

# OrangeSky

— Australia —

ANNUAL REPORT

2017/2018





Orange Sky Australia acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the traditional custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors and Elders, past and present. Orange Sky Australia is committed to honouring Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

## Table of Contents

1	CEO's Report
2	Our Impact
3	Meet Pete
5	Mission and Values
6	Co-founders Report
7	Homelessness in Australia
9	Year in Review
11	Our Programs
13	Our People
15	Meet The Board
17	Our Locations
19	Where We've Been
21	Where We're Going
22	Meet Karen
23	Financials
25	Our Supporters

## CEO's Report

So many of us take for granted the simple things like clean clothes, a safe place to sleep and human connection. The impact of genuine conversations with our families and our friends, no matter where or how they live, can never be underestimated.

Orange Sky Australia had an enormous and highly successful financial year ending 30 June, 2018. We built and launched 11 new services including five combination shower/laundry vehicles and our first remote service into the Aboriginal and Torres Strait Islander community of Lockhart River. These services, supported by an additional 500 volunteers, have meant that we have been able to provide free showers, laundry and conversations to hundreds more people doing it tough around this country.

We are excited for 2019 where our focus will be on consolidating our existing services, increasing the number of shifts and ultimately the number of people we help. Our growth will largely be into regional and remote Australia. Additionally, we are excited about the technology that we have been able to develop within Orange Sky this year and feel confident that it will transform other organisations as it has ours.

Orange Sky volunteers are cognisant of the uniqueness of each person. Each is precious and should be delicately and respectfully handled, just like each piece of clothing we place into our machines. It takes all kinds to make this world. All colours, shapes and sizes. All of us have stains and marks, chinks and tears. We have all faded and then brightened, and perhaps faded again. If you are fortunate enough to meet one of our friends on the street, remember that they are just like you are, with an intricate pattern or design, with unique marks and imperfections. Instead of just walking by, try saying hello. Who knows what conversation might transpire? As a minimum, you will have connected with another human being and helped them feel part of their community. But it is also possible that your own life may be significantly impacted by the experience.



**Jo Westh**  
CEO, Orange Sky Australia

## Our Impact

Over the past year, we positively connected



**10,750 people**

at **7,325** van shifts

THROUGH



**30,885**  
washes



**2,781**  
showers



**60,516**  
hours of  
conversation

WITH



**26**  
vans in  
operation



**1,223**  
volunteers in  
Australia



## Meet Pete

“Hi, my name is Pete and it was 18 days since I last had a shower. I live in the middle of a lake and the dirt out there is pretty thick...it’s going to take a few more showers to get that dirt off. I am glad you will be here next week as well.

I have been living out at Lake Richmond now for the last 18 days and I have been homeless on and off for about five or six years. A lot of people couldn’t live how I do. It is a hard life and what makes it even harder is the fact that my partner passed away out there four years ago. Even though that happened, I find it very safe to live there.

I have a daughter, a mother and a sister in Perth but I don’t see them much. They are all upper-class people and when I hit the streets they disowned me...they didn’t want to know me. One of the reasons for this was that I was a bad heroin user. But...I am proud to say that I haven’t used the drug for four years now...when my partner passed away it was a massive wake up call.

I don’t really mix much with anyone. Nearly everyone in the community has no idea about homelessness, they just look down on us. It’s as if we are not part of their community because we don’t live like they do. I feel like no one wants to help us because we will just go and buy drugs or make bad decisions. Not many people want to sit down and hear my story and actually empathise with what got me into this situation.

I first heard about Orange Sky about five or six months ago now. I met you at the Salvation Army and I thought it was a good idea, you don’t get many people supporting the simple things like washing clothes and having showers.

As soon as I spoke with Lisa [the Service Manager at the time], I knew I could communicate with her. I don’t connect with many people in the community but there was something about the way she spoke to me that made me at ease. I am a very stubborn person but I was able to have a very normal and easy conversation.

I come here every Friday now and love the idea that I can have a shower and have a chat. It’s ten times as good as any shower I have had in the last five years. I feel like a new man, it’s very good that you have come along.”

# Mission and Values

Everything we do at Orange Sky is underpinned by our mission to Positively Connect Communities. We provide a platform for every day Australians to connect through a regular laundry and shower service. The focus is on creating a safe, positive and supportive environment for people who are too often ignored or who feel disconnected from the community.

## Positively Connecting Communities

### Passion & Focus

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

### Imagination & Innovation

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

### Collaborative Partnerships

We succeed through sharing ideas, challenges and resources.

### Energy & Drive

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



Free Mobile Washing



Genuine Conversations



Training & Employment



Free Mobile Showers



Volunteering Opportunities



## Co-founders Report



Last year, I was able to sum up the entire year with two key moments; one conversation with a volunteer and the other with a friend.

Reflecting on the past 12 months, it's impossible for me to summarise it in a few moments. Nic and I have spent countless hours this year having conversations with friends, volunteers, donors, sponsors and supporters. Conversations in cities, internationally and in remote communities. No two conversations have been the same and yet every one similar in the way it brings two people together, even just for a brief moment. It's an opportunity to stop, listen and genuinely connect with another person.

This simple act of connection is what our volunteers do each and every week across Australia around our bright orange vans. Over the past year, we grew to a team of more than 1,000 volunteers, surpassed 1,000 hours of conversation in a week and totalled more than 100,000 hours of conversation since our first ever wash.

We often talk about Orange Sky as a magnet for drawing people together from all walks of life, a magnet for building friendships and building relationships. A magnet for conversation.

Earlier this year, Nic and I presented to a group of about 700 school teachers at a conference in Brisbane. After we finished and were packing up, a lady approached us and gave both of us a massive hug. She had streams of tears running down her face. Concerned, we asked if she was ok and she said, "You two did my washing after Cyclone Debbie in Airlie Beach, I never thought it would happen to me."

It was a conversation that reminded us of the power of connection and that homelessness really can happen to any of us.

- Lucas Patchett



## Homelessness in Australia



people experiencing homelessness in Australia...

That's 1 in every 200 people

MALE

FEMALE

56 % percent are male  
44 % percent are female



51,088 people living in severely crowded dwellings

8,200

in improvised dwellings, tents or sleeping out.

16%

are over the age of 55

20%

are Aboriginal or Torres Strait Islander

60%

are under the age of 35

# Year in Review 17/18

JULY



## 1,000 hours of conversation

For the first time, our volunteers clocked up 1,000 hours of conversation with friends in a week.

AUGUST



## North Adelaide launch

Laundry van 'Sandy' launched in the Northern Suburbs of Adelaide.

