

Half the Sky Foundation Australia Ltd

Annual Report 2011



Half the Sky was created in order to enrich the lives of orphaned children in China. We 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 her life and a chance at a bright future.



Letter from the President

Dear Friends,

It is such a pleasure to introduce Half the Sky Australia's first Annual Report with so much news about the difference we are helping to bring about in the lives of children in need.

With Australia's support, there are now infants in the arms of doting nannies, eager young learners scampering around the preschool, and mentors supporting older children in Changsha. Life has changed for the better for the children there.

Yet for all this there are still many children for whom the benefits of China's economic and social welfare advancements are still a long way off.

That is why Half the Sky Australia is so delighted to join the international Half the Sky network for the advancement of all orphaned and disadvantaged children in China. Through vital partnerships with Chinese government partners we are helping create a better life and future for all.

Thank you to all our tremendous friends and donors in Australia. Your kindness and generosity make this journey possible.

A handwritten signature in black ink, appearing to read "A. Jermy".

Stephen Jermy

Letter from the Executive Director

Dear Friends,

With the generous support of all our members, volunteers and supporters, in 2011, Half the Sky Australia saw the opening of its first development project in China at Changsha in the Hunan Province.

A joint project with Jenny Bowen and the extraordinary team at Half the Sky Foundation, this is a terrific milestone in our efforts to benefit the orphaned and disadvantaged children of China and is part of Half the Sky's Rainbow Program designed to spread its methods of care to orphanages all across the country. We are thrilled to be able to play such an active role in reaching out to ever more children.

Half the Sky Australia has also been extending its reach to more supporters at home, recruiting new members, expanding our web site, communications, and pursuing deductible gift status for donors.

I look forward to keeping you informed about our ongoing efforts to launch an on-line fundraising platform for volunteers and, hopefully, at last host our official launch event! With much gratitude for your kind support.

A handwritten signature in black ink, appearing to read "D. Bevan".

Deanne Bevan

Rainbows in Changsha

As a founding board member of Half the Sky Foundation Australia, I am gratified to see how quickly HTSA has grown into an organization that is making such an impact in China.

Specifically, HTSA's Changsha Project is a crucial component of the Rainbow Program, a remarkable integrated national training program launched at the Great Hall of the People on Children's Day 2011.

The Rainbow Program is a five-year program that will deliver the combined Half the Sky and government caregiver curriculum to every child welfare worker in China. Rainbow training began in Hunan Province in 2011 at the new model center in Changsha made possible by HTSA.

The Changsha model center will also serve as the base for a Child Development Expert (CDE), who will reach out to child welfare workers in the entire province by offering workshops,

in-service training, and mentoring - whatever the institution is ready to take on. The Hunan CDE will eventually reach every institution in the province, sharing her knowledge and mentoring welfare institution directors and staff as they begin to establish Half the Sky-inspired programs of their own.

The Rainbow Program is a concrete means of fulfilling Ministry of Civil Affairs Director-General Wang ZhenYao's pledge to revamp the welfare system using Half the Sky's work as its model: "Like Half the Sky programs, we must now begin from the interests of the children. We must raise the standards of care for all children."

My heartfelt thanks to HTSA supporters for bringing rainbows to Changsha and to Hunan.

Jenny Bowen
CEO and Founder/Half the Sky Foundation

“Like Half the Sky programs, we must now begin from the interests of the children. We must raise the standards of care for all children.
Ministry of Civil Affairs Director—General Wang ZhenYao

“We look forward to the day when all welfare institutions in Hunan Province and beyond develop similar programmes for the children in their care and trust the Changsha Project will provide a stellar model for others to follow.
HTSA Executive Director, Deanne Bevan



Half the Sky Foundation Australia Operating Report, 2010/11

HTSA is a not-for-profit, non-government, public company limited by guarantee registered in Victoria under the Corporations Act. It is a community-based organization led by its elected board of directors, governed by its constitution and accountable to its members. It has a registered office in Melbourne that is currently staffed and managed by the Executive Director of HTSA, on a voluntary basis.

Supporters and members of HTSA are those with an interest in the life-long nurture, education and prospects of orphaned and disadvantaged children in China and include Half the Sky Foundation (HTSF), a non-profit, non-government, registered charity and company under Californian law. HTSA and HTSF are both entities within the international Half the Sky Network which also includes China, Hong Kong, Canada and the United Kingdom.

