



PART OF THE GLOBAL



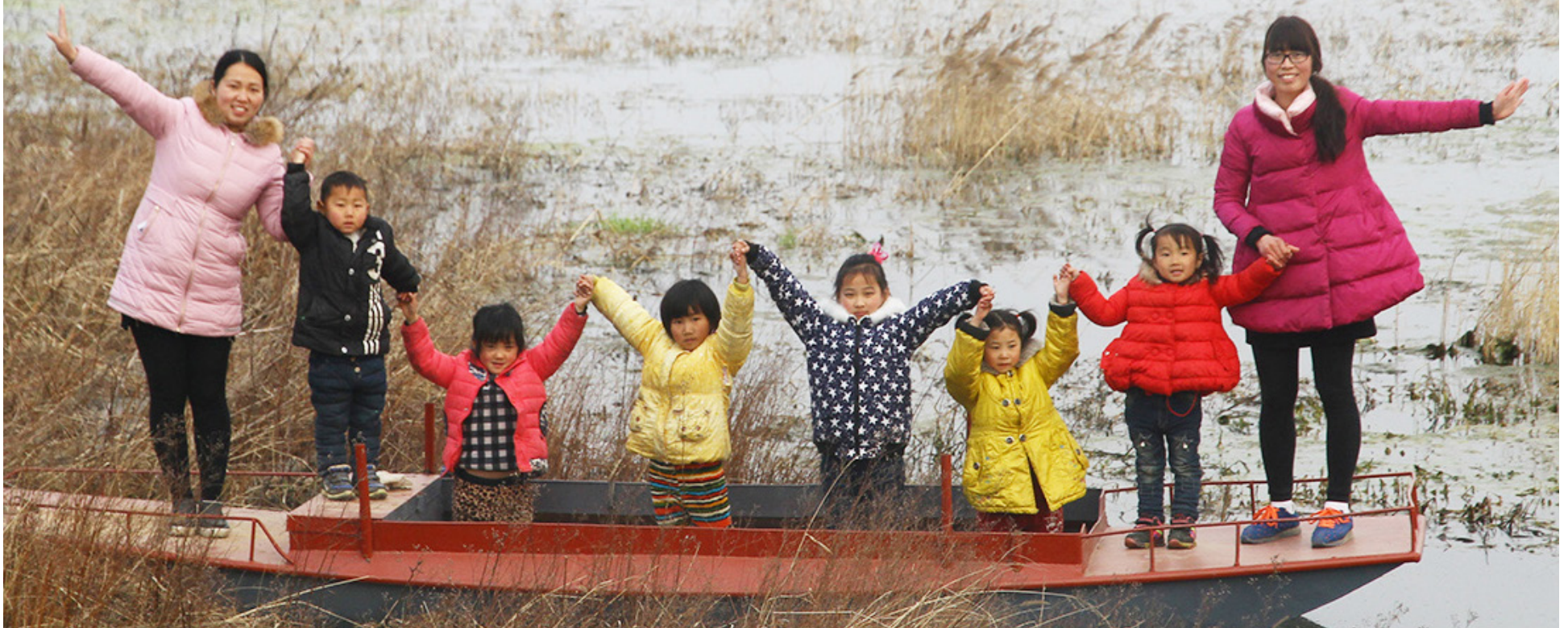
ONE SKY
for all children

NETWORK

A close-up photograph of a woman with dark hair and a gentle smile, looking down at two young children. The children are focused on playing with colorful stacking toys, which consist of blue and red plastic blocks. The child in the foreground is a young boy with dark hair, looking intently at the toys. The child on the left is partially visible, wearing a red jacket with a yellow and purple striped collar. The background is a soft, out-of-focus white.

HALF THE SKY FOUNDATION AUSTRALIA ANNUAL REPORT 2016-2017

As part of the global OneSky network, Half the Sky Australia works towards enriching the lives of orphaned and disadvantaged children in China. We help provide model programs and caregiver training designed to offer loving, family-like care to children of all ages and abilities. It is our goal to ensure that every orphaned child has a caring adult in their life and a chance at a bright future.



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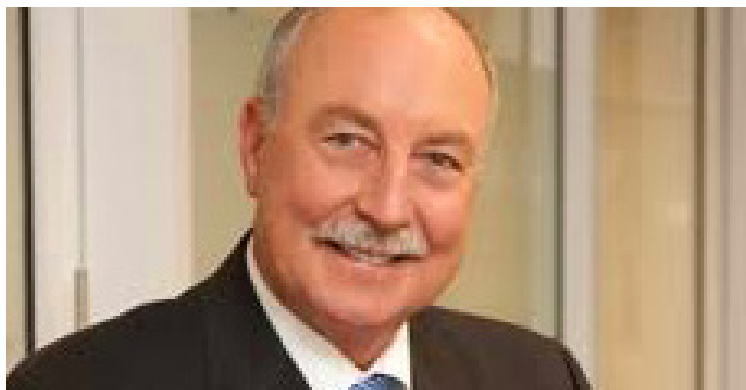
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LETTER FROM THE CHAIRMAN



Dear Friends,

I am delighted to present Half the Sky Australia's Annual Report for 2016-17. Thanks once again to our generous supporters and dedicated staff, the year has proven to be one of the most rewarding and successful yet.

Some of the highlights include our 2nd Annual Melbourne Fundraising Gala in September, 2016 bringing more than 500 guests together at the Grand Hyatt and helping take our fundraising for the year to another record – over \$1.2M raised for our work improving the lives of orphaned children in China.

We also welcomed Dan Phillips, Executive Director at Macquarie Capital, onto our Board of Directors this year, employed our second

full-time staff member, and became a Public Benevolent Institution effective from December, 2016.

Most vitally though, as you will read in this report, with additional support and resources we have been able to expand our work in China this year, benefiting many more children and their caregiving communities and this is the best reward of all.

On behalf of the Board I sincerely thank our members, donors, patrons, volunteers and staff for all the superb support you so generously provide.

Sincerely,

A handwritten signature in dark ink, appearing to read 'S. Jermyn', written in a cursive style.