OCTOBER



## Mackay launch + first hybrid van

'Don' launched in Mackay - our first ever combination laundry and shower van.

AUGUST



## Newcastle launch

Laundry van 'Hunter' launched in Newcastle.

SEPTEMBER



## Port Macquarie launch

Laundry van 'Maddy' launched in Port Macquarie.

NOVEMBER



## First remote service

'Phyham' launched in Lockhart River, our first vehicle in a remote community.

DECEMBER



## Orange Sky Stories

The release of our first ever story book, featuring a collection of stories from our friends and volunteers.

JANUARY



## 1,000 volunteers

Orange Sky had 1,000 volunteers rostered on shifts across Australia.

FEBRUARY



## Canberra hybrid launch

Hybrid van 'Frosty' launched in Canberra, replacing laundry van 'Dasher'.

APRIL



## Seven tonnes of washing

We eclipsed seven tonnes of laundry in one week.

JANUARY



## Perth South hybrid launch

Hybrid van 'Lottie' launched in Perth South, replacing laundry van 'Lucky'.

FEBRUARY



## Townsville launch

Hybrid van 'Caz' launched in Townsville.

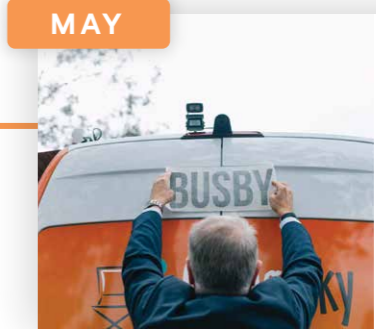
MARCH



## Geelong launch

Laundry van 'Bluey' launched in Geelong.

MAY



## Western Sydney launch

Hybrid van 'Busby' launched in Western Sydney - our 7th service in NSW.

## Our Programs

### Laundry & Shower

Orange Sky's laundry and shower service has continued to expand across Australia, helping to positively connect our friends doing it tough through clean clothes, warm showers and genuine conversations. There are 17 laundry vans and 3 shower vans operating in locations around the country. A big focus for our vehicle team this year was on research and development to improve efficiencies, ensure the longevity of our vans and find ways to reduce our environmental impact.

### Social Impact Washing

Our Social Impact Washing (SIW) program provides employment opportunities for our friends on the street. In certain locations, when our vans are not on shift, they are used by our friends to wash and dry clothes, tea towels and polishing cloths for local residents and businesses. The program is currently running in Brisbane and Perth, with plans to expand in both locations. We will soon be operating on the New South Wales Central Coast and in Newcastle, and are currently recruiting for SIW volunteer coordinators on the Gold Coast and in Port Macquarie.



### Hybrid

Orange Sky launched its first combination laundry and shower van in Mackay in October 2017. This type of van better services the needs of the community by providing our friends on the street with access to free washing and safe, hot showers. As we expand into more regional areas, the interest in this vehicle is increasing. In the past year, we've launched five hybrid vans in Mackay, Perth South, Canberra, Townsville and Western Sydney.

### Remote

Orange Sky launched its first remote service in Lockhart River, an Aboriginal and Torres Strait Islander community of 700 people located 850 kilometres north of Cairns. Due to the challenging terrain in Queensland's top end, an ex-Australian defence truck was purchased and rebuilt over six months to include a purpose-built canopy, large washers and dryers, onboard water tanks and a generator. We felt privileged when the local elders named this vehicle 'Phytham' after the majestic rock formation that stands guard over the people and country of Lockhart River.

As we develop the model in Lockhart River to expand in 2019 to other remote communities, our interest and commitment intensifies. We have learnt that health issues such as scabies, trachoma and other infectious illnesses are prevalent in communities throughout Queensland, the Northern Territory, South Australia and Western Australia. We believe that Orange Sky is well positioned to add practical support in the form of clean clothes and conversation.





# Our People



# Meet The Board



## Lucas Patchett Chairperson and Co-Founder

Lucas has been an Orange Sky Board Member since founding the organisation in 2014, Chairperson since the second year of operation, and has played a critical role in the strategic direction of Orange Sky. Lucas currently oversees the Brand and Communications team as well as the Fundraising and Partnerships team. He is studying a Bachelor of Engineering (Mechanical) and a Bachelor of Commerce at the University of Queensland. Lucas and Nic share the Orange Sky story with people and organisations through speaking engagements, with the aim of challenging stereotypes and dispelling myths about homelessness.



## Nic Marchesi Vice Chairperson and Co-Founder

A 24-year-old entrepreneur, Nic has been instrumental in the growth of Orange Sky. He has taken a lead role in the vehicle build, research and development team, and plays a key role in sourcing and maintaining corporate partners. After finishing school in 2011, Nic worked as a camera operator and editor for the ABC and Seven Network before moving into consulting for fast growing start-ups in Europe and the US. As a result of Nic's influence, storytelling is central to Orange Sky's culture and is the cornerstone of the organisation's brand and creative content.



## Jo Westh Executive Director

Jo has more than 30 years experience in management consulting, leading teams around the world in building sustainable businesses. At Orange Sky, Jo has established the strategy and business systems to support and foster the organisation's continued growth, fostered a culture of safety and teamwork, led the introduction of strategic fundraising and has been integral to the organisation's entry into remote indigenous communities. Parallel to this work, she was a Director of a not-for-profit organisation supporting children in Cambodia, which was a catalyst for her increased passion in the third sector. Jo has been a Board Member of Orange Sky since its inception in 2014 and joined as CEO for Orange Sky in June 2016. Her passion, experience and motivation prove invaluable in the continued growth and evolution of Orange Sky.



## Catherine O'Sullivan Non-Executive Director

Catherine is the Director of Innovation, Industry and Employability for Laureate International University. In this leadership role, Catherine drives industry engagement to ensure that curriculum is delivered in a practical and applicable way, which is globally recognised as a key attribute of Laureate's students. A former Pro Vice-Chancellor, Pathways and Partnerships at Bond University, Catherine has been recognised with various awards, which are a testament to her dedication to women's leadership and education. Catherine's 'Yarning Up' initiative for Bond University was honoured with the 2016 Queensland Premier's Reconciliation Award and the ATEM/Campus Review Award for Excellence in Community Engagement. Orange Sky has already benefited from her extensive insight and experience.



## Nick 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, Shopper Media Group and Active Adventures New Zealand. Nick has a Bachelor of Engineering (1st Class Honors) and a Bachelor of Commerce from the University of Queensland, and an MBA from the London Business School.