Since incorporation as a charitable entity in Australia in 2009, the focus of HTSA has been to establish its local office in Melbourne, the creation of a HTSA website (<http://www.halfthesky.org.au>), expansion of its local supporter base, promotion of HTSA membership and communications with members, initial fundraising efforts, and commencement of its first development project in China.

Initiatives and activities to increase membership have included direct-mailing to existing supporters in Australia, community outreach by HTSA directors to invite new membership applications, and promotion of new membership applications on the HTSA website. As at the time of publication (April, 2012) there are 90 registered members of HTSA.

In preparation for launching more widespread fundraising activities in Australia, in 2011 HTSA made application to the commonwealth government through AusAID for Approved Organization Status under the Overseas Aid Gift Deduction Scheme. Obtaining Deductible Gift Recipient (DGR) Status so that donors might claim tax deductions in Australia will be vital in meeting HTSA's longer-term fundraising goals to support its development and aid work in China.

At the time of publication (April, 2012) HTSA has also sought and been granted authority to undertake public fundraising activities in the following states and territory: VIC, NSW, QLD, SA, TAS and ACT; a WA application is pending.

In 2012, HTSA plans to launch a national, web-based initiative to encourage and facilitate volunteer fundraising for HTSA. By hosting on-line fundraising pages for individuals and teams, this initiative is expected to raise HTSA's profile in the wider Australian community as well as contribute to HTSA's fundraising efforts.

In its first years of operation HTSA's fundraising efforts have been primarily related to existing supporters, members, directors and friends of HTSA. Outreach within these networks including the international Half the Sky Network resulted in donations of \$181,226 in 2010/11, as shown in the audited financial statements contained in this report. As summarized on page 9, herein, 95% of income were donations from private donors and 97% of all expenditure was directed to HTSA's first development project in China at Changsha.

In this Annual Report more detail is provided about HTSA's Changsha Project in partnership with HTSF, which opened its doors to children in April, 2011. In the many months preceding opening day celebrations, HTSA directors undertook a due-diligence process to properly assess the project's viability including visiting the project site at Changsha and meeting with local project partners, established prudent governance mechanisms including a Memorandum of Understanding and Project Agreement setting out the rights and responsibilities of the project partners and have been engaged in closely monitoring the project's progress throughout via regular reports and communication with HTSF. While the 5-year project is still in its relatively early days, directors of HTSA are well pleased with progress and the direct benefits already accruing to children.

In efforts to keep members and supporters informed about HTSA activities, all general members' meeting minutes, audited financial statements and Changsha project reports are published on the HTSA website (www.halfthesky.org.au) and kept at its

registered office in Melbourne. These materials are available for inspection in person or may be downloaded from the website, or emailed or sent by post on request (<mailto:deanne@halfthesky.org>).

Directors meet on a regular basis to oversee all the activities of HTSA. The board has appointed an Honorary Treasurer and an Audit and Finance Committee to oversee all financial transactions and financial reporting and an Executive Director to manage and report on the daily operations of the organization. Directors welcome the involvement and participation of members, supporters and volunteers in the activities of HTSA especially in helping raise funds and awareness for its mission to benefit orphaned and disadvantaged children in China.

Half the Sky Australia extends its gratitude to all those who have made its establishment possible, in particular its founding members and Australian directors; Half the Sky Foundation Founder & CEO, Jenny Bowen; Gilbert + Tobin Lawyers in Sydney; and Freshfields Bruckhaus Deringer in China; all have generously dedicated their efforts for all children still waiting for love, nurture and hope in their lives.

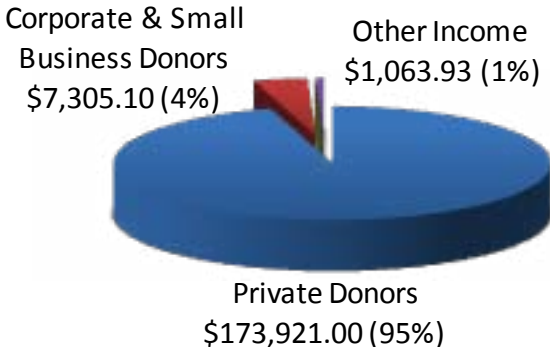
Deanne Bevan, Executive Director, HTSA



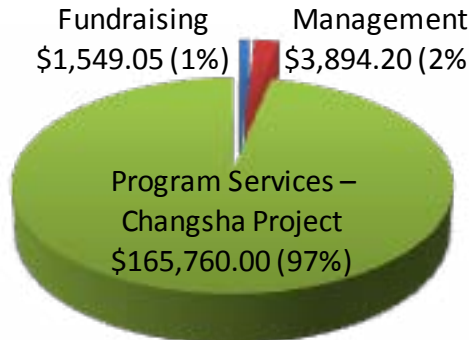
We thank every one of our generous donors and are proud that we use your donations wisely; 97 cents of every dollar spent this fiscal year went directly to HTSA's Changsha project of model programs for orphaned children in Hunan Province.

