission. Thank you to each individual, organisation and institution that trusted us with your donation this year.

Our Community

Supporters



INDIVIDUAL & REGULAR GIVING

24,470

individual givers

800+

regular givers

\$1,416,512

individual's donations

\$327,765

regular's donations



COMMUNITY FUNDRAISING & PEER-TO-PEER EVENT

3,360

community fundraisers

\$916,901

community fundraising donations

SPEAKING EVENTS

13

presentations by Co-Founders and Senior Leadership Team

GRANTS

\$579,579

received in grants



CORPORATE SPONSORS

34

corporate partners

\$2,089,136

corporate donations



MAJOR DONORS, TRUSTS & FOUNDATIONS

99

philanthropists, trusts & foundations

\$2,468,920

philanthropic giving

Our Community

Meet Thomas, Supporter



“ I was living in Airlie Beach when Cyclone Debbie hit Queensland. I lost power and water for almost a week and, during the recovery and clean-up, realized how much I had taken a warm shower and clean clothes for granted. I had never heard of Orange Sky, but they were there to help me in the aftermath of Cyclone Debbie, and now I want to give back. Thank you for all the great work you do. ”

Engagement

‘Trust’ is a key ingredient of Orange Sky’s success – our supporters trust us with their donations, volunteers trust us to go out on shift and our friends trust us when using our service. Our marketing and communications team sow these seeds by building awareness of our mission and effectively connecting our audience segments with accurate, meaningful and timely information. This year, we reached and engaged a larger audience than ever before.

As the custodians of the organisation’s brand and reputation, the marketing department proudly launched and publicised many exciting Orange Sky innovations and key moments this year. This included Orange Sky’s Social Impact Laundry, Waru Dryer, Remote Vehicle 3.0, Laundromat of the Future, and Rita Rolley merchandise range, as well as key moments and campaigns including the End-of-Financial Year, World Homelessness Day, The Sudsy

Challenge and Holiday Campaigns. Each launch was accompanied by a creative marketing campaign aimed at generating widespread awareness for Orange Sky, creating more opportunities for individuals to engage with our mission.

Throughout the year, we captured hundreds of stories from our community. We endeavoured to share the unique voices of our friends, service providers, volunteers, staff and supporters to grow further awareness and understanding of our mission. Within this, we focused on diversity and inclusivity across our storytelling.

The marketing team celebrated the launch of our Reconciliation Action Plan and shared our actions and commitments towards reconciliation. We shone a light on key moments for the LGBTIQ+ community, International Women’s Day and First Nations communities in our efforts to maintain inclusive spaces from our shifts to our offices.

In addition to sharing stories about our service growth and social impact, the marketing team was always on standby to proactively deliver strategic communications

in response to many unforeseen circumstances – such as COVID-19 and flood recovery support. Our team had the mammoth task of developing communication materials and conveying key information in an ever-changing disaster environment.

Our team was dedicated to sharing the growth of our remote, regional and metropolitan services across Australia, ensuring friends, volunteers and supporters alike knew where we were operating.

This year we made some big advancements in the brand space. We administered our first brand tracking exercise to identify Orange Sky’s overall brand health, capturing a range of metrics including brand awareness, donor consideration and loyalty, and a Net Promoter Score. We also developed a new content management system and brand asset bank to support and service our key stakeholders as we mature as an organisation.

As our organisation grows beyond its seventh year, our connection to our community

and marketing sophistication must evolve to support organisational longevity. We are dedicated to amplifying the voices of our community and maturing our systems to stay relevant and attract target audiences, as a mechanism of sustaining our growth aspirations.



595,296
Social media
Engagements



6,910
Blog
views



1,943
Media
mentions



48,786,119
Cumulative
Audience Reach

Our Work

Metropolitan & Regional

Growth and expansion have been common themes across our metropolitan and regional services this year. The gradual opening up of our country over the past 12 months has allowed our services and support to expand, reaching a high of 1,308 shifts in March 2022. Although, we must acknowledge the challenging reality of increasing demand for our services, with the rising cost of living and devastating natural disasters pushing many people into hardship.

The pandemic continued to influence our service operations and demand throughout the year.

We learned to navigate paused shifts and volunteers in mandatory isolation in order to support our growing number of friends doing it tough. These complexities helped us establish new COVID-19 safety controls across our shifts, which will serve our community into the future.

A significant duration of our year was focused on supporting communities devastated by flooding. From late February to the end of the financial year, our team conducted our largest community response to date, supporting communities impacted by damaging floods across South East Queensland and Northern New South Wales. This resulted in Orange Sky's biggest month of impact in history, in March 2022.

During March, our incredible team conducted 1,308 shifts; providing 9,638 washes, 613 showers, and most importantly, 10,506 hours of conversation.

Across the other side of the country, new ventures grew. We launched our first indoor laundry model at Tranby in Perth in June 2021. Throughout the year, the Tranby shift grew to four shifts a week, making it one of the most utilised metropolitan shifts in the country. Our future strategy will see us expand this model, launching into indoor facilities in metropolitan and regional locations.

We launched another transformational laundry asset, the Laundry Pod, on the Gold Coast in September 2021, in collaboration with Set Free Care.

Our future strategy will continue to prioritise researching new service locations and supporting communities with the right Orange Sky asset. As we grow, we do so with a focus on sustainable expansion aiming to build seven new weekly shift locations per month. We will continue to identify our busiest service locations and assess whether the community needs increased weekly shifts. Mostly, as we grow to help 40,000 people across Australia and New Zealand in 2025, we will be impact led - leaning in to the latest Census and industry data to determine where we are needed.