Stephen Jermyn

LETTER FROM THE CEO



Dear Friends,

It was a rewarding year, indeed!

As many now know, Half the Sky Australia undertakes development projects for orphaned children in China - in partnership with the global OneSky network including our Chinese sister organisation, Chunhui Children.

We also work with local and national government partners with the shared goal of improving standards of care for all institutionalised children in China.

One of our key and most exciting and ambitious strategies is providing world-class, quality caregiver training – Half the Sky’s proven training programs and methods – to every orphanage

child care worker across the country.

From January 2017, because of our generous supporters, Half The Sky Australia is now a major partner in this nationwide training effort, impacting literally thousands of orphaned children in China (please see more at p. 13).

At the same time, we have continued support for our existing Model Children’s Centre projects at Changsha, Hunan province and Kunming, Yunnan province, and two rural seed sites at Xiangtan and Changde, both also in Hunan province.

My sincerest thanks to all those who help make this incredible work possible, so many children's lives – indeed all of our lives – are forever changed because of your tremendous generosity, love and support.

With gratitude,

Deanne Bevan

MODELS FOR CHANGE

The global OneSky network creates affordable, scalable Models for change that can be adapted for diverse situations wherever young children live in adversity, particularly in developing countries.

Three Models have been designed to enable local partners to develop and scale their own OneSky-inspired programs. To date, Half the Sky Australia has focused its support on the Model for Children in Orphanages in China.



MODEL FOR CHILDREN IN
ORPHANAGES



MODEL FOR CHILDREN IN
VILLAGES



MODEL FOR CHILDREN OF
FACTORY WORKERS



None of the OneSky Models require fancy buildings or expensive toys, but they do require human interaction, lots of it.

We train adult caregivers — nannies, teachers, foster parents, parents, grandparents, daycare providers — to provide the kind of interaction that every child needs for healthy development.

These trained adults become a workforce for good, a workforce that is changing our world.

MODEL FOR CHILDREN IN ORPHANAGES



Model for Children in Orphanages

An orphanage is a terrible place to raise a child. For every three months spent in institutional care, infants and toddlers lose about one month of linear growth. Without early intervention, individual attention or stimulation, children who survive the emotional isolation will almost certainly suffer developmental delays and be ill-equipped to function socially or to thrive in adulthood. OneSky's Model for Children in Orphanages is designed to help these at-risk children not only survive but thrive, by teaching a nation of child welfare workers how to provide consistent family-like nurturing care.

“ *For every three months spent in institutional care, infants and toddlers lose about one month of linear growth.* ”

This Model's infant nurture, preschool and loving family programs are being taken to scale by our local partners in China where they have become the national standard for care of institutionalized children and is ready for replication in other countries where orphanages are still a primary destination for children who have been separated from their families.



Anjing - Sunshine Girl



For the first seven months of her life, a baby named by orphanage staff Anjing ("quiet") lived up to her name, lying quietly in a crib in an orphanage in southern China looking at the ceiling all day long. She was fed milk four times a day and she was bathed frequently, but she never felt a kiss, a hug, or even a simple loving touch. Born with a severe birth defect, her legs were horribly out of place. Her feet and hands were twisted as well. No one thought she could survive. No one thought she could learn. No one thought she could thrive.

Then one day nanny Guo Yushao entered her life, the first of several OneSky-trained caregivers under whose care Anjing would blossom. Where others saw hopelessness, Guo saw potential. Yes, Anjing looked heartbreakingly helpless with her legs frozen in a "v" but Guo was also struck by Anjing's fleeting smile, a smile she saw as a sign of Anjing's resilience. Guo touched Anjing's misplaced legs gently, returned Anjing's smile with a huge one of her own, and whispered: "I will take care of you, my quiet, Sunshine Girl."

Like enamored moms everywhere, Guo talked, hugged and smiled her way into Anjing's heart. Anjing learned to raise her head when lying on her stomach and was quite proud of herself when she did. Then she learned to grab small toys from a shelf. Best of all "quiet" Anjing's tentative smiles had turned into the broad, secure grins of a happy, well-loved baby. But Anjing still had to endure painful medical treatments in Beijing. The departures for Anjing's two trips broke Guo's heart even as she held on to the hope that surgery would enable her Sunshine Girl to walk one day. When it was time for Anjing to move on to preschool, Guo was there to help. One her first

Anjing - Sunshine Girl Continued

day, Anjing watched the children dancing to music from her wheelchair. Though Anjing can't walk yet, let alone dance, she took the bottle filled with beans that was handed to her, smiled and immediately started shaking the bottle rhythmically.

Soon after, Anjing joined her new foster family and her siblings helped with the transition. Anjing's 12-year-old big brother, Miaosheng, would wipe away Anjing's tears and pat her on the back. Her 10-year-old big sister, Xiangdie, would gently hold Anjing's hands and tell her not to cry. And her 5-year-old big sister who is 22 months older than Anjing and not yet able to talk, would touch her little sister's face and do her best to provide comfort by humming. All that doting over their big sister would end up with the four children laughing uproariously!

After two weeks Anjing had blended completely into the routines of her new family, including nightly massage of Anjing's legs and feet. Though the massages are crucial for Anjing's post-op recovery, no matter how gently they are done, they hurt, so Anjing's mum, Chen Yanqing, distracts her by telling stories and by braiding her hair. When the braids are perfect, Chen urges Anjing to look in the mirror and says: "Aren't you beautiful with braids?" "Beautiful! Braids!" Anjing repeats.

One morning, for a special party at the orphanage, Anjing's mum braided her hair, helped her put on a white dress, don bunny ears, and even some lipstick. As Anjing stared into the mirror transfixed, her mum asked, "Are you happy?" With a big smile, Anjing, now a Sunshine Girl with a mum of her own said, "Happy."





HALF THE SKY FOUNDATION AUSTRALIA

OPERATING REPORT, 2016/17

THE YEAR IN BRIEF...

Financial Position & Fundraising Activities

HTSA had another record year in its fundraising to 30 June, raising over 1.2M, with the single biggest contributor again being the (2nd annual) Melbourne Gala held in September, 2016. This signature HTSA event has gained significant momentum in a short period – our 3rd annual Melbourne Gala has also been held as at the date of writing and was similarly successful in terms of attendance and funds raised. Smaller third-party and volunteer fundraising events as well as major gifts from private donors and companies were also important revenue-wise during the year, including a substantial matching gift from a corporate foundation donor.