Overview – HTSA Income & Expenditure by Source, 2010/11

Income by Source



Expenditure by Source



The Changsha Project

HTSA is a proud member of the international Half the Sky Network whose shared ambition is to enhance the lives and prospects of orphaned children in China through development and aid projects undertaken in cooperation with local partners and authorities in China.

HTSA's first overseas development project, its Changsha Project in cooperation with HTSF and the Changsha Children's Welfare Institution, supports the establishment of a model Half the Sky Children's Centre for Hunan Province. An official launch and celebratory event took place at Changsha in April, 2011. Fifteen volunteers, including HTSA's Executive Director, helped refurbish rooms for the new Centre and chronicled their efforts in a daily blog. Wrote HTSA's ED: "What is most exciting is the enthusiasm of the Changsha Welfare Institution and local authorities to embrace Half the Sky methods of caring for children. It is tremendous to see children in the arms of loving caregivers, or romping around with doting preschool teachers, rather than languishing in their cots."

By the time of the official opening party, the freshly painted and equipped child-friendly rooms were ready for orphaned children to be enrolled in three model Half the Sky programs: Infant Nurture, Little Sisters Preschool and Youth Mentoring. Examples follow about each of these life-changing programs in the pages ahead. On an ongoing basis stories from Changsha are posted at www.halfthesky.org.au. A fourth model program, a Half the Sky Family Village providing permanent foster care, will be established at Changsha in 2012.

The Changsha model children's centre also serves as a hub for province-wide training for regional caregivers in Half the Sky's life-changing methods. Official Half the Sky training for all new caregivers, teachers and mentors for the April, 2011 opening extended to over 50 Changsha trainees as well as 36 trainees from additional welfare institutions.

Having established the model children's centre at Changsha, and a training base for welfare administrators and caregivers throughout the region, HTSA's aim, within 5 years, is to hand over all running costs and responsibilities to local authorities to continue as their own enterprise. While providing profound benefits to hundreds of children at Changsha in the meantime, empowering the regional welfare community to improve standards of care – ultimately for all children - is perhaps the most exciting prospect of the Changsha Project.

“After our group picture, one of the volunteers asked me if my heart was breaking. I told him it wasn't, because I was hopeful that the lives of these children would be better. A child living in an orphanage isn't optimal by any means, but that was what Half the Sky was created for -- to positively impact the lives of those children who are in the orphanages and to help them have a happier and healthier childhood. I sincerely believe we did that this week in Changsha SWI #1.
Changsha Volunteer Teri Andresen

”

What Half the Sky Means for the Children — Babies and Their Nannies

Half the Sky's Infant Nurture Program brings the love of family to orphaned babies by providing trained nannies to hug and cuddle them and let them know that they are not alone in this world.

YinCan

CanCan is one year and two weeks old. She has eight baby teeth and can eat biscuits by herself. She can build with blocks three or four stories high. She looks for me from time to time when she is playing, and if she does not see me, she cries out loud. When I come to her, she stretches out her arms for me to hold her. She can say “give” when she hands me a toy. She dances whenever there is music. She can blow a trumpet and she really likes the sound it makes. She can wave goodbye when I leave.

by Half the Sky Nanny Ma Li

Right now in China
there are
one million
orphans



YinCan and her HTS Nanny, Ma Li



JinWan

milk bottle or shake her head when she is full. She loves to play pat-a-cake with me. When we play it, she laughs happily and I feel so happy too.

by Half the Sky Nanny Wang Wenlan

JinWan

My baby XiaoWan is more at ease now. She will not grab onto my clothes so tightly when I carry her up or down the stairs. She can sit on the mat well. She likes to play with balls or other round toys. She can pick the toys she prefers from the toy basket. She likes to touch my hair. She will drink milk fast when she feels hungry and will push away the

We asked Half the Sky Infant Nurture staffers what their work means to them. Half the Sky Nanny Fu Cha responded with a poem, “The Baby.”