29

Locations



7

New locations



260

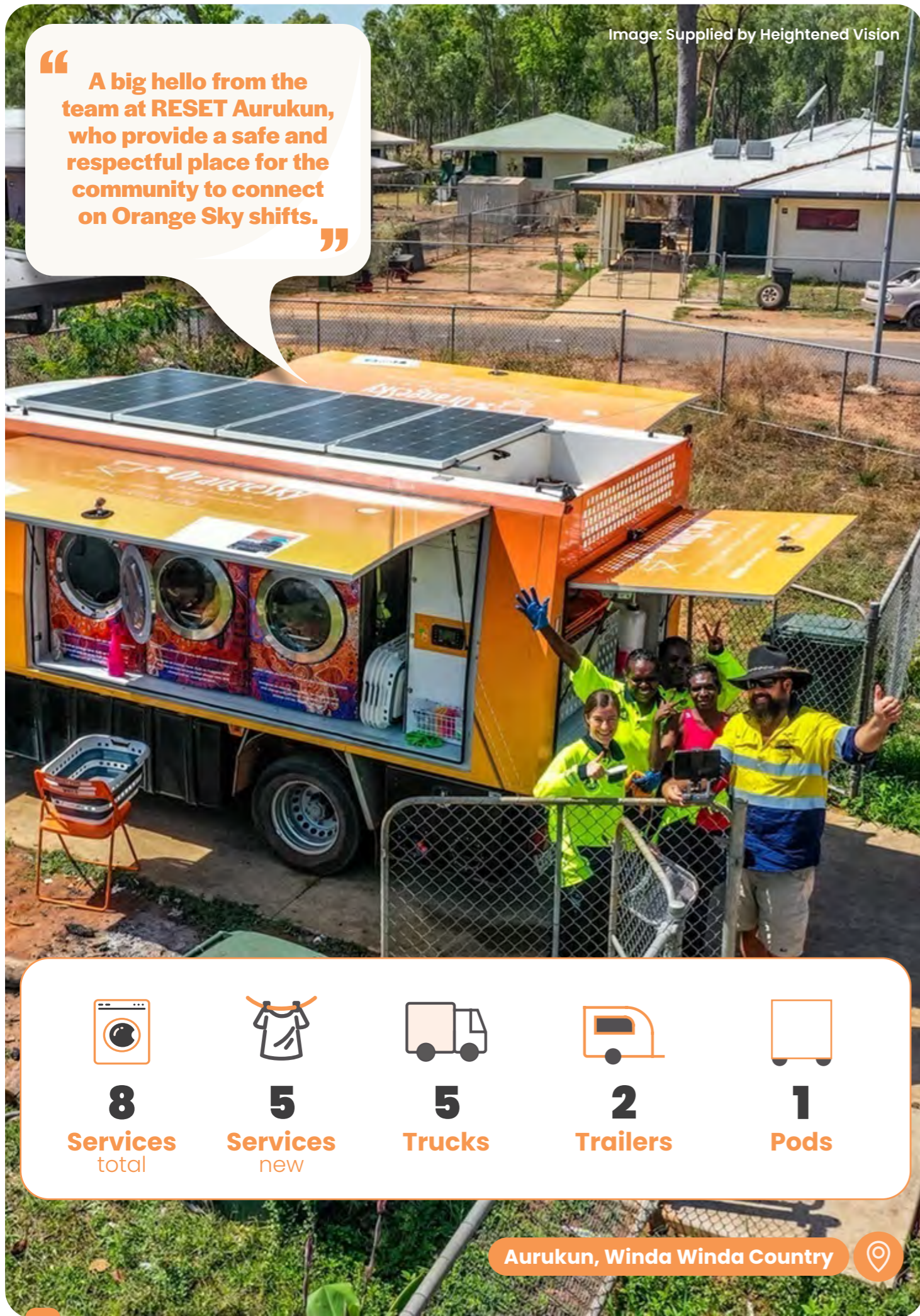
Weekly shifts



Say hello to our Gold Coast Laundry Pod

Image: Supplied by Heightened Vision

“ A big hello from the team at RESET Aurukun, who provide a safe and respectful place for the community to connect on Orange Sky shifts. ”



Aurukun, Winda Winda Country 

Our Work

Remote Communities

For Australians living in remote communities, social determinants of health – such as income, education, employment, power and social support – are important for reducing disparities, specifically around health and wellbeing.

Access to suitable and functioning laundry facilities can be limited and cost prohibitive, with consequences for physical, social and emotional well-being. This is why we are focused on growing our remote services as we strive to help 36,000 Australians in 2025.

Our remote services build community wide impact through access to free laundry facilities and safe spaces for connection. These services operate differently than metropolitan regions, with our programs focused on local employment and local partnerships. What remains consistent is our core mission of positively connecting each community we are in.

We rolled out a record number of five new remote services this year in Fitzroy Crossing, Bidadanga and Yungngora (WA), Wadeye (NT) and Aurukun (QLD). This took the total number of remote services from three to eight services within the financial year.

The remote team also conducted comprehensive check-ins with all current services to provide further training, maintenance, servicing, and connection in the community. Our Delta team designed and built new assets (Remote Vehicle 3.0 and trailer) and appliances (Waru Dryer) that were launched across our remote services. Reducing our electrical consumption by 80%, these products allow us to run more shifts, more often and for

longer periods of time, without the need for refuelling or frequent maintenance.

This year our team supported a two week community public health response in Aurukun. This program endeavoured to improve the living standards and health outcomes in Aurukun through collaboration between government and non-government health organisations, environmental health teams and Orange Sky. As a result of this, we established a permanent service in the community.

This year we put an emphasis on learning from community residents and our remote partner organisations by conducting our first feedback survey. We also gained insights on the national stage, attending and exhibiting at the National Public Health Conference in April 2022.

Our remote services are established in some of the most culturally rich and geographically isolated Aboriginal and Torres Strait Islander communities in Australia. Our strategic priority is on innovating our service delivery models and solutions to best serve the remote context.

Our pipeline of growing remote communities for the next financial year remains healthy and on track to achieve our 2025 goals. To do this, we are identifying partner organisations in new locations, as well as in some of our existing services. Partnering with trusted local organisations is a key method of ensuring service sustainability in the long term. Employing a Remote Coordinator is another critical step in expanding our breadth and maintaining the quality of our services.

As we expand across remote Australia, our current and future services are centred around four key strengths. Orange Sky's remote services are an avenue for local employment opportunities, provide access to basic essential services, play a role in improving health and wellbeing, and maintain a culturally appropriate and safe connection space.



Our Work

Community Response Support

For many communities across the mid-east coast, 2022 cannot be reflected on without acknowledging the floods. This was the most pertinent experience in Orange Sky's Community Response Support (CRS), helping those impacted by damaging floods across South East Queensland and Northern New South Wales. From late February to the end of the financial year, **our team conducted our largest and longest community response to date.**

The devastation across the region required our staff, volunteers and supporters to scale our response greater than ever before. What started as a laundry van in a north Brisbane evacuation centre, grew into full utilisation with shifts across Ipswich, Brisbane, Gympie and the Northern Rivers region.

We deployed a full suite of assets including six vehicles, one trailer, five new pods, and an indoor laundromat. Our Remote Venture truck, Rosco, was rebuilt into our largest laundry van in history, with four washers and dryers. We spread our support

across communities, great and small. From the larger reaches of Lismore, Ballina, Murwillumbah and Mullumbimby, to the smaller communities such as Woodburn, Broadwater, Wardell and Coraki. These efforts were partly funded by the generous contributions of The Minderoo Foundation.

This resulted in Orange Sky's biggest month of impact in history, in March 2022 - washing over 9,600 loads of laundry.

We navigated many challenging scenarios with limited physical access to communities and information due to flood-impacted telecommunication systems. These complex times called for new approaches, which led to the use of social media to find people seeking help. Often our response was coordinated alongside individuals or small operators in communities, pointing us to where we were of greatest need.