## Rob Tully Non-Executive Director

Rob is a result-oriented and self-motivated business professional with more than 20 years experience in fast-paced, highly demanding manufacturing, health care, hospitality and cleaning industries. With a proven record in sales and operations management as well as product development, Rob is a key part of the Orange Sky team. He shares the organisation's ethics and values, and his experience and contacts in the industry coupled with his sales and technical skills will help Orange Sky grow into the future.



## Claire Marchesi Company Secretary

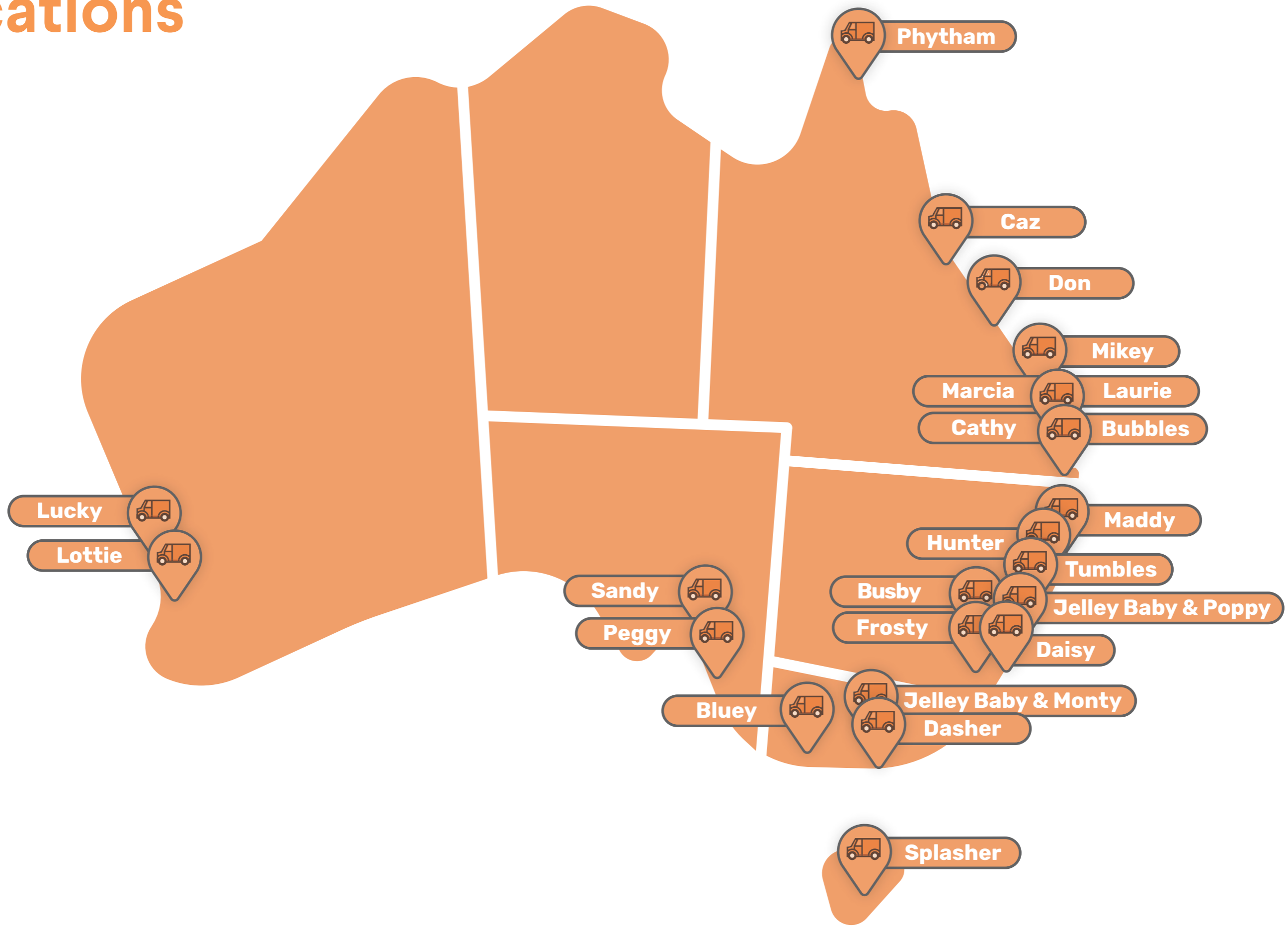
Claire brings a wealth of knowledge to the Orange Sky team including 30 years policy and program experience in the housing and homelessness sector along with group facilitation, evaluation and training skills. Claire has been Secretary of the Orange Sky Board since its inception in 2014, is the current Company Secretary and was a board director until retiring in late 2017. She is responsible for ensuring Orange Sky meets its regulatory governance and compliance requirements.



## Brandon Naber Non-Executive Director

US born but soon to be Australian native, Brandon has worked with fast growing tech start-ups including LinkedIn, Twitter and Dropbox. 2017 saw him relocate to Singapore with his current position, looking after the sales team for Flare HR. Brandon has been building world class teams for a number of years and also spent seven months as a Team Leader for the Thursday night shift in Sydney.

# Our Locations



# Where We've Been

10 OCTOBER 2014



First ever load of washing

13 JULY 2015



First interstate van launched in Melbourne CBD

7 MARCH 2016



First staff member

27 JULY 2016



10 vans in operation across Australia

16 AUGUST 2016



First shower

7 SEPTEMBER 2016



500 Orange Sky volunteers

26 SEPTEMBER 2016



Launch of the Orange Sky App

11 FEBRUARY 2017



250,000 kg of laundry

28 FEBRUARY 2017



1,000 Orange Sky volunteers

18 MAY 2017



50,000 hours of conversation

14 JUNE 2017



CLG status achieved

19 SEPTEMBER 2017



Orange Sky Portal launch

25 SEPTEMBER 2017



25 staff members

16 OCTOBER 2017



Hybrid laundry and shower van launch

20 NOVEMBER 2017



Launch of Orange Sky Remote Services

13 JANUARY 2018



500,000kg of laundry

9 MAY 2018



100,000 hours of conversation

## Where We're Going

The future at Orange Sky is looking bright and we are excited for what's to come in the year ahead.

We have plans to consolidate our existing services to provide more shifts and more volunteers to more friends doing it tough.

We will be developing our Social impact Washing program to provide employment opportunities to the many friends who are ready to reconnect with the community.

We are excited to continue expanding our remote communities program to give people in these areas access to free washing, with a view to helping provide employment opportunities and increased health and hygiene standards.

The development of our technology will be a huge focus for the next 12 months. We want to enable other organisations to access technology that could transform the way they operate, communicate and report in the same way as it has ours.

Lastly, we will be expanding into new countries and helping to positively connect people across the world.