The Baby

When the baby learned to walk to me, I was proud of her.
When the baby was sick, I was concerned for her.
When the baby shared her food with me, I was thankful for her.
When the baby learned to dress herself, I was pleased for her.
When the baby was adopted, I was happy for her... and I miss her!



What Half the Sky Means for the Children - Preschoolers and Their Teachers

Half the Sky's Little Sisters Preschool Program provides an innovative curriculum designed to give young children the self-confidence, basic skills and love of learning that will help them succeed when they move on to primary school.

ShenShen's Magical Smiles

When ShenShen first joined the program, he sat alone quietly. Even when he tried to communicate, we could rarely understand anything he said because he is hearing impaired.

The breakthrough came at the playground when I saw ShenShen enviously watching his pals playing on the slides. I took his hand and asked him to play with me on the slide.

When we walked over the arch bridge to the rope bridge, ShenShen stopped, frowned and murmured, "I am afraid," but I kept encouraging him. I told him: "Don't worry. I will be by your side. I know you are the best

and I believe in you."

Cautiously ShenShen took little steps until he made it all the way across the bridge to the pavilion. I gave him a thumbs up and said, "You are great!" His bright eyes were full of smiles as if he were saying, "Yes, Teacher Chang, I am great!"

Now ShenShen's big bright eyes are always full of smiles. When he plays on the slides all by himself he smiles. When he plays with other children, he smiles. We all think ShenShen's smiles are magical, because when he smiles, the people around him smile too.

By Half the Sky Preschool Teacher
Chang Zheng



ShenShen at Half the Sky's Preschool

In 2011, 101 child welfare workers from 23 social welfare institutions in Hunan Province were trained at the Changsha model center sponsored by Half the Sky Foundation Australia Ltd.

"I just read all of the progress reports you sent... I am humbled by the work that Half the Sky did for my daughter Jin BoYi. As you can see in the early reports, she was considered unadoptable. It is fascinating to me that once she knew someone loved her and cared about what was happening to her, her abilities grew in leaps and bounds.

Right now, I am speechless... how can I thank HTS enough?

My best,
A Grateful Adoptive Mum

"

What Half the Sky Means for the Children - Youth and Their Mentors

Half the Sky's Youth Services Program provides young people with individualized education and job opportunities according to their own interests, talents and education.



Unconditional Love

During my training, Half the Sky's Youth Services Director told me that mentors should give unconditional love to institutionalized children. In the year I have had the honor of being a mentor, I have kept that in mind on good days and on frustrating days. I remember the day ShaoShao made mischief and I was so angry at him that I cried out hopelessly...the day XiaoJing after great effort got his kite to fly and I unwittingly pulled it down and he was so angry with me...the day we went to see the play Little Red Riding Hood and the children were so excited they couldn't stop talking about it.

All these moments with the children are deeply imprinted in my heart. It is through working with my children that I learn love, patience, tolerance. It is with them I feel a sense of happiness.

By Half the Sky Mentor Wang Ting

Fighting for a Future

I had to work hard to get to college. The year I took the grueling college examination, there were times when I wanted to give up. In the 365 days and nights of that year, I got up every day at 5:30 and went to bed at 22:30, only making an exception on Lunar New Year's Day. I did about five sets of practice exam tests every day and the results varied greatly. One day I would get



scores higher than I expected; the next day my scores would drop below the first one. These results made me doubt myself. But every morning when I got up, and instead of reading or studying right away, I would go outside to the playground and shout, "I can do it! I will surely do it! I will get into a good university!" My shouting gave me the courage to fight for what I wanted. I felt inspired and encouraged, which gave me the drive to start each new day.

I am grateful for the help I received, but I know that had I not worked as hard as I did, I would not have accomplished my goal of getting into a good university. When I look back, I know the struggle was worth it.

By GuangQi

Half the Sky Australia Board of Directors, Advisory Committee & Staff

Board of Directors

Stephen Jermy, 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; currently 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

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 Bevan, Director & 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 Jermy, 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 a particular interest in diversity and discrimination and is a Director of the Diversity Council of Australia.