This huge response was made possible by leveraging established and new avenues. Our Head Office staff,

from Brisbane and beyond, stayed in the region for weeks on end providing hands on support. Volunteers came from Brisbane, Gold Coast, Sunshine Coast, and Port Macquarie to support delivery of our services. We also relied heavily on our Northern Rivers volunteers, although they were living and breathing the first hand effects of the floods - some becoming homeless themselves. In Lismore, a local factory was submerged by flood waters. After receiving funding for their large workforce, employees from the factory were redeployed to support Orange Sky shifts, allowing us to significantly increase our response in Lismore.

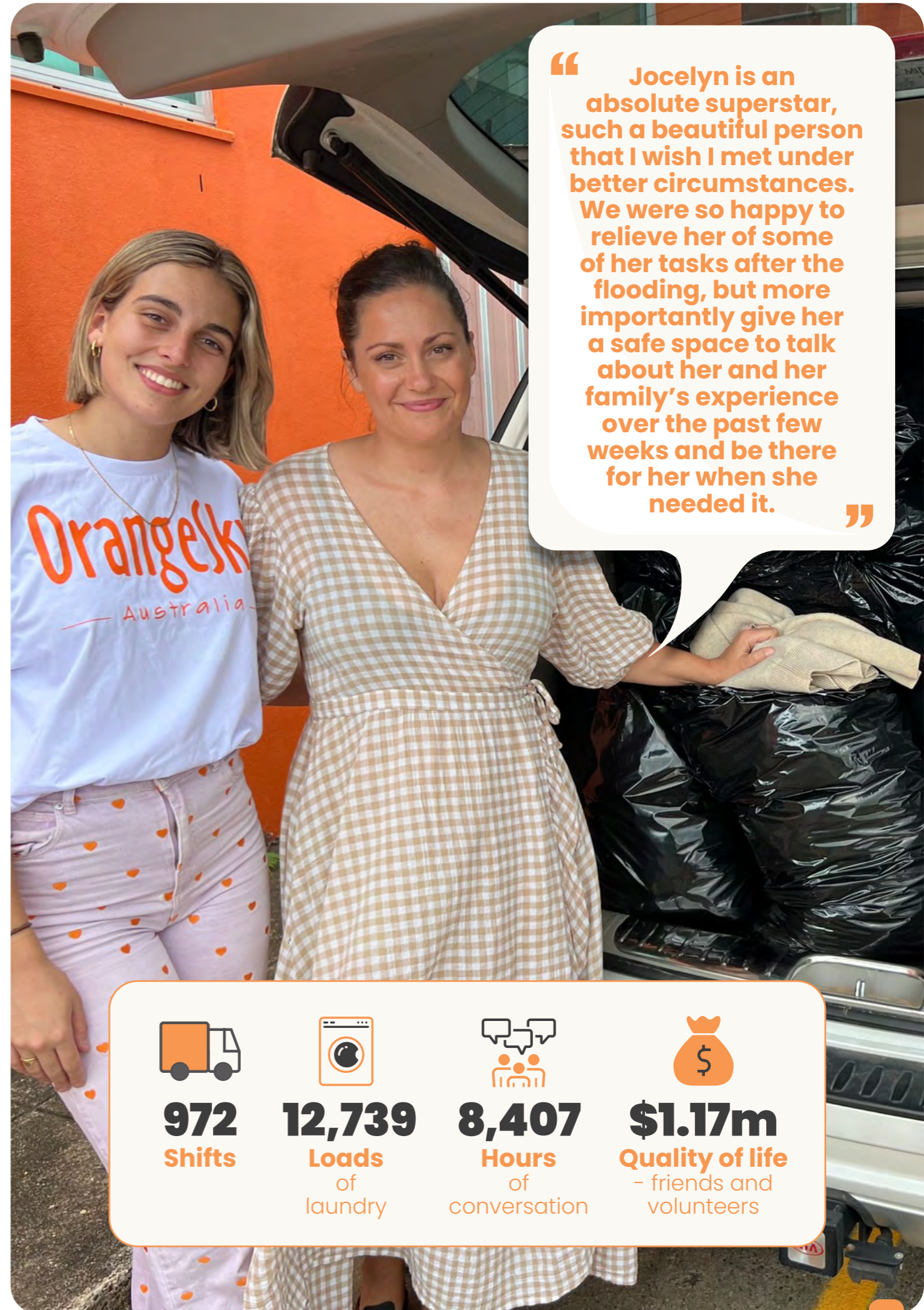
Disaster relief is not unfamiliar to Orange Sky, each year bringing its own challenges across Australia. This year also saw us support the Dandenong, Victoria storms in July 2021 and flooding in Inglewood, Queensland in December.

We know that natural disasters don't discriminate. Therefore, our team continues to focus on CRS preparation into

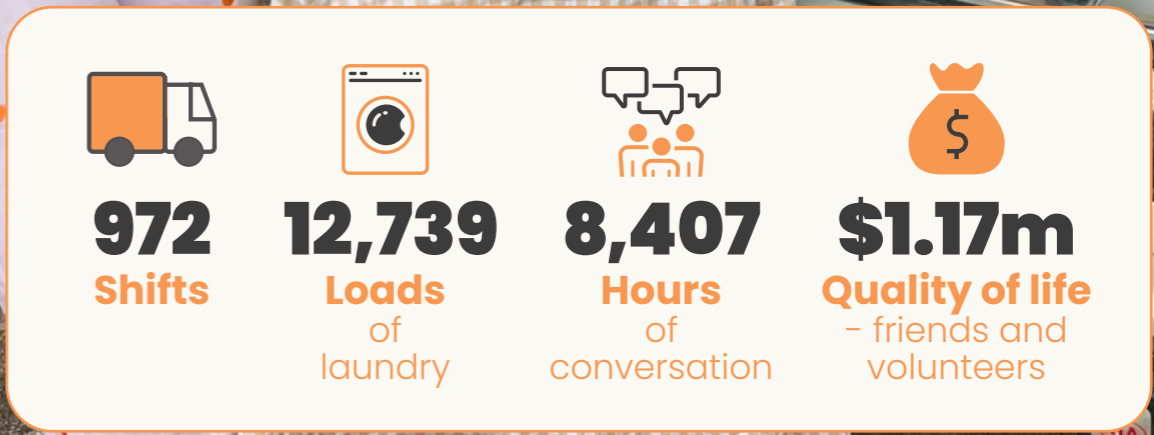
the future. Our CRS team will continue building our model to monitor natural disasters, putting our best response forward with the access and capacity we have. These events occur rapidly, making it important to mobilise our existing assets and volunteers during these times.

Many people who use an Orange Sky CRS service may never have imagined they would need us before. When disaster strikes, laundry and showers can be a simple and helpful aid to get back on your feet. But, just like our regular services, positive connection is often what communities need during this time.

The coordination of these efforts couldn't happen without the dedication and loyalty of our team, volunteers, service providers and supporters. Thank you to all those who allowed us to keep our commitment - to supporting communities when times get tough.