## Meet Karen

“Life on the best occasions doesn't always work out as well as you plan your parade. Things go wrong, people get robbed, women are subject to abuse... and sometimes women would rather live on the street than in a home where they're being abused.

Twenty years ago, I wouldn't have thought of myself as living in a way that wasn't perhaps the most desirable way to live.

Homelessness is a form of being held down and I think that services that are provided like Orange Sky help people carry on and look forward to a more positive day.

I think in order to maintain self-esteem, integrity and be able to move on, it's important that you remain in contact with services where you're able to clean yourself up, have a shower, wash your clothes, go for an interview and be presentable to other people. I think that if you allow people to do things like shower, they might work harder to look for a job and eventually move on to bigger and better things.”

# Financials

## Overview

The past financial year saw Orange Sky exceed \$5 million in revenue, with a surplus of \$1.3 million.

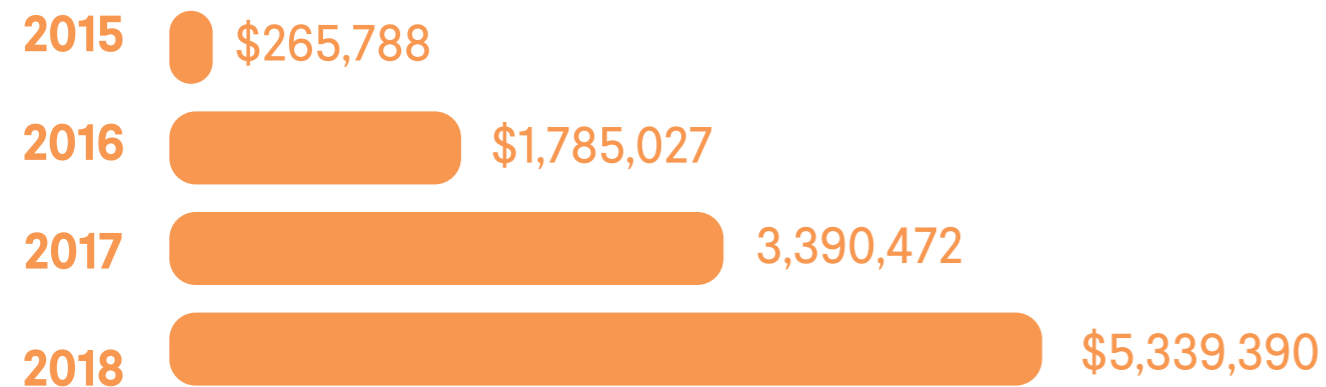
We are proud to be a 'profit for purpose' organisation, and this surplus allows us to expand our operations to fulfil our mission to positively connect communities. The surplus also provides a buffer in case our donations start to decline.

Our surplus targets are designed to build a sustainable organisation moving forward and to ensure that we can continue to provide a consistent and reliable service for our friends well into the future.

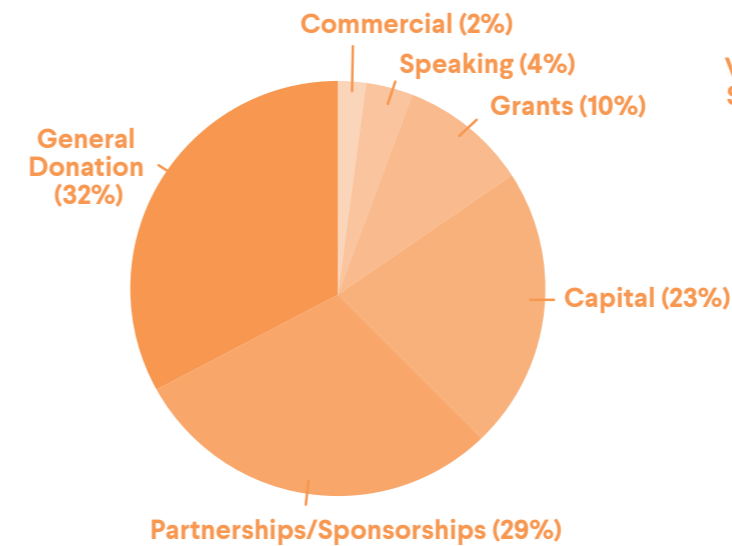
What we are most proud of this year is that we have changed perceptions, broken myths and most importantly, improved the lives of many of our friends, our volunteers and staff through a determination and commitment to help others.

## Orange Sky's Revenue

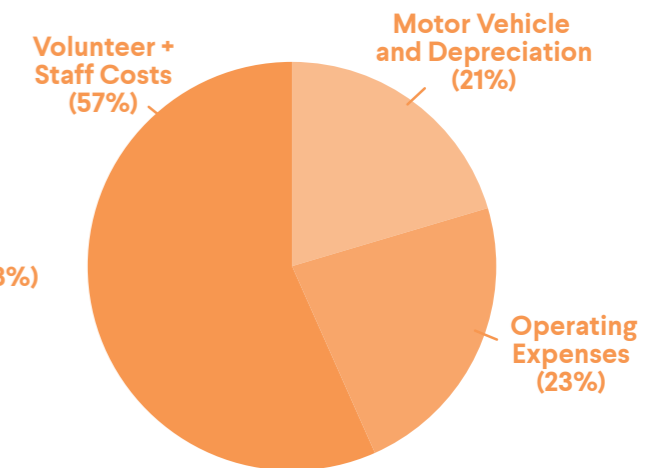
2015 - 2018 Financial Years



## Income



## Expenses



## Our Impact



Orange Sky's social impact

**\$2 Million**

value of quality of life gained by friends

**40%**

of people experiencing homelessness have access to Orange Sky services

**\$2.5 Million**

in services provided by volunteers

**\$2.4 Million**

value of quality of life gained by volunteers

# Our Supporters

## National Partners



## Van Sponsors



## Chair Sponsors



## Supporting Partners

Ashurt

The Pierce Armstrong Foundation

Programmed

Roche Products Pty Ltd

Symbio

Rotary Club of Perth

Deloitte

Rotary Club of Crawley

Ernst & Young

ANZ Staff Foundation

City of Darwin

Suiters Foundation

Danks Trust

UWA Student Guild

Department of Housing and Public Works

Westpac Businesses of Tomorrow

Commonwealth Bank Centenary Grant

Knox Foundation

Ergon Energy

Bell Bay Aluminium

Lyone Foundation

**INDEX**

**Orange Sky Australia Limited  
ABN 85 890 622 990  
Financial Report  
Year Ended 30 June 2018**

<b>Page</b>	
3 – 5	Directors' Report
6	Auditor's Independence Declaration
8	Consolidated Statement of Comprehensive Income
9	Consolidated Statement of Financial Position
10	Consolidated Statement of Changes in Equity
11	Consolidated Statement of Cash Flows
12 - 22	Notes to the Consolidated Financial Statements
23	Directors' Declaration
24	Independent Auditor's Report to the Members



**DIRECTORS' REPORT**

Your directors present this report on the company for the financial year ended 30 June 2018.

