### HALF THE SKY FOUNDATION **AUSTRALIA LIMITED**

ABN: 79 137 332 364

now also trading as

**ONESKY FOR ALL CHILDREN FOUNDATION** AUSTRALIA

## Annual Report 2017-2018

Half the Sky part of the global ConeSky network.



Half the Sky Australia/OneSky Australia is part of the global OneSky network. OneSky teaches communities and caregivers to provide nurturing responsive care and early education that unlocks the vast hidden potential in our world's most vulnerable children.

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# LETTER FROM THE CHAIRMAN

#### Dear Friends,

It is my pleasure to present Half the Sky Australia's Annual Report for 2017-18.

With generous supporters and dedicated staff, the year has been another record-setting one in terms of the amount of money raised for our projects to aid orphaned and abandoned children in China and the development of their caregiving communities.

Our Melbourne Fundraising Gala in September, 2017 was a highlight held at the Sofitel with hundreds of generous guests and supporters, as was a superb Sydney Benefit hosted by Macquarie Group in November. Through these events and other gifts throughout the year we raised over \$1.4 million.

Most importantly though, as you may read herein, with such generous contributions we were able to invest a record amount – almost \$1 million – into our joint projects with OneSky and Chunhui Children in China for vital model children's centres and caregiver training impacting welfare institutions and orphaned children in their care all over the country.

On behalf of the Board I sincerely thank our members, donors, patrons, volunteers and staff for a tremendous year.

Sincerely,

Stephen Jermyr





### 2 Half the Sky Australia

# LETTER FROM THE CEO

Dear Friends,

It has been another fulfilling year at Half the Sky Australia, made possible through the generosity of all our supporters in the Australian community, which happily includes our friends in the Chinese Australian community. Gifts this year, both large and small, have amounted to an incredible \$1.4 million in support of our work in China.

It is also wonderful to add that donations in China to OneSky's work are growing remarkably too. Half the Sky Australia is part of the global OneSky network, including Chinese sister, Chunhui Children's Foundation, established in 2012, and it is donations to Chunhui in China that are now increasingly supporting OneSky programs for orphaned children locally.

This is the exciting result of years of international cooperation that will (we trust!) see fundraising continue to grow inside China for as long as poverty and hardship still impact children and their communities especially in remote regions yet to benefit from economic development.

From Australia we have this year also sent more aid than ever before to China – for model children's centres in Hunan and Yunnan provinces, and for the ground-breaking OneSky national training project providing life-changing skills to carers, teachers and administrators who provide nurture and early education for so many thousands of orphaned children in welfare institutions across the country.

On behalf of all the children and their communities, thank you to all those helping create a better world for us all.

With gratitude,

MBeran

Deanne Bevan





young child's need for loving care and attention is fundamental and universal. It's a simple fact. So simple, it's simplistic. Obvious.

Obvious, but we allow 935 million in this world to grow up without it.

After two decades working in China, OneSky has found an effective way to reach hurt children in their most formative years, which is why Half the Sky Australia has chosen to be part of its global network.

OneSky develops affordable, scalable early childhood intervention models and trains carers how they can transform young lives.

OneSky shows carers how to provide not just early education, but also the consistent nurturing, responsive care that young children, from the moment of birth, need to develop normally.

OneSky's solution goes beyond the children by paying even more attention to training and transforming grownups. The changes OneSky witnesses in children are miraculous, but no more so than those seen in the adults responsible for their welfare. When adults realize they have the power to turn a child's life around, there is nothing more magical to behold.

When Half the Sky Australia's directors, staff and donors visit the OneSky projects we support, we see that light in the eyes of carers, teachers and also even the most staid government officials and business leaders because there is nothing humans love more than bringing happiness to a child.

# MODELS FOR CHANGE

alf the Sky Australia (HTSA) is part of the global OneSky network; we work in partnership with OneSky to provide developmental aid to China. Though OneSky now works outside China, Half the Sky Australia's work remains focussed on China.

In China, we have supported OneSky's orphanage model programs since 2011. In the near future, we plan to start supporting OneSky's village model programs that have been developed for children left behind after their parents leave their impoverished rural villages to find work in faraway cities.

To implement its models, OneSky fosters partnerships among individuals, communities, businesses and government at all levels, building local capacity by providing ongoing training, guidance and support as local partners take the models to scale.

Implementing OneSky's models doesn't require fancy buildings or expensive toys.

It does require human interaction, lots of it. And professionally trained caregivers cost money.

But humans who are trained to enable vulnerable young children to reach their potential can become a workforce for good. A workforce that can change our world.





### HALF THE SKY AUSTRALIA'S WORK WITH ONESKY IN CHINA

NATIONAL TRAINING PLAN:

	FY:	17-18	TOTAL TO DATE		
	CHILDREN CAREGIVERS		CHILDREN	CAREGIVERS	
Changsha CWI	100	26	350	37	
Kunming CWI	176	31	426	48	
Xiangtan Seed Center	58	19	87	35	
Changde Seed Center	81	12	130	20	
TOTAL	415	88	993	140	

# ORPHANAGE MODEL

n orphanage is a terrible place to raise a child, but in some countries orphanages are still the primary destination for children who have been separated from their families. Until deinstitutionalization becomes the norm, OneSky's Orphanage Model trains caregivers to provide institutionalized, orphaned and abandoned children with family-like care so they too can thrive.