“ **Jocelyn is an absolute superstar, such a beautiful person that I wish I met under better circumstances. We were so happy to relieve her of some of her tasks after the flooding, but more importantly give her a safe space to talk about her and her family's experience over the past few weeks and be there for her when she needed it.** ”





Brisbane, Yuggera Country



Our Innovation

Delta

Team Delta is at the heart of Orange Sky's innovation. Expressed by the Greek triangle, it symbolises change and growth. Team Delta is our Innovation & Imagination department, that explores new and improved ways of amplifying our impact in our community.

Our Asset Scale Up Venture redefined the way we operate through the design and delivery of six new assets. This included the Laundry Pod 2.0, Laundry Vehicle 1.9, Hybrid Vehicle 1.9, Remote Trailer and two world-first designs - the Waru Dryer and Remote Vehicle (RV) 3.0. The Waru Dryer is the first diesel-assisted and solar-powered clothes dryer. The RV3.0 is the only solar and battery-powered laundry truck

supporting health and social outcomes for remote Australians.

We recategorised the idea of an Orange Sky service by taking the wheels off and launching the Laundromat of the Future (LOTF) and Social Impact Laundry. Our LOTF locations partner with existing laundromats, expanding our social impact for friends without the costs required to build new assets. Here, Orange Sky covers a free service for friends during a specific time of the week. Our Social Impact Laundry is a paid laundry service for the public that funds our service for our friends on the street. We launched our first bright orange Social Impact Laundry in Adelaide in November 2021.

Team Delta had a huge uplift in core innovations including

a strong year of feature releases across our volunteer management service, Volaby. The Volaby platform services the not-for-profit industry, aiming to not only raise Orange Sky revenue, but improve the technical capabilities of the broader industry and support other organisations to have greater impact. The past year delivered ventures that solved real issues for our volunteers, friends, vehicles and environment. Our next focus is on successfully graduating these projects from Delta into our core streams at Orange Sky. We started by transitioning our upgraded remote vehicles from Delta to the Operations department. Next, we will embed Volaby within Orange Sky operations to improve process efficiencies.

In addition to graduation, Delta's vision for the next 12 months is to help more friends by leaning into adjacent and transformational ventures. We will do this by cultivating innovation across all people who work, volunteer and interact with Orange Sky. We believe that our people hold the key to our future innovations. Our job is to empower them.



23

Assets built



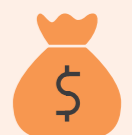
5

New services designed



6

New assets launched



\$1m

New funding secured

Our Innovation

Reconciliation Action Plan

As an organisation that brings together thousands of Australians from all walks of life every week through our laundry and shower services, we are committed to prioritising reconciliation in all that we do. That's why Orange Sky developed an 'Innovate' Reconciliation Action Plan (RAP).

Our diverse RAP committee of First Nations and non-Indigenous staff, volunteers, and consultants was formed in August 2021. The committee established 16 action points in February 2022 and launched Orange Sky's Innovate

RAP in April 2022. The work has now begun, delivering on the vision of our RAP across our service and culture.

Orange Sky envisions an Australia where reconciliation is evident in the equitable health and social outcomes of Aboriginal and Torres Strait Islander people.

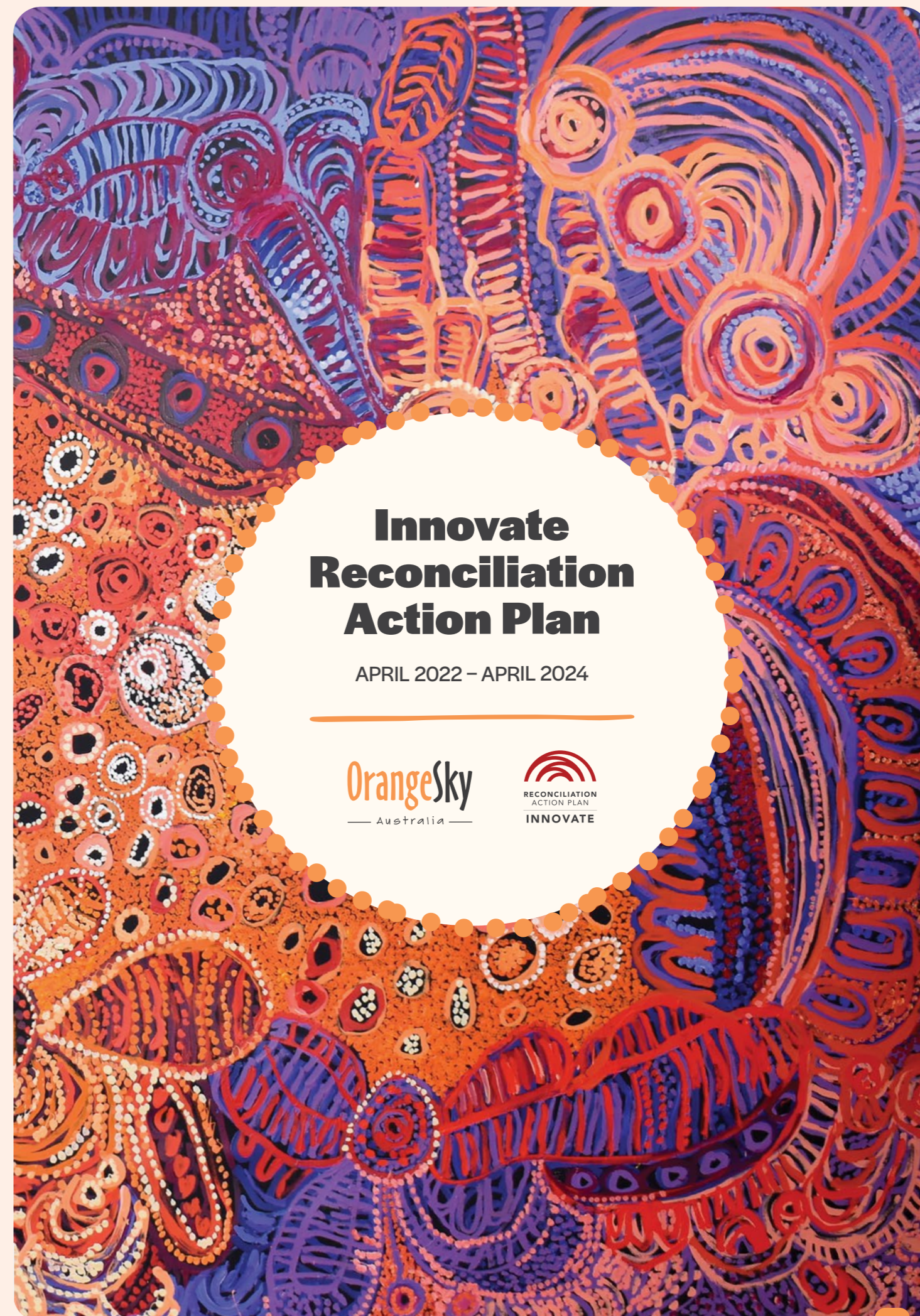
Developing a RAP was important to Orange Sky as we continue to benefit from the perspectives and contributions of our Aboriginal and Torres Strait Islander friends, staff, volunteers, partners and supporters. To walk in reconciliation, we must lead with equity, respect, safety and opportunity at the forefront.