**Directors**

The Directors in office at the date of this report and during the year ended 30 June 2018 (unless otherwise stated) were:

Lucas Patchett	Executive Director
Nicholas Marchesi	Executive Director
Joanne Westh	Chief Executive, Executive Director
Brandon Naber	Non-Executive Director, ceased 3 May 2018
Robert Tully	Non-Executive Director
Catherine O'Sullivan	Non-Executive Director, appointed 28 November 2017
Claire Marchesi	Non-Executive Director, ceased 28 November 2017
Nick Miller	De facto Director (expected to be appointed as Non-Executive Director in December 2018)

**Principal Activities**

We focus on 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.

Orange Sky Australia Limited (Orange Sky) is the world's first free mobile laundry service for people experiencing homelessness. Orange Sky, in less than four years has developed a network of over 1200 diverse volunteers in 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, also representing all nationalities and backgrounds. Vans are based in metropolitan and regional locations, where anyone who wants to use our service for free can do so, without assessment or judgment. In late 2017 we launched our first service into a remote indigenous community, Lockhart River to help reduce disease transmission in overcrowded dwellings.

Our service is also set up to assist people who are affected by temporary homelessness, i.e. through natural disasters, such as cyclones, floods, bushfires and earthquakes. Our service can provide a sense of normality to those affected by such catastrophes.

We believe that all people should have access to basic human rights such as clean clothes, showers and conversation.

**Operations and results**

Orange Sky had a successful financial year ending 30th June 2018.

Some of the highlights included:

- Transitioned to a company limited by guarantee status including new Constitution
- Introduced new board structure and recruited new directors
- Built and launched eleven new services including:
  - Five combination shower/laundry vehicles
  - First remote service into the indigenous community of Lockhart River

- Doubled our general donations from the previous year
- Secured multiple new sponsors/donors/government support
- Developed and launched a new portal to enhance volunteer management, to house policies, procedures, videos, training programs, and also to manage donor and sponsor information and contact.
- Grew team of high performing staff to 30
- Self-published our first Orange Sky Story book
- Exceeded five million dollars' revenue with a surplus of \$1.3million.

We are proud to be a "Profit for Purpose" organisation. This surplus allows us to expand operations to fulfil our mission. The surplus also provides us with a buffer in case our donations start to decline. Our surplus targets are designed to build a sustainable organisation going forward.

The Net Surplus for the financial year was \$1,302,335 (2017: surplus \$1,509,799).

What we are most proud of this year is that we have changed perceptions, broken myths and most importantly improved the lives of many of our friends, our volunteers and staff through a determination and commitment to help others.

**Information on Directors**

**Lucas Patchett – Executive Director / Chair**

Lucas is part way through a Mechanical Engineering and Commerce degree at the University of Queensland. This year has led to Lucas taking a lead role in the Brand & Communications team. A focus on storytelling and challenging stereotypes of homelessness has resulted in some incredible content. Nic and Lucas present jointly to interest groups, media, schools and clubs to tell the story of Orange Sky and to dispel myths about homelessness.

**Nicholas Marchesi – Executive Director**

A 24-year-old entrepreneur, Nic has been instrumental in the growth of Orange Sky. He has taken a lead role in the vehicle build, research and development team as well as sourcing and maintaining corporate partners. After finishing school in 2011, Nic worked as a camera operator and editor for Channel 7 before moving into consulting for fast growing start-ups in Europe and the US.

**Joanne Westh – Chief Executive, Executive Director**

Jo has 30 years' experience in management consulting in senior leadership and partnership roles for national and international consulting firms. Her specific experience has been in organisational change with a focus on start-ups, organisations experiencing large growth, and mergers and acquisitions. Parallel to this work, she was a Director of a not-for-profit organisation supporting children in Cambodia, which was a catalyst for her increased passion in the third sector. Jo has been a Board Member of Orange Sky since its inception in 2014 and joined as CEO for Orange Sky in June 2016. Her passion, experience and motivation prove invaluable in the continued growth and evolution of Orange Sky.

**Brandon Naber – Non-Executive Director (ceased 3 May 2018)**

US born but soon to be Australian native, Brandon has worked with fast growing tech start-ups including LinkedIn, Twitter and Dropbox. 2017 saw him relocate to Singapore with his current position, looking after the sales team for Flare HR. Brandon has been building world class teams for a number of years and also spent seven months as a Team Leader for the Thursday night shift in Sydney.

**Robert Tully – Non-Executive Director**

Rob is a result-oriented and self-motivated business professional with more than 20 years' experience in fast-paced, highly demanding manufacturing, health care, hospitality and cleaning industries. With a proven record in sales and operations management as well as product development, Rob is a key part of the Orange Sky team. He shares the organisation's ethics and values, and his experience and contacts in the industry coupled with his sales and technical skills help Orange Sky grow into the future.

**Catherine O’Sullivan – Non-Executive Director, since 28 November 2017**

Catherine is an experienced senior executive who has made significant contributions to organisations and communities with a strong focus in the education sector. As a recognised leader and innovator, she has been at the forefront of many collaborations and negotiations at all levels of government, business, industry and the broader community, instituting systemic change and a transformational program of business improvement and policy innovation in Indigenous affairs.

Catherine's professional recognition in the wider community including many awards, along with a significant record of success on various boards and a wide range of contacts in all sectors, made her an obvious choice as a Board Member for Orange Sky.

**Claire Marchesi – Non-Executive Director, ceased 28 November 2017 / Company Secretary**

An experienced social policy and program manager, Claire brings a wealth of knowledge to the Orange Sky team including 30 years’ experience in the housing and homelessness sector. She has a deep understanding of the funding application processes and government requirements around funded services. Claire has been on the Orange Sky Board as Secretary since our inception and is responsible for all our regulatory compliance and board documentation.

**Nick Miller – De Facto Director (expected to be appointed Non-Executive Director December 2018)**

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, Shopper Media Group and Active Adventures New Zealand. Nick has a Bachelor of Engineering (1st Class Honors) and a Bachelor of Commerce from the University of Queensland, and an MBA from the London Business School.