Clinton Dines, Director

Executive Chairman Asia of Caledonia Investments Asia, based in Shanghai; total 31 years living and working in China; 21 years as BHP Billiton's senior executive in China. Previous executive experience with Jardine Matheson, Santa Fe Transport Group and Asia Securities Venture Capital.

Joanne Smith, Director

Partner, Ian Stephenson and

Partners 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 and is currently a director on the board of a private company in the plastics industry.

Advisory Committee

Jenny Bowen, Founding Director of HTSA; Founder & CEO, Half the Sky Foundation (the US entity); 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, Executive Director (voluntary)



Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Independent Audit Report to the Members of Half the Sky Foundation Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Half the Sky Foundation Australia Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 and the Corporations Act 2001 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Independent Audit Report to the Members of Half the Sky Foundation Australia Limited

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Half the Sky Foundation Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Half the Sky Foundation Australia Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

HILL ROGERS SPENCER STEER
ASSURANCE PARTNERS



JOHN R WILCOX
Partner

Dated this 17th day of October 2011

Your directors present their report on the company for the financial year ended 30 June 2011.

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	Appointed/Resigned
Stephen Craig Jermyn	Director and Chairman (non executive)	
Gaetano Alfred Gerrard Russo	Director and Deputy Chairman	
Deanne Maree Bevan	Director, Secretary and Public Officer	
Terese Anne Jermyn	Director	
Dianne Margaret Banks	Director	
Jenny Bowen	Director	Resigned on 11/10/2010
Clinton James Dines	Director	Appointed on 14/07/2010
Joanne Elizabeth Smith	Director	Appointed on 14/07/2010

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 was to enrich the lives and enhance the prospects for the children who remain in welfare institutions.

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

2. **Business review**

(a) **Operating Results**

The surplus from ordinary activities for the year amounted to \$11,087 (2010: \$17,842).

(b) **Dividends paid or declared**

Under the company's constitution which is limited by guarantee no dividends are paid to members.

(c) **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**

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 the present status and level of operations and hence there are no likely developments in the entity's operations.

(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 as required under section 307C of the Corporations Act 2001 is set out at page 16.

4. **Director Information**

Information on directors

Stephen Craig Jermyn
Qualifications

Director and Chairman (non executive)
FCPA, Fellow of the Australian Certified Public Accountants

Half the Sky Foundation Australia Limited A.C.N 137 332 364
Directors' Report for the Year Ended 30 June 2011

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.
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	Director, Secretary, Public Officer and Executive Officer Bachelor of Business; Master of Arts Director of Development, Half the Sky Foundation (the US entity); 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	Member of the Audit and Finance committee
Terese Anne Jermyn Qualifications Experience	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.
Special Responsibilities	Member of the Audit and Finance committee
Dianne Margaret Banks Qualifications Experience	Director University of Sydney Arts/Law degree Partner, Gilbert +Tobin leading commercial law firm; Di is recognized 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.
Jenny Bowen Experience	Director (Retired 11/10/2010); currently Advisory Member CEO & Founder Half the Sky Foundation (the US entity); 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.

Half the Sky Foundation Australia Limited A.C.N 137 332 364
Directors' Report for the Year Ended 30 June 2011

Clinton James Dines Qualifications	Director Graduate in Asian Studies and Economics from Griffith University, Brisbane 1978; Course in International Business, INSEAD 1996
Experience	Executive Chairman Asia, Caledonia Investments Asia; total 31 years living and working in China; 21 years as BHP Billiton's senior executive in China. Previous executive experience with Jardine Matheson, Santa Fe Transport Group and Asia Securities Venture Capital.
Joanne Elizabeth Smith Qualifications	Director Bachelor of Financial Administration; Graduate Diploma in Taxation; Master of Accountancy; Fellow of the Institute of Chartered Accountants; Fellow of the Taxation Institute of Australia
Experience	Partner, Bedford Titley 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 and is currently a director on the board of a private company in the plastics industry.
Special Responsibilities	Chairman and Member of the Audit and Finance committee

Meetings of directors

During the financial year, 2 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	2	1
Gaetano Alfred Gerrard Russo	2	2
Deanne Maree Bevan	2	2
Terese Anne Jermyn	2	1
Dianne Margaret Banks	2	1
Jenny Bowen	2	2
Clinton James Dines	1	-
Joanne Elizabeth Smith	1	1

5. Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Half the Sky Foundation Australia Limited.

6. Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no

Half the Sky Foundation Australia Limited A.C.N 137 332 364
Directors' Report for the Year Ended 30 June 2011

options outstanding at the date of this report.

7. 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.

Director  Director 
G.A.O. RUSSO D.M. BEVAN
Dated 17 October 11

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 9 to 15, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 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  Director 
G.A.O. RUSSO D.M. BEVAN
Dated 17 October 11

Half the Sky Foundation Australia Limited A. C.N 137 332 364
Statement of Comprehensive Income for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	182,290	23,530
Donations		(165,700)	-
Other expenses		(5,503)	(5,688)
Profit before income tax		11,087	17,842
Income tax expense		-	-
Profit for the year		11,087	17,842
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		11,087	17,842

Half the Sky Foundation Australia Limited A.C.N 137 332 364
Statement of Financial Position for the year ended 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	32,801	22,429
Current tax receivable	5	-	13
TOTAL CURRENT ASSETS		32,801	22,442
TOTAL ASSETS		32,801	22,442
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	3,872	4,600
TOTAL CURRENT LIABILITIES		3,872	4,600
TOTAL LIABILITIES		3,872	4,600
NET ASSETS		28,929	17,842
EQUITY			
Retained earnings		28,929	17,842
TOTAL EQUITY		28,929	17,842

Half the Sky Foundation Australia Limited A.C.N 137 332 364
Statement of Changes in Equity for the year ended 30 June 2011
2011

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2010	17,842	17,842
Profit attributable to the company	11,087	11,087
Other comprehensive income for the year	-	-
Balance at 30 June 2011	28,929	28,929

	Retained Earnings	Total
	\$	\$
Balance at 26 May 2009	-	-
Profit attributable to the company	17,842	17,842
Other comprehensive income for the year	-	-
Balance at 30 June 2010	17,842	17,842

Half the Sky Foundation Australia Limited A.C. N 138 332 364
Cash Flow Statement for the year ended 30 June 2011

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Donations received	181,226	23,500
Payments to suppliers	(6,231)	(1,088)
Interest received	1,077	17
Donations given	(165,700)	-
Net cash provided by (used in) operating activities	10,372	22,429
	7(a)	
Net increase (decrease) in cash held	10,372	22,429
Cash and cash equivalents at beginning of financial year	22,429	-
Cash and cash equivalents at end of financial year	32,801	22,429
	7(b)	

Half the Sky Foundation Australia Limited
Notes to the Financial Statements for the year ended 30 June 2011

1 Summary of Significant Accounting Policies

(a) General Information

The financial report is for Half the Sky Foundation Australia Limited as an individual entity, incorporated and domiciled in Australia. Half the Sky Foundation Australia Limited 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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

(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) 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.

(e) Revenue and Other Income

Donations are recognised as revenue when received.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Half the Sky Foundation Australia Limited
Notes to the Financial Statements for the year ended 30 June 2011

(g) Comparative Figures

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

2 Revenue and Other Income

	2011	2010
	\$	\$
- Interest income	1,064	30
Donations	181,226	23,500
	182,290	23,530

3 Auditors' Remuneration

Remuneration of the auditor of the company for:
auditing or reviewing the financial statements

3,500	3,500
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4 Cash and Cash Equivalents

Cash at bank	32,801	22,429
	32,801	22,429

5 Tax

CURRENT

Withholding tax receivable	-	13
	-	13

6 Trade and Other Payables

CURRENT

Unsecured liabilities		
Sundry payables and accrued expenses	3,872	4,600
	3,872	4,600

7 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit for the year	11,087	17,842
Changes in assets and liabilities:		
Increase/(decrease) in trade payables and accruals	(728)	4,600
(Increase)/decrease in other tax receivable	13	(13)
Cashflow from operations	10,372	22,429

Half the Sky Foundation Australia Limited
Notes to the Financial Statements for the year ended 30 June 2011

(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	32,801	22,429
	32,801	22,429

8 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 2011.

9 Company Details

The registered office of the company is:
Half the Sky Foundation Australia Limited
14 Myamyn Street
ARMADALE VIC 3143

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



JOHN R WILCOX
Partner

Dated this 17th day of October 20 11

HILL ROGERS SPENCER STEER
ASSURANCE PARTNERS

*"All the children who are held and loved will know how to love others...
spread these virtues in the world. Nothing more need be done."*

Meng Zi c. 300 B.C.



Half The Sky Foundation Australia Ltd
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