Our RAP supports Orange Sky's commitment to helping 36,000 Aussies doing it tough by 2025. In the context of our work, First Nations peoples experience homelessness and inequitable access to health hardware, such as washing machines, at much higher rates than their non-Indigenous counterparts. As we focus on growing our social impact, we recognise our responsibility to prioritise reconciliation; not only in the locations we operate but enriched within our culture and policies.

As part of this work, we launched cultural awareness training for volunteers and employees, and delivered cultural presentations to key

partners - Dominos, Bank of Queensland and QBE. We are committed to continuing to deliver the objectives of our RAP as a tangible mechanism for driving change within our communities.

Our 'Innovate' RAP acknowledges that innovation has been shared across these lands for over 65,000 years. This RAP is part of our larger culture and commitments to diversity, equity and inclusion; on our orange chairs and office chairs. We are committed to seeing our national soul healed and for Aboriginal and Torres Strait Islander peoples to experience equity, dignity, and respect.



Innovate Reconciliation Action Plan

APRIL 2022 - APRIL 2024

OrangeSky
— Australia —



16

Actions established



3

Actions met



8

Actions on track

Our Financials

Without the generosity of our donors, a strong financial position and strategy, we cannot support the needs of our friends now and into the future. Our finance team is pleased to report a record year for Orange Sky's, social impact and revenue raised, meaning our greatest investment ever in to the organisation's ongoing growth.

Orange Sky was fortunate to finish another strong financial year and achieve a surplus of \$872,276. This was driven by our end-of-financial-year results and the unprecedented support of our CRS efforts in the Northern Rivers. This CRS work drove our expenditure costs higher than expected, leading to us

coming in over budget for the year. Our social return also finished ahead of target at 1.72.

The end of 2022 denotes the midway point of our 2025 Strategy. It is critical we remain on track to positively impact 40,000 people across Australia and New Zealand in FY25. The financial position we are in ensures we are in the best position to achieve those lofty goals and set the foundation for many more years to come.

Orange Sky's four strategic pillars for the next financial year are critical for our ongoing success as we work towards FY25. Our strong balance sheet and prudent management enable us to take major strides.

Scale for Sustainable Growth. We invest in our organisation and assets to set us up.

One Orange Sky. We build the capability of our team and ensure we are being efficient.

Tailor to our Audiences. We source better data and insights to drive our decision making.

Dream, plan, test and do the work. We plan to FY25 and beyond.

Given the uncertain economic climate we remain in, Orange Sky's Board and Senior Leadership Team is committed to ensuring we have a strong balance sheet. This will support us in maintaining a strong position to continue delivering our service at a high standard. This also enables us to invest in initiatives, expand to meet the growing need and ensure we are using the funds entrusted to us in the most effective and efficient way.

The year ahead will be one of investment in our organisation. Investment across vehicle upgrades, volunteer and staff teams, and ensuring that Orange Sky is set up for FY25 and beyond. We thank you for continuing to believe in and support our mission.

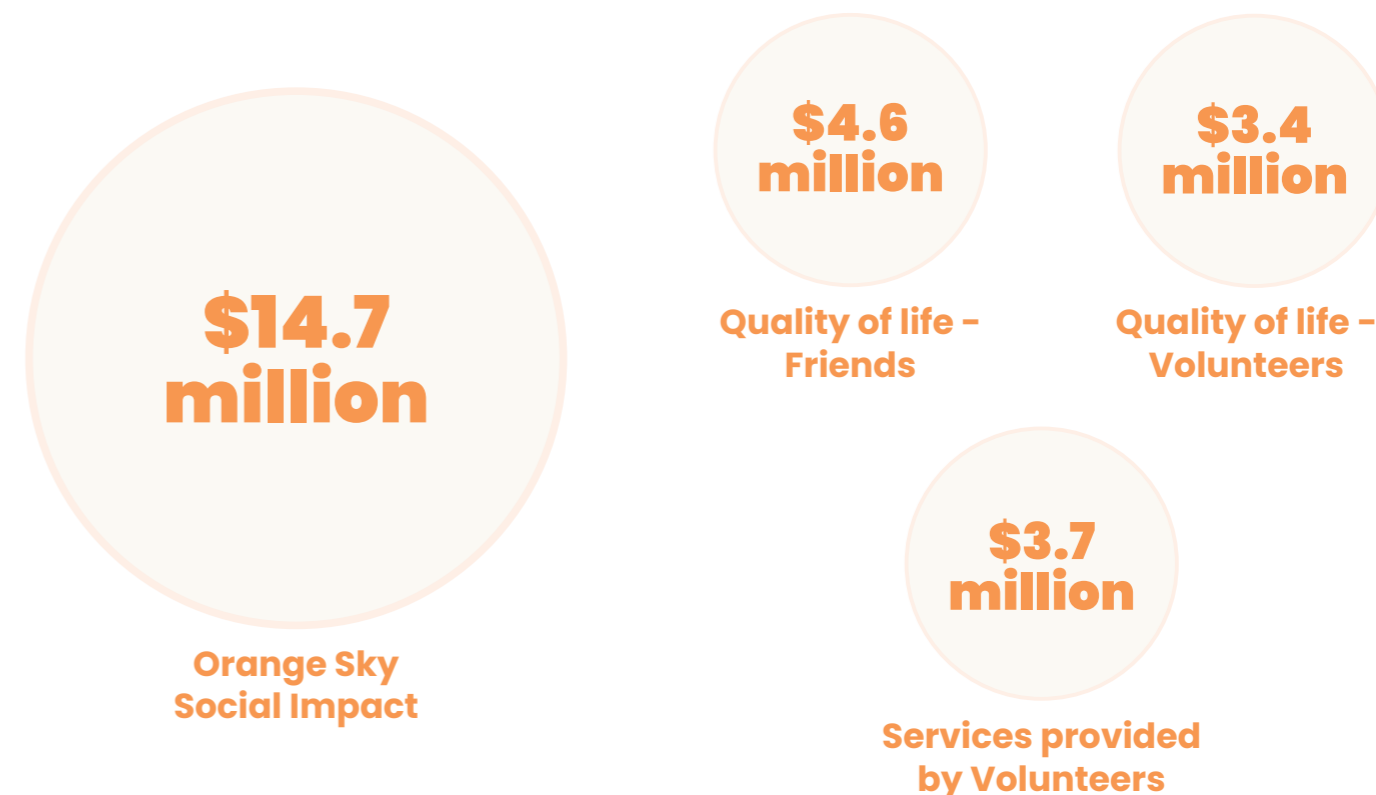
Orange Sky New Zealand is a wholly owned subsidiary of Orange Sky Australia with its own Board of Directors.

All funds raised in New Zealand go towards furthering New Zealand's purpose, however financials are consolidated for reporting purposes.