**Meetings of Directors**

During the financial year, 8 (eight) meetings of directors were held. Attendances by each director were as follows:

	Directors’ Meetings	
	Number eligible to attend	Number attended
Joanne Westh	8	8
Robert Tully	8	7
Nicholas Marchesi	8	6
Lucas Patchett	8	8
Catherine O’Sullivan	5	4
Brandon Naber	6	4
Claire Marchesi	8	7
Nick Miller	5	4

**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 2018, 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. The total amount of insurance premiums paid was \$2,180 (2017: \$1,499).

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

**Auditor’s Independence Declaration**

The lead auditor’s independence declaration for the year ended 30 June 2018 has been received and can be found on page 24 of the financial report.

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

Director 

Dated this Wednesday, 05 day of December 2018



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Orange Sky Australia Limited ABN 85 890 622 990

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE  
2018

	Note	2018	2017
		\$	\$
Revenue from Continuing Operations	4(a)	5,317,461	3,382,130
Interest Income	4(b)	21,929	8,342
Operating Expenses	4(c)	(4,029,537)	(1,880,673)
Gain/(Loss) on Investment		(7,518)	-
<b>Current year surplus / (deficit) before income tax</b>		<b>1,302,335</b>	<b>1,509,799</b>
Income tax expense	5	-	-
<b>Net current year surplus / (deficit)</b>		<b>1,302,335</b>	<b>1,509,799</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>1,302,335</b>	<b>1,509,799</b>

The accompanying notes form part of these financial statements.

### Auditor's Independence Declaration to the Directors of Orange Sky Australia Limited

In relation to our audit of the financial report of Orange Sky Australia Limited for the financial year ended 30 June 2018, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

*Ernst & Young*  
Ernst & Young

*PMcLuskie*

Paula McLuskie  
Partner  
5 December 2018

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018	2017
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,302,773	1,514,147
Accounts receivable and other debtors	7	302,238	42,205
Prepayments and other assets	8	30,400	63,579
<b>TOTAL CURRENT ASSETS</b>		<u>1,635,411</u>	<u>1,619,931</u>
<b>NON-CURRENT ASSETS</b>			
Investments	9	992,483	-
Fixed Assets	10	2,204,427	1,442,812
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,196,910</u>	<u>1,442,812</u>
<b>TOTAL ASSETS</b>		<u>4,832,321</u>	<u>3,062,743</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	11	541,075	140,863
Provision for employee entitlements	12	104,345	37,315
<b>TOTAL CURRENT LIABILITIES</b>		<u>645,420</u>	<u>178,178</u>
<b>TOTAL LIABILITIES</b>		<u>645,420</u>	<u>178,178</u>
<b>NET ASSETS</b>		<u>4,186,900</u>	<u>2,884,565</u>
<b>EQUITY</b>			
Retained surplus/ (deficit)	13	4,186,900	2,884,565
<b>TOTAL EQUITY</b>		<u>4,186,900</u>	<u>2,884,565</u>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surplus
	\$
<b>Balance at 1 July 2016</b>	<u>1,374,766</u>
<b>Comprehensive income</b>	
Surplus/(deficit) for the period	1,509,799
Other comprehensive income for the year	-
<b>Total comprehensive surplus/(deficit) for the year</b>	<u>1,509,799</u>
<b>Balance at 30 June 2017</b>	<u>2,884,565</u>
<b>Comprehensive income</b>	
Surplus/(deficit) for the period	1,302,335
Other comprehensive income for the year	-
<b>Total comprehensive surplus/(deficit) for the year</b>	<u>1,302,335</u>
<b>Balance at 30 June 2018</b>	<u>4,186,900</u>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018	2017
		\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	1,302,773	1,514,147
Accounts receivable and other debtors	7	302,238	42,205
Prepayments and other assets	8	30,400	63,579
<b>TOTAL CURRENT ASSETS</b>		<b>1,635,411</b>	<b>1,619,931</b>
NON-CURRENT ASSETS			
Investments	9	992,483	-
Fixed Assets	10	2,204,427	1,442,812
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,196,910</b>	<b>1,442,812</b>
<b>TOTAL ASSETS</b>		<b>4,832,321</b>	<b>3,062,743</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Accounts payable and other payables	11	541,075	140,863
Provision for employee entitlements	12	104,345	37,315
<b>TOTAL CURRENT LIABILITIES</b>		<b>645,420</b>	<b>178,178</b>
<b>TOTAL LIABILITIES</b>		<b>645,420</b>	<b>178,178</b>
<b>NET ASSETS</b>		<b>4,186,900</b>	<b>2,884,565</b>
<b>EQUITY</b>			
Retained surplus/ (deficit)	13	4,186,900	2,884,565
<b>TOTAL EQUITY</b>		<b>4,186,900</b>	<b>2,884,565</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surplus
	\$
<b>Balance at 1 July 2016</b>	<b>1,374,766</b>
<b>Comprehensive income</b>	
Surplus/(deficit) for the period	1,509,799
Other comprehensive income for the year	-
<b>Total comprehensive surplus/(deficit) for the year</b>	<b>1,509,799</b>
<b>Balance at 30 June 2017</b>	<b>2,884,565</b>
<b>Comprehensive income</b>	
Surplus/(deficit) for the period	1,302,335
Other comprehensive income for the year	-
<b>Total comprehensive surplus/(deficit) for the year</b>	<b>1,302,335</b>
<b>Balance at 30 June 2018</b>	<b>4,186,900</b>

The accompanying notes form part of these financial statements.

## Orange Sky Australia Limited ABN 85 890 622 990

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from donations, sponsorships, grants and customers (including GST)		5,307,745	3,380,182
Payments to suppliers and employees (including GST)		(3,297,313)	(1,606,561)
Interest and dividends received and other costs of finance		(199)	(1,478)
Net cash flows from operating activities		<u>2,010,233</u>	<u>1,772,143</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		(1,240,891)	(907,837)
Purchase of investments		(992,483)	-
Net cash flows used in investing activities		<u>(2,233,374)</u>	<u>(907,837)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds of borrowings		11,767	41,424
Net cash flows used in financing activities		<u>11,767</u>	<u>41,424</u>
Net increase/ (decrease) in cash held		<u>(211,374)</u>	<u>905,730</u>
Cash at the beginning of the financial year		1,514,147	608,417
Cash at the end of the financial year	6	<u>1,302,773</u>	<u>1,514,147</u>

The accompanying notes form part of these financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**1. CORPORATE INFORMATION**

The financial report of Orange Sky Australia Limited (Orange Sky) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 5 December 2018.

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. In the period ended 30 June 2018, there were no operations by the subsidiary and accordingly the parent entity balance sheet is materially consistent with the consolidated balance sheet disclosed in the Consolidated Statement of Financial Position.

Prior to being a Company limited by guarantee, Orange Sky was an incorporated association (Orange Sky Laundry Inc).