Costs were kept to a minimum across the board although with the addition of a second full time employee total fundraising costs increased over the previous year. It is hoped that this further investment in staff will generate increased revenue growth in future. Outside of direct China project expenses (by far our greatest outlay)

HTSA's major expenses include two paid staff, a Chief Development Officer and an Administrative & Events assistant, and Melbourne Gala event costs. Net surplus from fundraising for the year was 914K compared to 881K in 2015/16.

Expansion of China Project Work

Based on the success of HTSA's existing development projects in China with in-country project partners OneSky, Chunhui, and their national and local government partners, and our success with fundraising, HTSA was able to expand its project work in China from January 2017, becoming a major collaborative partner in OneSky's National Training effort for 2017-18.

The project is an extension of the landmark 'Rainbow Training' partnership between OneSky and the Chinese government formally implemented between the parties during 2011 -16 to train all orphanage administrators and caregivers in welfare institutions across the country, in best practice methods of nurture and

developmental care for orphaned and at-risk children.

While hundreds of thousands of children remain institutionalised in China the ongoing need for skills training, education and professional development - for many thousands of unskilled caregivers - remains vast.

“The annual OneSky budget for training to meet this need in 2017 is US\$2.1M, with HTSA to deliver a record, over AU\$1M in support - an incredible milestone for our small charity.

Through its involvement in this ambitious training project HTSA is extending its impact from Australia to hundreds of orphanages, caregivers, and ultimately many thousands of orphaned children across China.

HALF THE SKY FOUNDATION AUSTRALIA

OPERATING REPORT, 2016/17 CONTINUED

During the year HTSA has also continued its support through 'legacy' funding - and ongoing provincial training - at its existing successful Model Children's Centre projects based at the Changsha Children's Welfare Institution in Hunan province (operating since 2011), and at the Kunming Children's Welfare Institution in Yunnan province (operating since 2014).

At the end of 2017, our first three year, 'seed site' project will successfully conclude at the Xiangtan orphanage in Hunan province, leaving local management with OneSky trained staff and four now well established OneSky programs for the children – an infant nurture centre, a preschool, a Special Needs program and a loving Family Village for children with few prospects for adoption.

Our support has also continued at our Changde 'seed site' and will do so until 2018 when (at the end of three years) we expect to hand over to local management the OneSky trained staff and programs that have also been successfully established there.

Such is the success and reputation of OneSky 'seed sites' there are now 150 welfare institutions across China eagerly applying to implement programs for the children in their care – the greatest challenge as ever, which we do our best to help answer!, is sufficient resources to meet these needs.

Public Benevolent Institution (PBI) Status

As a result of changes to its constitution at the AGM in 2016 and subsequent application to the Australian Charities and Not for Profit Commission (ACNC), HTSA has become a PBI, effective as of December, 2016. Minor further amendments to the constitution are required by the 2017 AGM while the ATO has also endorsed HTSA as a PBI and granted the related Deductible Gift Recipient (DGR) status from the December, 2016 effective date.

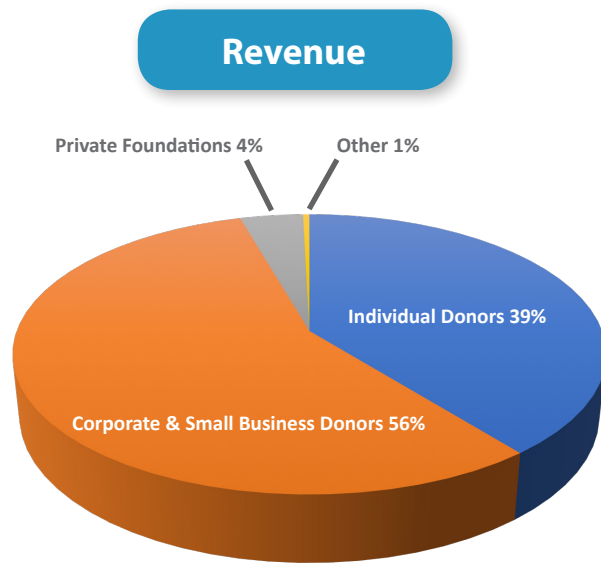
HTSA is enormously grateful for the generous advice and assistance of Gilbert + Tobin Lawyers leading to success with its PBI application.

HTSA amended its constitution and sought PBI status for reasons including to better reflect its PBI character and to provide flexibility to potentially expand its work outside China into other developing countries in future – but only as future resources and support may allow and as the board may determine.

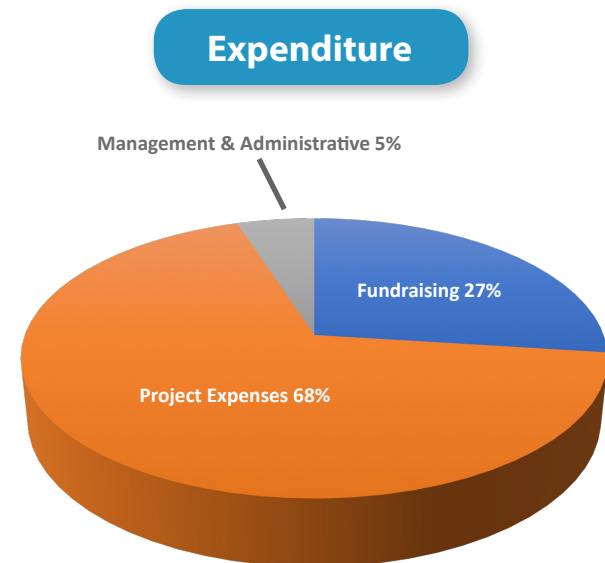
HTSA may also begin using the trading name, '*OneSky Australia for all children*' in future, to better align with the global OneSky network, HTSA's existing project partners in China, now also becoming more widely known for their work for orphaned, abandoned and at-risk children internationally.