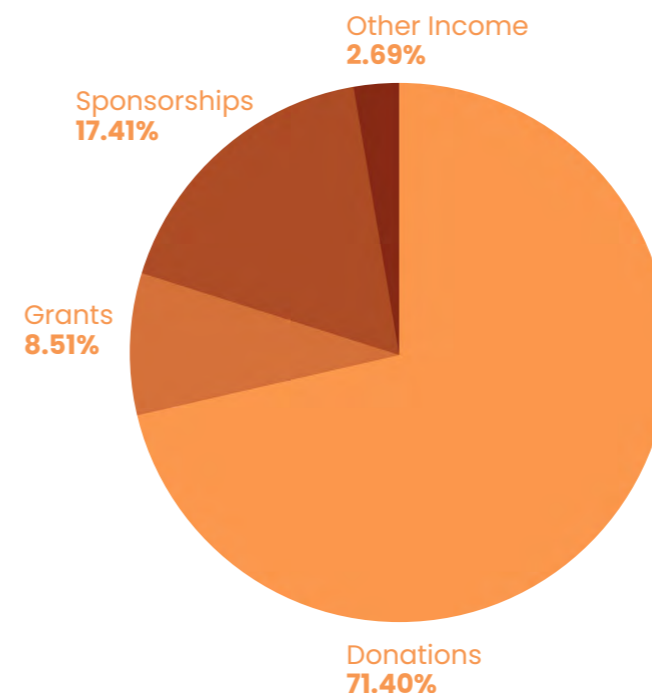
A management support fee is paid by Orange Sky New Zealand to Orange Sky Australia to manage its shared services. This includes operations management, health and safety, marketing, fundraising, finance, human resources and administration.

Across Australia and New Zealand:

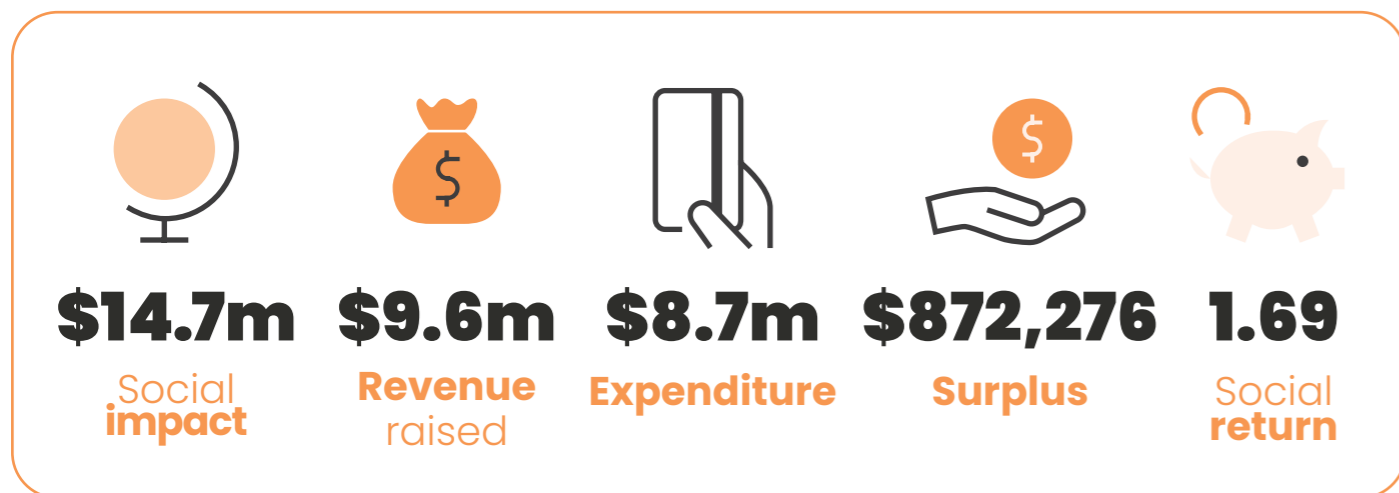
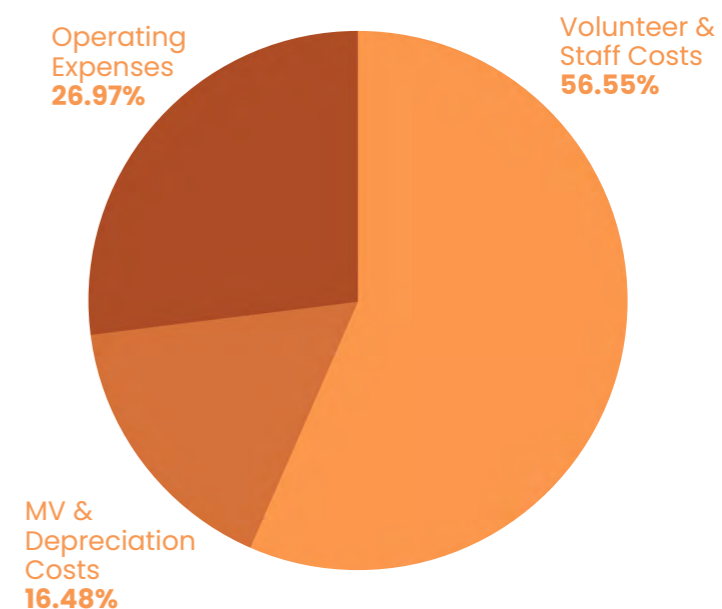
Our Impact



Income



Expenses



Our Partners

Principal Partner



National Partner



Strategic Partners

- | | |
|-----------------------|--------------------------------------------------|
| Adairs | REA Group |
| Arteva Funding | Alsco |
| CMV Staff Foundation | Port Waratah Coal Services |
| Hastings Deering | Give for Good Foundation |
| Redarc Electronics | Rochele Painting |
| Urban Utilities | Water Corporation |
| Unity Water | Sportsbet |
| Icon Water | Woodside Energy |
| Yurika | Unilever |
| Greater Western Water | Canva Foundation |
| Roche | BOQ |
| Turks Legal | Mala'la Health Service
Aboriginal Corporation |

Supporting Partners

- | | |
|--------------------|-------------|
| oOh!media | Richard Jay |
| Nine Entertainment | Symbio |

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.

OrangeSky

— Australia —

Financial Report

Year Ended 30 June 2022



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Your directors present this report on the company for the financial year ended 30 June 2022.

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
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 eight years, Orange Sky has developed a network of over 2,500 volunteers across Australia who represent a range of nationalities, backgrounds and other demographics that characterise Australia's multicultural heritage. 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, specifically quality washing and drying facilities that can improve health outcomes in community.

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.

Operations and results

Like many organisations across Australia and the world, the pandemic continued to have a significant impact on our entire organization. Our focus for the past 12 months has been to continue rebuilding in a post COVID world and delivering the greatest impact and support for our friends doing it tough whilst bringing our volunteers, friends, supporters and staff on the journey with us. All the while finding innovative ways to improve and deliver on our strategic goals and mission as an organisation.