The decision to convert from an incorporated association to a company limited by guarantee was approved by way of a special resolution passed unanimously at a special general meeting of members on 12 April 2017. The resolution stated that:

- the company name would be Orange Sky Australia Limited;
- upon registration as a public company limited by guarantee, the company would adopt the constitution tabled during the special general meeting; and
- six of the existing members of the management committee were chosen to be the Initial Elected Directors of the company.

The conversion from an incorporated association to a company limited by guarantee under the *Corporations Act 2001* was authorised by the Office of Fair Trading on 1 June 2017 and registered with Australian Securities and Investments Commission (ASIC) on 14 June 2017.

The comparative figures in this report for the year ended 30 June 2017 reflects the combined financial performance and financial position of Orange Sky Australia Limited (for the period 14 June 2017 to 30 June 2017), and Orange Sky Laundry Inc (for the period 1 July 2016 to 13 June 2017).

All amounts within the financial statements are presented in Australian dollars.

Registered Address:  
17-31 Dover Street  
Albion, Queensland, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****b. Statement of Compliance**

The financial report complies with Australian Accounting Standards.

*(i) New Accounting Standards Issued But Not Yet Effective*

The Australian Accounting Standards Board has issued a number of standards and interpretations that are applicable for future financial reporting periods.

Reference	Name	Date of Application by Orange Sky Australia Limited
AASB 9	Financial Instruments	1 July 2018
AASB 15	Revenue from Contracts with Customers	1 July 2019
AASB 16	Leases	1 July 2019
AASB 1058	Income for Not-for-Profit Entities	1 July 2019
AASB 17	Insurance Contracts	1 July 2021

Management has not yet conducted a detailed analysis of the impact of these standards however as the company has no complex financial instruments or contracts with customers or leases, the new standards are not expected to have a major impact.

**c. Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Fundraising income and cash donations*

Revenue is recognised 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. Only those goods that are utilised in the business are recognised as income and expense.

*(iii) Interest and dividends*

Interest, or dividend, revenue is recognised upon control of the right to receive the interest, or dividend payment.

*(iv) Sponsorships*

Sponsorship agreements entitle the sponsor to something of value in return for their support. Revenue is recognised when the Company has an unconditional right to receive the sponsorship under the terms of the sponsorship agreement.

*(v) Grants*

Grants are recognised in the balance sheet as a liability when the grant is received. When the grant relates to an expense, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to the purchase of an asset, the fair value is released to the statement of comprehensive income as and when the grant funding is utilised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****d. Expenses**

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

**e. 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.

**f. 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 established when there is objective evidence that Orange Sky will not be able to collect all amounts due according to the original terms of receivables.

**g. 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.

**h. Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payment terms vary from cash on delivery, to 30 days end of month.

**i. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****i. Property, Plant and Equipment (continued)***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	- 13.33 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.

**j. 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.

**k. Taxes***Income Tax*

Orange Sky is a registered charity and is exempt from income tax in accordance with Division 50 section 50-5 of the *Income Tax Assessment Act 1997*. It is also exempt from State payroll taxes. Orange Sky migrated from an incorporated associated to a company limited by guarantee during the 2017 financial year. The process of migration does not create a new legal entity, and as such, Orange Sky has avoided any adverse impact to its income tax exempt status.

*Goods and Services Tax*

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

**l. Parent Entity Financial Information**

The financial information for the Parent entity, Orange Sky, disclosed in Note 19 has been prepared on the same basis as the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****m. Comparative Figures**

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

The comparative figures in this report for the year ended 30 June 2017 reflects the combined financial performance and financial position of Orange Sky Australia Limited (for the period 14 June 2017 to 30 June 2017), and Orange Sky Laundry Inc. (for the period 1 July 2016 to 13 June 2017). As noted previously, the company limited by guarantee and the incorporated association are the same legal entity.

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.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES & 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.

**4. REVENUE AND EXPENSES**

	2018	2017
<b>(a) Revenue</b>	<b>\$</b>	<b>\$</b>
Gross donations received	3,198,022	2,481,886
Sponsorships received	1,273,455	411,364
Grants received	532,100	400,779
Other income	313,884	88,101
<b>Revenue from continued operations</b>	<b>5,317,461</b>	<b>3,382,130</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

## 4. REVENUE AND EXPENSES (continued)

	2018	2017
	\$	\$
<b>(b) Interest Income</b>		
Interest received	21,929	8,342
	<u>21,929</u>	<u>8,342</u>
<b>(c) Expenses</b>		
Advertising & promotion expenses	113,483	90,626
Depreciation expense	479,275	250,399
Rent & utilities expenses	172,535	6,095
Operating expenses	361,451	231,662
Volunteer expenses	71,761	62,305
Motor vehicle expenses	346,930	203,817
Employment expenses	2,220,068	875,029
Travel & accommodation expenses	264,034	160,740
	<u>4,029,537</u>	<u>1,880,673</u>

## 5. INCOME TAX

Orange Sky 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.

## 6. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank	1,068,398	564,147
Investments account	234,375	950,000
	<u>1,302,773</u>	<u>1,514,147</u>
<b>Reconciliation of the operating surplus/(loss) after tax to the net cash flows from operations</b>		
Net Surplus/(loss)	1,302,335	1,509,799
<b>Adjust for Non-Cash items</b>		
Depreciation and Amortisation	479,275	250,399
<b>Changes in Assets and Liabilities</b>		
(Increase)/decrease in trade and other receivables	(280,555)	(10,289)
(Increase)/decrease in prepayments	33,179	(34,012)
(Increase)/decrease in revenue received in advance	223,249	48,750
(Decrease)/increase in trade and other creditors	194,517	(24,499)
(Decrease)/increase in prepaid expenses	(8,797)	(5,320)
(Decrease)/increase in employee provisions	67,030	37,315
<b>Net cash flow from/(used in) operating activities</b>	<u>2,010,233</u>	<u>1,772,143</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

## 7. RECEIVABLES

	2018	2017
	\$	\$
Trade receivables	302,238	21,683
Goods and Services Tax receivable	-	20,522
<b>Total receivables</b>	<u>302,238</u>	<u>42,205</u>
<i>Trade Receivables</i>		
<b>Days</b>		
<b>0-30 Current Terms</b>	80,196	15,616
<b>31-60 (Past due not impaired)</b>	174,582	1,880
<b>61-90 (Past due not impaired)</b>	-	4,187
<b>+91 (Past due not impaired)</b>	47,460	-
	<u>302,238</u>	<u>21,683</u>

## FAIR VALUE AND CREDIT RISK

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Company's policy to transfer (on-sell) receivables to special purpose entities.