SUMMARY OF REVENUE AND EXPENSES 2016-2017



Total Revenue: \$1,236,297



Total Expenditure: \$1,182,100

HTSA IS NOW A MAJOR PARTNER IN THE ONESKY NATIONAL TRAINING PLAN, WHICH, IN 2017*...

FACILITATED

78

training sessions

IMPROVING THE LIVES OF

10,375

orphaned children

BY TRAINING

2,075

caregivers across
China

*Totals to year end, 31 December 2017.



THANK YOU TO OUR GENEROUS SUPPORTERS

We would like to extend a heartfelt thanks to all of our corporate, foundation and small business supporters for providing very significant financial and in-kind contributions. This support is crucial for our work transforming the lives of vulnerable children.

| | | |
|------------------------|---------------------|------------------------------------|
| ANZ | EG | Max Biocare |
| APL Logistics | Ernst & Young | Prime Build |
| Arlec | Forever New | PwC |
| Art Wrap | Gilbert + Tobin | Samways |
| Bata | ISPT | Scentre Group |
| Bedford | Kmart | SLS Specialised Lighting Solutions |
| Bentleigh Group | Kojo | Spectrum Brands |
| BNU Melody | KPMG | Stockland |
| BWM Dentsu | James Home Services | Tennis Australia |
| Campbell Edwards Trust | Lander & Rogers | Universal Brands |
| Canturi | Linfox | Vicinity Centres |
| Coles | Macquarie Capital | Vietnam Housewares |
| CSC | McDonalds | Wellcom Worldwide |
| Designworks | Mcleod + Aitken | Wesfarmers |

CELEBRATING OUR SUPPORTERS: GILBERT + TOBIN



GILBERT + TOBIN is a leading Australian independent corporate law firm. Acknowledged as a pioneer in providing pro bono services and with a premier practice in not-for-profit and charity law, they have provided invaluable advice and assistance to Half the Sky Australia for more than nine years.

From the years of work to help Half the Sky Australia become an incorporated and registered charity with DGR status under the OAGDS in 2014, to the most recent success in achieving PBI status in 2017, we are deeply grateful.

We are forever indebted to the brilliant and compassionate team of lawyers led by Danny Gilbert, an inspiration in community service, and partners who have excelled above and beyond on our behalf, Dianne Banks and Darren Fittler (pictured left).

The generosity of the firm can never be overstated and we hope all at Gilbert + Tobin are as proud of all we have achieved together as we are so thoroughly delighted and grateful.

On behalf of the many thousands of orphaned children whose lives you have touched, we thank you for helping create a better world for us all.

BOARD OF DIRECTORS, ADVISORS AND STAFF

BOARD OF DIRECTORS

Stephen Jermyn, Director and Chairman (non-executive)

21 years executive experience at McDonald's Australia Ltd, served as CFO and retired as Deputy Managing Director in 2005; current Director and former Chairman Ronald McDonald House Charities Australia; Director on Australian public company boards Mortgage Choice Limited and Reverse Corp Limited as well as private company boards.

Gaetano (Guy) Russo, Director and Deputy Chairman

CEO Department Stores Division, Wesfarmers; President of Half the Sky Foundation (the US entity); previous 33 years with McDonald's corporation including as President McDonald's Greater China and CEO McDonald's Australia Ltd; former Director and Chairman Ronald McDonald House Charities Australia and Director Ronald McDonald House Charities Hong Kong. Served on the Business Council of Australia and the board of Diabetes Australia.

Deanne Bevan, Chief Executive Officer & Company Secretary

5 years global Director of Development, Half the Sky Foundation (the US entity); 13 years executive experience McDonald's Australia and McDonald's Asia; previously with the Victorian Employers Chamber of Commerce and Industry. Has served as Director, National

Center for Vocational Education Research; chaired the 1998 Review of the Affirmative Action Act and Ministerial Advisory Board for the Equal Opportunity for Women in the Workplace Agency.

Terese Jermyn, OAM, Director

25 years with Ronald McDonald House Charities Australia including as Director on the national board and Chair of Directors of the Westmead Hospital Ronald McDonald House; 15 years experience running a performing arts school, talent agency and record and publishing company.

Di Banks, Director

Partner, Gilbert +Tobin leading commercial law firm; Di is recognized as a leader in the field of employment law with an interest in diversity and discrimination and is a Director of the Diversity Council of Australia.

Dan Philips, Director

Executive Director of Macquarie Capital. For 4 years from 2007 to the end of 2010, Dan relocated with his family to Shanghai, with a primary focus on growing the venture capital business in China.

Joanne Smith, Director & Honorary Treasurer

Chartered Accountant; Associate, Bedford CA, Chartered Accountants; previous experience in accounting and tax in the small business sector and in the Big 4 and Medium Tier firms in Australia. Has

also provided accounting assistance in the non-profit sector.

ADVISORS

Jenny Bowen, Founding Director of HTSA; Founder & CEO, OneSky (the US entity) formerly known as Half the Sky.

Former screenwriter and film director, writing screenplays for major Hollywood producers and writer-director on several independent films. Founded Half the Sky in 1998 after becoming an adoptive parent of her first Chinese daughter and gaining an education in early childhood development theories and practices impacting institutionalized children.

STAFF

Deanne Bevan, Chief Executive Officer (volunteer)

Lauren O'Hara, Chief Development Officer

Veronica Reich, Communications Director (volunteer)

Sheida Danai, Events & Communications Advisor

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

Your directors present their report on the company for the financial year ended 30 June 2017.