Although the 2021/2022 financial year once again proved challenging, there were a number of highlights for Orange Sky, both in Australia and New Zealand.

In Australia we continued to rebuild operations in the wake of a global pandemic and lockdowns regularly forcing us to constantly evolve our operating model. Despite this, 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.

This year saw growth in our services, innovation and impact. We launched a number of new services across the country, five of which are in remote communities. Our newly formed innovation team led multiple successful ventures, launching the Waru Dryer, RV3.0 and Laundromat of the Future.

We also took our first formal steps to our commitment to being an ethical, sustainable and inclusive charity leader, actualised through our Reconciliation Action Plan and Environmental Sustainability Governance (ESG) initiatives.

Some key highlights for the year included:

JULY 2021: Kick off Days and launching our plan to connect over 20,000 people in FY23

SEPTEMBER 2021: Third year running The Sudsy Challenge, raising a record \$475,000. Launched our new Laundry Pods on the Gold Coast Pod

OCTOBER 2021: Celebrating Orange Sky's 7th Birthday, Launched Waru Dryer and the first Laundromat of the Future location in Toowoomba

NOVEMBER 2021: Launched 3 new remote services Wadeye (NT), Fitzroy Crossing and Bidyadanga (WA)

DECEMBER 2021: Launched Adelaide Social Impact Laundromat and Supported Inglewood, QLD flooding

FEBRUARY 2022: Supported Brisbane, and Ipswich and Gympie, QLD flooding

MARCH 2022: Supported Northern Rivers NSW flooding and had our biggest month of impact on record with over 9,500 washes across 1,300 shifts

MAY 2022: Launched 'Innovate' Reconciliation Action Plan

JUNE 2022: Completed our 10,000th wash for flood impacted communities and positively connected over 20,800 people for the year

Orange Sky exceeded \$9.6m million dollars in revenue with a net surplus for the financial year of \$872,275 (2021: surplus \$1,860,673). 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.

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, twelve (12) 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	12	12	2	2	2	2
Nicholas Marchesi	12	12	-	-	-	-
Andrew Fraser	12	12	2	2	2	2
Nick Miller	12	12	2	2	-	-
Paula Holden	12	10	-	-	2	2
Sommer Davies	12	12	2	2	-	-
Lachlan Mitchell (Co Sec)	12	10	-	-	-	-

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 2022, 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 2022 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

18th day of November 2022



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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 2022, 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 and the entities it controlled during the period.



R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 18 November 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		\$	\$
Revenue and income from continuing operations	4(a)	9,608,760	7,462,967
Dividend income		121,715	41,346
Interest income		599	1,253
Operating expenses	4(b)	(8,668,187)	(5,706,956)
Interest expense		(923)	(1,380)
Fair Value gain/(loss) on investments		(185,994)	63,443
Gain/(Loss) on foreign exchange		(3,696)	-
Current year surplus before income tax		872,276	1,860,673
Income tax expense	5	-	-
Net current year surplus		872,276	1,860,673
Other comprehensive income for the year		3,699	63,267
Total comprehensive income for the year		875,975	1,923,940

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022	2021
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,567,395	4,075,318
Accounts receivable and other debtors	7	91,561	645,077
Prepayments and other assets	8	364,113	113,851
TOTAL CURRENT ASSETS		5,023,069	4,834,246
NON-CURRENT ASSETS			
Investments	9	2,969,844	3,159,987
Fixed assets	10	2,770,320	1,698,850
TOTAL NON-CURRENT ASSETS		5,740,164	4,858,837
TOTAL ASSETS		10,763,233	9,693,083
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	12(a)	550,946	523,243
Contract liabilities	12(b)	964,084	706,234
Provision for employee entitlements	13	253,113	223,484
Lease liabilities	11	20,807	124,097
TOTAL CURRENT LIABILITIES		1,788,950	1,577,058
NON-CURRENT LIABILITIES			
Provision for employee entitlements	13	32,588	29,498
Lease liabilities	11	-	20,807
TOTAL NON-CURRENT LIABILITIES		32,588	50,305
TOTAL LIABILITIES		1,821,538	1,627,363
NET ASSETS		8,941,695	8,065,720
EQUITY			
Reserves	14	59,971	56,272
Retained surplus / (deficit)	15	8,881,724	8,009,448
TOTAL EQUITY		8,941,695	8,065,720

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Share Capital	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2020	-	(6,995)	6,148,775	6,141,780
Comprehensive income				
Surplus for the period	-	-	1,860,673	1,860,673
Other comprehensive income for the year	-	63,267	-	63,267
Total comprehensive surplus for the year	-	63,267	1,860,673	1,923,940
Balance as at 30 June 2021	-	56,272	8,009,448	8,065,720
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	-	3,699	872,276	875,975
Balance as at 30 June 2022	-	59,971	8,881,724	8,941,695

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, sponsorships, grants and customers		10,420,126	7,074,671
Payments to suppliers and employees		(8,154,096)	(4,903,525)
Interest expenses		(923)	-
Interest income		599	1,253
Dividend income		121,715	34,133
Net Cash Flows from Operating Activities	6	2,387,421	2,206,532
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(2,081,593)	(83,759)
Sale of property, plant & equipment		350,879	900
Purchase of investments		-	(2,000,000)
Sale of investments		190,143	-
Net cash flows used in investing activities		(1,540,571)	(2,082,859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings		-	-
Repayment of leasing liabilities		(124,096)	(125,001)
Net cash flows used in financing activities		(124,096)	(125,001)
Net increase / (decrease) in cash held		722,754	(1,328)
Effect of exchange rate changes on cash		3,698	(12,649)
Cash at the beginning of the financial year		3,840,943	3,854,920
Cash at the end of the financial year	6	4,567,395	3,840,943

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. Corporate Information

The financial statements of Orange Sky Australia Limited (Orange Sky) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 18 November 2022.

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 2022

(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 2022

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 uncollectable 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 2022

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 2022

'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 2022, 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

r. Going Concern Basis of Preparation

The financial statements have been prepared on a going concern basis. At 30 June 2022 the entity holds cash or cash equivalents of \$4,567,395 (2021: \$4,075,318). 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.