OneSky's model has been so successful that it has become China's national standard for the care of institutionalized children and is being scaled across the country through the National Training Plan of which Half the Sky Australia is a major supporter. Working closely with its government partners, OneSky is training every child welfare worker in the country, onsite and online, via its learning platform 1jiaren.org, to provide the care that transforms institutionalized children's lives.

Programs include:

Infant Nurture: Women from the local community are trained to provide nurturing, responsive care for babies and toddlers that enhances the tremendous developmental gains infants make in the early years of life. Each early educator is assigned 3-4 babies and treats them as her very own. **Preschool:** Experienced early childhood educators are taught a unique and progressive curriculum that fosters cognitive, physical, language, and socialemotional development, curiosity, and the positive sense of self so often missing in institutionalized children. Loving Families: Married couples are recruited to provide permanent foster homes for children whose physical, emotional or cognitive challenges are likely to preclude their adoption. Children who would otherwise spend their lives in institutional care grow up knowing the love of a family.

Half the Sky Australia has been supporting ONESKY's Work since 2011.

### SCALING GOALS

To have established a demonstration center in each province by 2023. Every orphanage in the country to be reached by 2030.

### Anyun, Abandoned but not Alone

hen Anyun arrived at the orphanage as a toddler, she could not walk, speak, or even stand up on her own. But when Anyun's OneSky-trained nanny Li Xiamei extended her hand, the silent little girl, who has cerebral palsy, grabbed it, while clinging tightly to the warm, clean blanket she was wrapped in when she was discovered abandoned outside a police station.

Xiamei believes that Anyun's biological parents loved her because they took such care to wrap her in a warm blanket and dress her in clean clothes. She assumes they made the painful decision to abandon Anyun because, like many parents who have children with special needs, they could not afford quality medical care.

Still, frightened Anyun knew only that she was suddenly alone.

"She looked at the world with vacant eyes full of fear and mistrust," says Xiamei. Xiamei sang soft lullabies to soothe her. During meals, she cheered whenever Anyun ate something, no matter how little. Soon Anyun was responding happily to Xiamei's kisses, cuddles and singing.

Xiamei also massaged Anyun's legs daily. Then she started pulling her gently up to a standing position. After lots of practice, one day Anyun stood up on her own, prompting all the nannies in the playroom to applaud.

Now Anyun is a smiling, good-natured three year old, who likes to play peek-a-boo and can, to the delight of her beloved nanny Xiamei, walk on her own: "I'm glad she is able to enjoy the freedom that her feet bring her!"



### Little Emperor Fudi

Shortly after midnight, on November 8, 2013, a passerby found a newborn boy wrapped in a blanket by the side of a road in central China. The tiny baby, who weighed less than 7 pounds, was taken to the nearest orphanage where he was given the name Fudi ("Lucky Emperor") perhaps in the hope that his luck would change.

By the time he turned three, Fudi's luck did change when he joined OneSky's Loving Family Program. Finally Fudi had a mom, a dad and four siblings of his own. Now Fudi follows his big brother Lejie wherever he goes and, just like millions of Chinese preschoolers, loves to watch his favorite cartoon program *Boonie Bears*.

At first Fudi's mom Wei Aiqing says he was true to his name, demanding to be the first one served rice and lording it over his toys, but over time he became more considerate, taking home desserts from school to share with his siblings and helping with chores.

Fudi's development also accelerated. The only area where Fudi lags is speech so his teachers and mom have created activities and games that encourage him to speak and exercises like blowing paper to open up his diaphragm.

Though she is grateful for all of her son's progress, Wei Aiqing is most impressed by how loving he has become. Despite his language struggles, one day Fudi pronounced clearly: "I love my mom and my dad. I am happy that I have a mom and dad of my own."



### Half the Sky Foundation Australia Operating Report, 2017-18

#### THE YEAR IN BRIEF...

#### **FINANCIAL POSITION & FUNDRAISING ACTIVITIES**

HTSA had another record year in fundraising to 30 June, 2018 with revenue of \$1,432,439 (compared to \$1,230,989 in 2017) with the single biggest contributor again being the Melbourne Gala held in September, 2017. Smaller third-party and volunteer fundraising events as well as major gifts from private donors and companies were also important to revenue during the year.

Overheads are always kept to a minimum. Our China project expenses are by far our greatest expenditure, a record \$996,356 going toward our development projects in China this year. Otherwise, our major expenses are for staging the Melbourne gala fundraising event and staff costs (two full time fundraising/administrative positions based in Melbourne).