1. General information

(a) Directors

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

| Names | Position |
|------------------------------|--|
| Stephen Craig Jermyn | Director and Chairman (Non-Executive) |
| Gaetano Alfred Gerrard Russo | Director and Deputy Chairman |
| Deanne Maree Bevan | Secretary, Public Officer, and Chief Executive Officer |
| Terese Anne Jermyn | Director |
| Dianne Margaret Banks | Director |
| Joanne Elizabeth Smith | Director and Honorary Treasurer |
| Daniel Phillips | Director (appointed on 10 October 2016) |

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

(b) Company secretary

The following person held the position of company secretary at the end of the financial year: Deanne Maree Bevan

(c) Principal activities

The principal activities of Half the Sky Foundation Australia Limited during the financial year were to continue its awareness-raising and fundraising activities in Australia and ongoing involvement in cooperative development projects in China with Half the Sky Foundation (now doing business as 'OneSky') including model children's centres at Changsha in Hunan province and Kunming in Yunnan province and a 'National Caregiver Training' plan for welfare workers across China.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

Short-term and long-term objectives

HTSA's short-term objectives are to:

- Implement model infant nurture, preschool and youth mentoring programs to directly benefit orphaned and disadvantaged children; programs develop emotional, social and intellectual wellbeing and provide early education and life skills vital for successful transition from institutional life into community schools, adoptive families and society; model programs also increasingly focus on the developmental challenges facing children with special needs;
- Implement model permanent foster family programs for the nurture, education and development of children with special needs that generally preclude prospects for adoption;
- Establish all model programs as both demonstrations of best practice and training hubs for the wider training of welfare sector administrators, teachers and caregivers in effective methods of nurturing care that can benefit all at-risk children;
- Extend best practice training beyond model centres to reach welfare administrators and caregiving staff working in all children's welfare institutions; and
- Expand support and funding in Australia for HTSA's work among existing networks including directors, members and other private individual and corporate supporters and extension of those networks.

HTSA's long-term objectives are to:

- Support multiple model programs, training bases and the development of training systems, mentoring relationships and training pathways within the children's welfare sector to facilitate and support widespread and sustainable adoption of Half the Sky-inspired best practice models and methods of care by officials, administrators, teachers and caregivers for the long- term benefit of all orphaned, at-risk and disadvantaged children;

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

- Ultimately hand over responsibility for and operation of all established model programs in welfare institutions to local authorities, communities and staff to operate as their own for the long-term adoption and sustainability of Half the Sky-inspired best practice programs and methods of care;
- Eventual transition from providing programs directly to children to a focus on training, coaching and mentoring within welfare systems post the hand-over of model programs to local stakeholders; and
- Expansion of support and funding in Australia for HTSA's work in the wider community, corporate and philanthropic sectors.

Strategies

To achieve its stated objectives, HTSA has adopted the following strategies:

- A strategic and practical cooperative partnership between HTSA and the US Half the Sky Foundation (HTS) (now also doing business as 'OneSky;') and its government and nongovernment partners at national, provincial and local levels to implement HTSA's objectives on the ground in China. Local knowledge, networks and partnerships with stakeholders in China, especially government authorities, are critical to achieving HTSA's short and long-term objectives in China;
- Development and implementation of an initial joint HTSA-HTS 5-year project (2011 – 2016) for the creation and operation of a model Half the Sky Children's Centre and provincial training base at Changsha in Hunan province, China; working in partnership also with the Changsha Welfare Institution and provincial stakeholders for long term sustainability of programs and training;
- Commencement in July, 2014 of a second joint development project with HTS, modelled on the successful HTSA-HTS Changsha project, at Kunming in Yunnan province, China;

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

- Commencement in January, 2017 of a two-year cooperative project partnership with HTS which includes an extension of the original 2011 Changsha Project and the 2014 Kunming Project and a new project in a 'National Caregiver Training' plan for welfare workers across China.
- In Australia, establishing offices in Melbourne and Sydney, employment of a full time Chief Development Officer and an Administrative and Events assistant, expanding communications and events with members, donors and supporters including via a HTSA website, Annual Report and annual fundraising activities, undertaking membership drives from time to time, maintaining registration as a fundraising entity in all states and the ACT, the achievement (in March, 2014) of Deductible Gift Recipient (DGR) status, registration with the ACNC, amendment of its Constitution in 2016 to potentially expand its work beyond China in future, and application to the ACNC for Public Benevolent Institution (PBI) status in 2017 (decision pending).

No significant change in the nature of these activities occurred during the financial year.

(d) Members guarantee

Half the Sky Foundation Australia Ltd 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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2016: \$60).

2. Business review

(a) Operating results

The surplus from ordinary activities for the year amounted to \$54,197 (2016: \$244,141).

(b) Review of operations

A review of the operations of the company during the financial year and the results of those operations show that the company continued to engage in its principal activities the results of which are disclosed in the financial statements.

3. Other items

(a) Significant changes in state of affairs

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

No significant changes in the company's state of affairs occurred during the financial year.

(b) After balance day events

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

(c) Future developments

The company expects to maintain and increase the present level of overall operations and may consider expanding its activities beyond China in future.

(d) Environmental issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

(e) Auditors independence declaration

A copy of the auditor's independence declaration is set out at page 8.

4. Director information

Information on directors

Stephen Craig Jermyn

Director and Chairman (Non-Executive)

Qualifications

FCPA, Fellow of the Australian Certified Public Accountants

Experience

21 years executive experience at McDonald's Australia Ltd, served as CFO and retired as Deputy Managing Director in 2005; current Director and former Chairman Ronald McDonald House Charities Australia; currently Director on Australian public company boards Mortgage Choice Limited and Reverse Corp Limited as well as private company boards.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

Gaetano Alfred Gerrard Russo

Experience

Director and Deputy Chairman

Managing Director of Wesfarmers owned Kmart Australia & New Zealand; President of Half the Sky Foundation (the US entity); previous 33 years with McDonald's corporation including as President McDonald's Greater China and CEO McDonald's Australia Ltd; former Director and Chairman Ronald McDonald House Charities Australia and Director Ronald McDonald House Charities Hong Kong. Served on the Business Council of Australia and the board of Diabetes Australia.

Deanne Maree Bevan

Qualifications

Experience

Secretary, Public Officer and Chief Executive Officer

Bachelor of Business; Master of Arts

Chief Executive Officer, HTSA; Director of Development, Half the Sky Foundation (the US entity) 2006-2011; 13 years executive experience McDonald's Australia Ltd and previously at the Victorian Employers Chamber of Commerce and Industry. Former Director, National Centre for Vocational Education Research; chaired the 1998 Review of the Comm. Affirmative Action Act and Ministerial Advisory Board for the Equal Opportunity for Women in the Workplace Agency.