## 8. PREPAYMENTS AND OTHER ASSETS

	2018	2017
	\$	\$
Prepayments	30,400	63,579
<b>Total Prepayments &amp; Other Assets</b>	<u>30,400</u>	<u>63,579</u>

## 9. INVESTMENTS

	2018	2017
	\$	\$
Equity instruments at fair value	992,483	-
<b>Total Investments</b>	<u>992,483</u>	<u>-</u>

For the various listed entities investments, the fair values were determined through reference to Level 1 inputs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

## 10. FIXED ASSETS

	2018	2017
	\$	\$
Plant & Equipment	56,774	34,198
Less Accumulated Depreciation	(19,808)	(8,251)
	<b>36,966</b>	<b>25,947</b>
Motor Vehicles	2,874,394	1,700,912
Less Accumulated Depreciation	(748,737)	(311,396)
	<b>2,125,657</b>	<b>1,389,516</b>
Office Equipment & Computers	83,170	44,640
Less Accumulated Depreciation	(47,668)	(17,291)
	<b>35,502</b>	<b>27,349</b>
Artwork	6,302	-
	<b>2,204,427</b>	<b>1,442,812</b>

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

	Plant & Equipment	Motor Vehicles	Office Equipment & Computers	Artwork	Total
Opening Balance	25,947	1,389,516	27,349	-	1,442,812
Additions	22,576	1,173,481	38,530	6,302	1,240,889
Disposals	-	-	-	-	-
Depreciation	(11,557)	(437,341)	(30,377)	-	(479,275)
Closing Balance	36,966	2,125,657	35,502	6,302	2,204,427

## 11. PAYABLES (CURRENT)

	2018	2017
	\$	\$
Trade Payables	88,836	22,909
Accrued Expenses	-	8,798
Goods and Services Tax payable	37,553	-
Payroll liabilities	89,496	18,981
Revenue Received in Advance	272,000	48,751
Credit Cards	53,190	41,424
<b>Total Payables</b>	<b>541,075</b>	<b>140,863</b>

## 12. PROVISION FOR EMPLOYEE ENTITLEMENTS

	2018	2017
	\$	\$
Provision for Annual Leave	104,345	37,315
<b>Total Provision for Employee Entitlements</b>	<b>104,345</b>	<b>37,315</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

## 13. RETAINED SURPLUS

	2018	2017
	\$	\$
Opening Balance	2,884,565	1,374,766
Surplus/(Loss) for the period	1,302,335	1,509,799
<b>Closing Balance</b>	<b>4,186,900</b>	<b>2,884,565</b>

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.

## 14. RELATED PARTY DISCLOSURE

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

Lucas Patchett	Executive Director
Nicholas Marchesi	Executive Director
Joanne Westh	Chief Executive, Executive Director
Brandon Naber	Non-Executive Director, ceased 3 May 2018
Robert Tully	Non-Executive Director
Catherine O'Sullivan	Non-Executive Director, appointed 28 November 2017
Claire Marchesi	Non-Executive Director, ceased 28 November 2017
Nick Miller	De facto Director (expected to be appointed Non-Executive Director in December 2018)

## (b) Key Management Personnel

Details relating to key management personnel, including remuneration paid, are included in Note 15.

## (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.

## 15. KEY MANAGEMENT PERSONNEL

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the organisation. The Company has identified four positions (2017: two positions) that meet this definition.

Key Management Personnel compensation during the year ended 30 June 2018 was:

	2018	2017
	\$	\$
Short-term employee benefits	536,971	171,410
<b>Total Compensation</b>	<b>536,971</b>	<b>171,410</b>

No director received any remuneration for the year (2017: \$Nil) in relation to services as a director of Orange Sky.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**16. 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 recognised, 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:

	2018	2017
	\$	\$
6 -12 months	645,420	282,656
Over 1 year	-	-
<b>Total</b>	<u>645,420</u>	<u>282,656</u>

**17. COMMITMENTS & CONTINGENCIES**

Operating lease commitments contracted for at reporting date but not provided for in the financial statements are as follows:

	2018	2017
	\$	\$
No later than twelve months	114,583	114,583
Between twelve months & five years	20,834	135,417
<b>Total</b>	<u>135,417</u>	<u>250,000</u>

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

**a) Bank Guarantee**

Orange Sky has a bank guarantee of \$34,375 (2017: \$nil) as a deposit for the office lease at 31 Dover Street, Albion.

**18. SUBSIDIARIES****Interests in subsidiaries**

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

Name of Entity	Principal Activities	Equity Interest	
		30 June 2018	30 June 2017
Orange Sky New Zealand Ltd*	Free mobile laundry service for people experiencing homelessness	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 2018

**19. 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:

Statement of financial position	2018	2017
	\$	\$
<b>Assets</b>		
Current assets	1,635,450	1,619,931
Non-current assets	3,197,002	1,442,812
<b>Total assets</b>	<u>4,832,452</u>	<u>3,062,743</u>
<b>Liabilities</b>		
Current liabilities	645,420	178,178
Non-current liabilities	-	-
<b>Total liabilities</b>	<u>645,420</u>	<u>178,178</u>
<b>Net Assets</b>	<u>4,187,032</u>	<u>2,884,565</u>
<b>Equity</b>		
Contributed equity	-	-
Reserves	-	-
Retained surplus	4,187,032	2,884,565
<b>Total equity</b>	<u>4,187,032</u>	<u>2,884,565</u>
<b>Income for the year</b>	<u>1,302,467</u>	<u>1,509,799</u>
<b>Total comprehensive income for the year</b>	<u>1,302,467</u>	<u>1,509,799</u>

**20. 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.

Orange Sky Australia Limited

ABN 85 890 622 990

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. the financial statements and notes of Orange Sky Australia Limited for the financial year ended 30 June 2018 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 2018 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.
3. Orange Sky Australia Limited have complied with the provisions and regulations of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the conditions attached to the authority have been complied with by the organisation.

For and on behalf of the Board



Dated this 05 day of 12 2018



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## Independent Auditor's Report to the Members of Orange Sky Australia Limited

### Report on the Financial Report

#### Opinion

We have audited the financial report of Orange Sky Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

If, based on the work we have performed, 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### 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.

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

### Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

### Opinion

In our opinion:

- a) the financial report of the Group has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2018, in all material respects, in accordance with:
  - i. sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
  - ii. sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;
  - iii. the *WA Charitable Collections Act (1946)*; and
  - iv. the *WA Charitable Collections Regulations (1947)*.

- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2018 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

*Ernst & Young*

Ernst & Young

*PMcLuskie*

Paula McLuskie  
Partner  
Brisbane  
5 December 2018