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 effects 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 2022

4. Revenue and Expenses

	2022	2021
	\$	\$
(a) Revenue		
Gross donations received	6,858,020	4,579,056
Sponsorships received	1,675,463	1,125,524
Grants received	817,250	1,123,533
Government subsidies	-	447,500
Other income	258,027	187,354
Revenue from continuing operations	<u>9,608,760</u>	<u>7,462,967</u>
(b) Expenses		
Employment expenses	4,684,326	3,645,754
Operating expenses	1,535,112	702,052
Depreciation expenses	727,200	607,879
Motor vehicle expenses	701,328	459,615
Travel & accommodation expenses	208,202	63,309
Rent & utilities expenses	47,236	29,289
Advertising & promotion expenses	614,400	167,980
Volunteer expenses	150,383	31,078
Operating expenses	<u>8,668,187</u>	<u>5,706,956</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 2022

6. Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash accounts	4,567,395	3,840,943
Cash and cash equivalents	<u>4,567,395</u>	<u>3,840,943</u>
Reconciliation of the operating surplus / (deficit) after tax to the net cash flows from operations		
Net surplus	872,276	1,860,673
Adjust for investing income		
Fair value (gain)/loss on investments	(190,143)	(63,443)
	<u>(190,143)</u>	<u>(63,443)</u>
Adjust for non-cash items		
Depreciation and amortization	727,200	607,879
Other non-cash items	122,188	60,944
	<u>849,388</u>	<u>668,823</u>
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	553,515	(429,566)
(Increase)/decrease in accrued income	-	121,753
(Increase)/decrease in prepayments	(15,887)	(35,336)
(Decrease)/increase in revenue received in advance	257,851	(245,649)
(Decrease)/increase in trade and other creditors	(181,011)	216,086
(Decrease)/increase in accrued expenses	208,713	35,820
(Decrease)/increase in employee provisions	32,719	77,371
	<u>855,900</u>	<u>(259,521)</u>
	<u>2,387,420</u>	<u>2,206,532</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

7. Receivables and Contract Assets

(a) Accounts receivable and other debtors

	2022	2021
	\$	\$
Trade receivables	52,123	619,363
Other debtors	2,820	14,209
GST receivable	32,593	-
Refundable franking credits	7,915	15,961
Provision for expected credit losses	(3,890)	(4,456)
Accounts receivable and other debtors	91,561	645,077

8. Prepayments and Other Assets

	2022	2021
	\$	\$
Prepayments	120,679	109,741
Other assets	243,434	238,486
Total prepayments and other assets	364,113	348,227

9. Investments

	2022	2021
	\$	\$
Equity instruments at fair value	2,969,844	3,159,987
Total investments	2,969,844	3,159,987

For the various listed entities 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 2022

10. Fixed Assets

	2022	2021
	\$	\$
Plant & Equipment	515,661	190,084
Less Accumulated Depreciation	(117,872)	(70,123)
	397,789	119,961
Motor Vehicles	4,650,967	3,534,705
Less Accumulated Depreciation	(2,579,562)	(2,250,935)
	2,071,405	1,283,770
Office equipment & computers	82,376	76,028
Less Accumulated Depreciation	(70,895)	(58,546)
	11,481	17,482
Leasehold Improvements	33,501	-
Less Accumulated Depreciation	(33,501)	-
	-	-
Right of Use Asset	144,533	206,476
Less Accumulated Depreciation	(123,886)	(61,943)
	20,647	144,533
Artwork	6,302	6,302
Work in Progress	262,696	126,803
Total Fixed Assets	2,770,320	1,698,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 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

For the year ended 30 June 2021:

	Right of Use Asset \$	Plant & Equipment \$	Motor Vehicles \$	Work in Progress \$	Leasehold Improvements \$	Office Equipment & Computers \$	Artwork \$	Total \$
Opening Balance	61,280	132,642	1,602,415	170,462	-	22,466	6,302	1,995,567
Additions	206,476	12,520	87,433	96,868	-	15,318	-	418,615
Disposals	-	-	-	(103,135)	-	(4,317)	-	(107,452)
Transfers			37,392	(37,392)	-	-	-	-
Depreciation	(123,223)	(25,201)	(443,470)	-	-	(15,985)	-	(607,879)
Closing Balance	144,533	119,961	1,283,770	126,803	-	17,482	6,302	1,698,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

11. Leases

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

	2022 \$	2021 \$
Current	20,807	124,097
Non-Current	-	20,807
Total lease liabilities	20,807	144,904

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	2 months	2 months	-	-	-	-

12. Accounts Payables and other payables

a. Trade and other payables

	2022 \$	2021 \$
Trade payables	46,126	115,192
Accrued expenses	248,582	39,868
Goods and services tax payable	-	34,501
Payroll liabilities	144,686	244,641
Credit cards	111,552	89,041
Accounts payable and other creditors	550,946	523,243

b. Contract liabilities

	2022 \$	2021 \$
Revenue received in advance	964,084	706,234
Contract liabilities	964,084	706,234

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

13. Provision for Employee Entitlements

Current	2022	2021
	\$	\$
Provision for annual leave	241,995	213,734
Provision for long service leave	11,118	9,750
Total provision for employee entitlements	253,113	223,484
Non-Current		
Provision for long service leave	32,588	29,498
Total provision for employee entitlements	32,588	29,498

14. Reserves

	2022	2021
	\$	\$
Foreign Currency Translation Reserve	59,971	56,272
Total reserves	59,971	56,272

15. Retained Surplus

	2022	2021
	\$	\$
Opening balance	8,009,448	6,148,775
Surplus / (Loss) for the period	872,276	1,860,673
Closing balance	8,881,724	8,009,448

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
Lachlan Mitchell

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

(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 seven positions through the period and as at balance sheet date (2021: five positions) that meet this definition.

Key Management Personnel compensation during the year ended 30 June 2022 was:

	2022	2021
	\$	\$
Short-term employee benefits	748,137	795,002
Total Compensation	748,137	795,002

No non-executive director received any remuneration for the year (2021: 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:

	2022	2021
	\$	\$
6 – 12 months	571,752	647,340
Over 1 year	-	20,807
Total	571,752	668,147

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

(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 2021	30 June 2022
	NZD	NZD
	\$	\$
Cash and cash equivalents	422,443	195,564
Other Assets	11,001	3,493
Property, Plant & Equipment	166,311	142,252
Trade and other payables	(205,485)	(102,687)
Provisions	(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 (2021: \$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 2022	30 June 2021
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 2022

21. Auditor Remuneration

	2022	2021
	\$	\$
Audit of company financial statements*	40,469	34,378

* Service received free of charge

During the current and prior financial years, the Company received financial statement audit services free of charge 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:

	2022	2021
	\$	\$
Assets		
Current assets	4,717,194	4,730,560
Non-current assets	5,534,572	4,716,678
Total assets	10,251,766	9,447,238
Liabilities		
Current liabilities	1,661,706	1,569,036
Non-current liabilities	32,588	50,305
Total liabilities	1,694,294	1,619,341
Net assets	8,557,472	7,827,897
Equity		
Retained surplus	8,557,472	7,827,897
Total equity	8,557,472	7,827,897
Income for the year	729,575	1,769,298
Total comprehensive income for the year	729,575	1,769,298

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 2022 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 2022 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 18th day of November 2022



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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 2022, 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 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Director's 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.

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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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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, responsible entities 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 registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

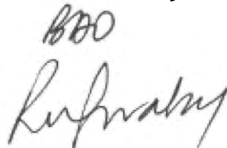
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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, 18 November 2022