Special Responsibilities

Terese Anne Jermyn

Qualifications

Experience

Member of the Audit and Finance committee

Director

OAM, Medal of the Order of Australia

25 years with Ronald McDonald House Charities Australia including as a Director on the national board and Chair of Directors of the Westmead Hospital Ronald McDonald House; 15 years experience running a performing arts school, talent agency and record and publishing company.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

Special Responsibilities

Member of the Audit and Finance committee

Dianne Margaret Banks

Director

Qualifications

University of Sydney Arts/Law degree

Experience

Partner, Gilbert +Tobin leading commercial law firm; Dianne is recognised as a leader in the field of employment law with a particular interest in diversity and discrimination and is a Director of the Diversity Council of Australia.

Daniel Phillips

Director

Qualifications

Holds a Bachelor of Business from the University of Technology, Sydney. He is a member of the Institute of Chartered Accountants, Australia (ACA).

Experience

Dan Phillips serves as Executive Director of Macquarie Group, a global investment banking and diversified financial services group headquartered in Sydney. Dan joined Macquarie in January 1989 and founded Macquarie's Technology Venture Capital Business in 1996. For 4 years from 2007 to the end of 2010, Dan relocated with his family to Shanghai, with a primary focus on growing the venture capital business in China. He has more than 20 years' experience providing venture capital to high growth companies in Australia, Asia, Europe and the US. Dan currently serves as Director of a number of companies

Joanne Elizabeth Smith

Director

Qualifications

Bachelor of Financial Administration; Graduate Diploma in Taxation; Master of Accountancy; Diploma in Financial Planning; Fellow of Chartered Accountants Australia and New Zealand; Fellow of the Tax Institute

Experience

Associate, Bedford CA, Chartered Accountants; previous experience in accounting and tax in the small business sector and in the Big 4 and Medium Tier firms in Australia. Joanne has also provided accounting assistance in the non profit sector.

Special Responsibilities

Honorary Treasurer and Chair of the Audit and Finance Committee

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

| Directors' Meetings | | |
|------------------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Stephen Craig Jermyn | 4 | 4 |
| Gaetano Alfred Gerrard Russo | 4 | 3 |
| Deanne Maree Bevan | 4 | 4 |
| Terese Anne Jermyn | 4 | 3 |
| Dianne Margaret Banks | 4 | 4 |
| Joanne Elizabeth Smith | 4 | 4 |
| Daniel Phillips | 2 | 2 |

5. Indemnifying officers or auditors

During the year, the company has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the company. Officers indemnified include the directors and executive officers participating in the management of the company.

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364
DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

6. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

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


Director:
Deanne Maree Bevan


Director:
Gaetano Alfred Gerrard Russo

Dated *13th October, 2017*

HALF THE SKY FOUNDATION AUSTRALIA LIMITED
AUDITOR'S INDEPENDENCE DECLARATION

ABN 79 137 332 364

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Half the Sky Foundation Australia Ltd for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

HILL ROGERS

ASSURANCE PARTNERS



JOHN R WILCOX

Partner

Dated this 17th day of October 2017

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

STATEMENT OF SURPLUS AND DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

| | | 2017 | | | 2016 | | |
|--|------|--------------------|------------------|---------------|--------------------|------------------|----------------|
| | Note | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
| Revenue | 2 | \$ 1,188,797 | \$ 47,500 | \$ 1,236,297 | \$ 1,064,243 | \$ 82,500 | \$ 1,146,743 |
| Project operating expenses | 3 | (724,329) | (79,844) | (804,173) | (368,886) | (260,361) | (629,247) |
| Fundraising costs | 4 | (316,944) | - | (316,944) | (262,261) | - | (262,261) |
| Depreciation and amortisation expense | | (833) | - | (833) | (364) | - | (364) |
| Management costs | | (60,150) | - | (60,150) | (10,730) | - | (10,730) |
| Surplus / (deficit) before income tax | | 86,541 | (32,344) | 54,197 | 422,002 | (177,861) | 244,141 |
| Income tax expense | | - | - | - | - | - | - |
| Surplus / (deficit) for the year | | 86,541 | (32,344) | 54,197 | 422,002 | (177,861) | 244,141 |
| Other comprehensive income: | | | | | | | |
| Items that will not be reclassified subsequently to surplus or deficit | | - | - | - | - | - | - |
| Items that may be reclassified subsequently to surplus or deficit | | - | - | - | - | - | - |
| Other comprehensive income for the year | | - | - | - | - | - | - |
| Total comprehensive income for the year | | 86,541 | (32,344) | 54,197 | 422,002 | (177,861) | 244,141 |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

| | | 2017 | 2016 |
|----------------------------------|------|------------------|------------------|
| | Note | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | | |
| Trade and other receivables | 8 | 810,548 | 703,979 |
| Inventories | 9 | 88,774 | 10,069 |
| Other assets | 10 | 1,781 | 2,515 |
| TOTAL CURRENT ASSETS | | <u>347,986</u> | <u>287,830</u> |
| NON-CURRENT ASSETS | | <u>1,249,089</u> | <u>1,004,393</u> |
| Property, plant and equipment | 11 | | |
| TOTAL NON-CURRENT ASSETS | | <u>1,151</u> | <u>575</u> |
| TOTAL ASSETS | | <u>1,151</u> | <u>575</u> |
| LIABILITIES | | <u>1,250,240</u> | <u>1,004,968</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | | |
| Employee benefits | 13 | 7,803 | 14,308 |
| Deferred income | 14 | 1,471 | 245 |
| TOTAL CURRENT LIABILITIES | | <u>298,354</u> | <u>102,000</u> |
| TOTAL LIABILITIES | | <u>307,628</u> | <u>116,553</u> |
| NET ASSETS | | <u>307,628</u> | <u>116,553</u> |
| EQUITY | | <u>942,612</u> | <u>888,415</u> |
| Retained earnings | | | |
| Reserves | | 912,612 | 826,071 |
| TOTAL EQUITY | | <u>30,000</u> | <u>62,344</u> |
| | | <u>942,612</u> | <u>888,415</u> |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

2017

| Retained earnings | Restricted reserve | Total |
|-------------------|--------------------|---------|
| \$ | \$ | \$ |
| 826,071 | 62,344 | 888,415 |
| 54,197 | - | 54,197 |
| 32,344 | (32,344) | - |
| 912,612 | 30,000 | 942,612 |

2016

| Retained earnings | Restricted reserve | Total |
|-------------------|--------------------|---------|
| \$ | \$ | \$ |
| 404,069 | 240,205 | 644,274 |
| 244,141 | - | 244,141 |
| 177,861 | (177,861) | - |
| 826,071 | 62,344 | 888,415 |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 2016

| | 2017 | 2016 |
|--|----------------------|----------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Individual donations received | 460,888 | 460,553 |
| Corporation and small business donations received | 843,114 | 560,611 |
| Private foundation donations received | 43,850 | 132,684 |
| Sale of books and prints | 1,800 | - |
| Interest received | 3,508 | 3,693 |
| Project operating expenses - Changsha Development Project and Hunan CDE and training | (67,100) | (295,012) |
| Project operating expenses - Kunming Project | (179,546) | (300,533) |
| Project operating expenses - National Caregiver Training Plan | (659,146) | - |
| Payments to suppliers and employees | (339,390) | (323,412) |
| Net cash provided by operating activities | 15(a) <u>107,978</u> | <u>238,584</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of plant and equipment | (1,409) | - |
| Net cash used in investing activities | <u>(1,409)</u> | <u>-</u> |
| Net increase in cash and cash equivalents held | 106,569 | 238,584 |
| Cash and cash equivalents at beginning of year | 703,979 | 465,395 |
| Cash and cash equivalents at end of financial year | 15(b) <u>810,548</u> | <u>703,979</u> |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 Summary of significant accounting policies

(a) General information

The financial report is for Half the Sky Foundation Australia Ltd as an individual entity, incorporated and domiciled in Australia. Half the Sky Foundation Australia Ltd is a company limited by guarantee.

(b) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied 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, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held-at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(d) Restricted / unrestricted funds

Restricted funds are funds received or reserves held that must be spent on the purpose for which they were received or are held. They comprise of donations where the donor indicates a preference for the use of the funds and donations received in response to specific purpose appeals.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(e) **New accounting standards**

Adoption of new and revised accounting standards

No accounting standard has been adopted earlier than the application date stated in the standard.

New accounting standards for application in future periods

There were no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and applicable to the future reporting period that are expected to have a significant future financial impact on Half the Sky Foundation Australia Limited.

(f) **Inventories**

Inventories are measured at the lower of cost and net realisable value

(g) **Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|--------------------|-------------------|
| Computer equipment | 33% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(h) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(i) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119 *Employee Benefits*.

(j) Deferred income

Deferred income comprises of amounts received in advance for fundraising events to be held subsequent to balance date.

(k) Revenue and other income

Revenue from sale of goods is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Donation income is recognised when received.

All revenue is stated net of the amount of goods and services tax.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(l) Expenses

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fundraising costs are those incurred in seeking voluntary contributions by donation and do not include costs of disseminating information relating to the activities carried on by the company.

Management and administration costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

(m) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(n) Comparative figures

Comparatives are consistent with prior years, unless otherwise stated.

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2 Revenue: Donations received and other income

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Donations received: | | |
| - individual donations | 486,504 | 429,150 |
| - corporate and small business | 695,635 | 581,216 |
| - private foundations | 48,850 | 132,684 |
| Total donations received | <u>1,230,989</u> | <u>1,143,050</u> |
| Other income: | | |
| - sale of books and prints | 1,800 | - |
| - interest received | 3,508 | 3,693 |
| Total other income | <u>5,308</u> | <u>3,693</u> |
| Total donations received and other income | <u>1,236,297</u> | <u>1,146,743</u> |

3 Project operating expenses

| | | |
|---|----------------|----------------|
| Project operating expenses: | | |
| - Changsha Development Project and Hunan CDE and training | 173,080 | 261,570 |
| - Kunming Project | 204,166 | 367,677 |
| - National Caregiver Training | <u>426,927</u> | <u>-</u> |
| Total project operating expenses | <u>804,173</u> | <u>629,247</u> |

4 Fundraising costs

| | | |
|---------------------------|----------------|----------------|
| Employee benefits expense | 124,855 | 108,822 |
| Other fundraising costs | 42,826 | 46,967 |
| Event expenses | 148,530 | 106,472 |
| Cost of goods sold | <u>733</u> | <u>-</u> |
| Total fundraising costs | <u>316,944</u> | <u>262,261</u> |

5 Employee benefits expense

| | | |
|--------------------|---------|---------|
| Salaries and wages | 112,902 | 100,593 |
|--------------------|---------|---------|

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

| | | |
|--|----------------|----------------|
| Movement in employee benefits provisions | 1,227 | (1,328) |
| Superannuation | <u>10,726</u> | <u>9,556</u> |
| Total employee benefits expense | <u>124,855</u> | <u>108,821</u> |

6 Auditors' remuneration

Remuneration of the auditor of the company for:

| | | |
|--|-------|-------|
| - auditing or reviewing the financial statements | 3,500 | 3,500 |
|--|-------|-------|

7 Cash and cash equivalents

| | | |
|--------------|----------------|----------------|
| Cash at bank | <u>810,548</u> | <u>703,979</u> |
|--------------|----------------|----------------|

8 Trade and other receivables

CURRENT

| | | |
|------------------------------|---------------|---------------|
| GST receivable | 331 | 1,117 |
| Pledge and other receivables | <u>88,443</u> | <u>8,952</u> |
| | <u>88,774</u> | <u>10,069</u> |

9 Inventories

CURRENT

At cost:

| | | |
|------------------|--------------|--------------|
| Books and prints | <u>1,781</u> | <u>2,515</u> |
| | <u>1,781</u> | <u>2,515</u> |

10 Other assets

CURRENT

| | | |
|---------------------|----------------|----------------|
| Project prepayments | 329,146 | 227,527 |
| Other prepayments | <u>18,840</u> | <u>60,303</u> |
| | <u>347,986</u> | <u>287,830</u> |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11 Property, plant and equipment

PLANT AND EQUIPMENT

Computer equipment

| | | |
|--|---------------------|-------------------|
| At cost | 2,498 | 1,090 |
| Accumulated depreciation | <u>(1,347)</u> | <u>(515)</u> |
| Total computer equipment | <u>1,151</u> | <u>575</u> |
| Total property, plant and equipment | <u>1,151</u> | <u>575</u> |

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | Computer equipment | Total |
|----------------------------------|-----------------------|--------------|
| | \$ | \$ |
| Balance at the beginning of year | 575 | 575 |
| Additions | 1,409 | 1,409 |
| Depreciation expense | <u>(833)</u> | <u>(833)</u> |
| Balance at the end of the year | <u>1,151</u> | <u>1,151</u> |

12 Trade and other payables

CURRENT

Trade payables and accrued expenses

| | | |
|--|--------------|---------------|
| | <u>7,803</u> | <u>14,308</u> |
| | <u>7,803</u> | <u>14,308</u> |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

13 Employee benefits

CURRENT

| | | |
|---------------------------------|--------------|------------|
| Provision for employee benefits | <u>1,471</u> | <u>245</u> |
| | <u>1,471</u> | <u>245</u> |

14 Deferred income

| | | |
|-----------------------|----------------|----------------|
| Deferred event income | <u>298,354</u> | <u>102,000</u> |
| | <u>298,354</u> | <u>102,000</u> |

15 Cash flow information

(a) Reconciliation of cash flow from operations with surplus for the year

| | | |
|--|----------------|----------------|
| Surplus for the year | 54,197 | 244,141 |
| Non-cash flows in surplus | | |
| - Depreciation | 833 | 364 |
| Changes in assets and liabilities: | | |
| - (Increase)/decrease in trade and other receivables | (78,705) | (9,374) |
| - (Increase)/decrease in prepayments | (60,157) | (20,466) |
| - (Increase)/decrease in inventories | 734 | - |
| - (Increase)/decrease in income in advance | 196,354 | 19,750 |
| - Increase/(decrease) in trade payables and accruals | (6,505) | 5,497 |
| - Increase/(decrease) in provisions | <u>1,227</u> | <u>(1,328)</u> |
| Cashflow from operations | <u>107,978</u> | <u>238,584</u> |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED ABN 79 137 332 364

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:

| | | |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | <u>810,548</u> | <u>703,979</u> |
| | <u>810,548</u> | <u>703,979</u> |

16 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

All the directors of the company acted in an honorary capacity and did not receive any remuneration.

17 Events after the end of the reporting period

There were no significant events occurring subsequent to the reporting date that require adjustments or disclosure in the financial statements at 30 June 2017.

18 Fundraising income and expenses

| | 2017 | 2017 | 2016 | 2016 |
|--|------------------|------|------------------|------|
| | \$ | % | \$ | % |
| Details of aggregate gross income and total expenses from fundraising appeals | | | | |
| Gross proceeds from fundraising | 1,230,989 | | 1,143,050 | |
| Less: total costs of fundraising | <u>(316,944)</u> | | <u>(262,261)</u> | |
| Net surplus from fundraising | <u>914,045</u> | | <u>880,789</u> | |

HALF THE SKY FOUNDATION AUSTRALIA LIMITED

DIRECTOR'S DECLARATION

ABN 79 137 332 364

| | | | | |
|---|----------------|-------------|----------------|-------------|
| | | | | |
| | | | | |
| 18 Fundraising income and expenses | | | | |
| | 2017 | 2017 | 2016 | 2016 |
| | \$ | % | \$ | % |
| | | | | |
| Gross comparisons | | | | |
| Total cost of fundraising | <u>316,944</u> | 26% | <u>262,261</u> | 23% |
| Gross proceeds from fundraising | 1,230,989 | | 1,143,050 | |
| Net surplus from fundraising | <u>914,045</u> | 74% | <u>880,789</u> | 77% |
| Gross proceeds from fundraising | 1,230,989 | | 1,143,050 | |
| Total project expenses | <u>804,173</u> | 68% | <u>629,247</u> | 70% |
| Total expenditure | 1,182,100 | | 902,602 | |
| Total project expenses | <u>804,173</u> | 65% | <u>629,247</u> | 55% |
| Total revenue | 1,236,297 | | 1,146,743 | |

19 Company details

The registered office of the company is:

Half the Sky Foundation Australia Ltd
 c/ Bedford CA Pty Ltd
 Level 16, 101 Miller Street,
 North Sydney NSW 2060

HALF THE SKY FOUNDATION AUSTRALIA LIMITED

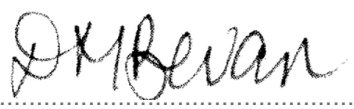
DIRECTOR'S DECLARATION

ABN 79 137 332 364

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 21 to 44, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Deanne Maree Bevan

Director 

Gaetano Alfred Gerrard Russo

Dated 

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALF THE SKY FOUNDATION AUSTRALIA LTD

The directors of the entity declare that in their opinion:

1. the financial statements give a true and fair view of all income and expenditure of the company with respect to fundraising appeals; and
2. the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
3. the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with; and
4. the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

Director 

Deanne Maree Bevan

Director 

Gaetano Alfred Gerrard Russo

Dated 

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALF THE SKY FOUNDATION AUSTRALIA LTD

Report on the Audit of the Financial Report

We have audited the financial report of Half the Sky Foundation Australia Ltd, which comprises the statement of financial position as at 30 June 2017, the statement of surplus and deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Half the Sky Foundation Australia Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements, and Division 60 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 company 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.

Responsibilities of Directors for the Financial Report

The directors of the company 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 directors 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, directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The directors are responsible for overseeing the company'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 the financial report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALF THE SKY FOUNDATION AUSTRALIA LTD

- 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 company'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 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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Hill Rogers
Assurance Partners



John R Wilcox
Partner

Dated this day of 2017

17th

October



PART OF THE GLOBAL



ONE SKY

for all children

NETWORK

www.halfthesky.org.au

 /halftheskyaus



@halftheskyfoundationnaustralia