Net surplus from fundraising for the year was \$1,095,535 compared to \$914,045 in 2016/17. Surplus after all expenses including expenditure on China projects for the year was \$41,902.

#### **CHINA PROJECT WORK & IMPACT**

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

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

### 12 Half the Sky Australia

Through its involvement in this ambitious training project HTSA is extending its impact from Australia to hundreds of orphanages, thousands of caregivers, and ultimately many thousands of orphaned children living in welfare institutions across China. See impact figures pp.7.

During the year HTSA has also continued its support through 'legacy' funding and ongoing training at its 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 Centre' project successfully concluded at the Xiangtan orphanage in Hunan province, leaving local management with OneSky trained staff and four well established OneSky programs for the children including an infant nurture program, a preschool, a Special Needs program and a (small) loving Family Village program for children with few prospects for adoption.

After six months operation under local management at Xiangtan in 2018, reports conclude a smooth and successful transition with ongoing skills development training undertaken by all 19 staff in April 2018 as well as staff participation in OneSky's Ijiaren online learning platform and professional development community. This is a very satisfying outcome for more than 87 children directly impacted by programs (so far) and for the success of the OneSky 'seed' site strategy in spreading the OneSky model of care to more welfare institutions and more children in need. Our support has also continued at OneSky's Changde seed site throughout the year where three OneSky children's programs, Infant Nurture, Preschool and Special Needs programs, have now been established directly impacting over 130 children (so far). Based on successes with OneSky programs to date the Changde welfare institution has also undertaken some preparatory building works to accommodate a OneSky Family Village program for children with special needs in future (resources permitting possibly late 2018). Children with special needs now make up the vast majority of children abandoned to orphanage care not just at Changde but in welfare institutions across China thus programs aimed at their care are ever more vital.

## ONESKY FOR ALL CHILDREN FOUNDATION AUSTRALIA

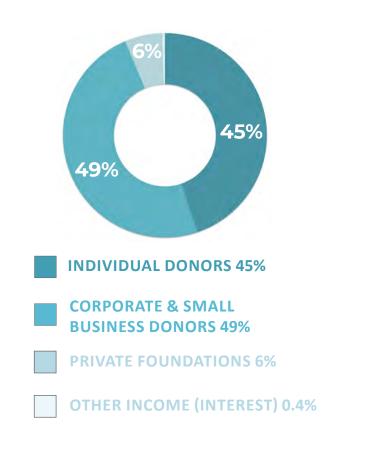
To better align with its China project partners in the global OneSky network, now gaining recognition for work for at-risk children both inside and outside China, HTSA decided this year to register the trading name, 'OneSky for all children Foundation Australia'. While in 2018 HTSA remains focussed on and committed to international aid in China, particularly for orphaned, abandoned and at-risk children, it is possible in future that its focus may also extend beyond China, resources and support permitting.

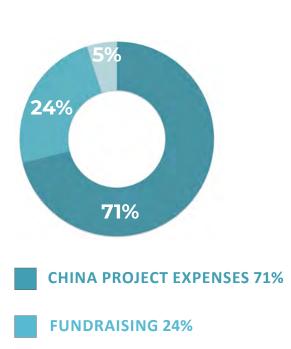
Note: at the time of publication of this report, HTSA is now trading as OneSky for all Children Foundation Australia, or OneSky Australia, for short.

Half the Sky Australia is committed to financial transparency and to ensuring that we use your donations wisely to benefit as many children as possible by carefully choosing the projects we support as part of the global OneSky Network.

REVENUE \$1,437,551







MANAGEMENT & ADMINISTRATIVE 5%



# THANK YOU TO OUR SUPPORTERS

We would like to extend a heartfelt thanks to all 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 so they can have a second chance at childhood.

APL LOGISTICS	CAMPBELL EDWARDS TRUST	КОЈО	STOCKLAND
ARLEC	CANTURI	KPMG	TARGET
ARVANITIS PHILANTHROPY	СНЕР	LANDER & ROGER	TELSTRA
AUSTRALIA POLY PHILANTHROPIC	COLES	LOSCAM	TENNIS AUSTRALIA
FOUNDATION	DESIGNWORKS	MACQUARIE CAPITAL	THE CREST COMPANY
AUSTRALIA POST	EG	MACQUARIE GROUP FOUNDATION	THE SKY FOUNDATION
BATA	ERNST & YOUNG		IPG MEDIABRANDS
BEDFORD	FOREVER NEW	MAX BIOCARE MCLEOD + AITKEN	UNIVERSAL BRANDS
BENTLEIGH GROUP	GILBERT + TOBIN		VICINITY CENTRES
BNU MELODY	IFENG	PRIME BUILD ROYALPAY	VIETNAM HOUSEWARES
BUNNINGS	ISPT		WELLCOM WORLDWIDE
BWM DENTSU	KMART	SAMWAYS SCENTRE GROUP	WESFARMERS

# CELEBRATING IN SYDNEY

ur second Annual Sydney Benefit held on 17 November 2017, was a chance to celebrate the courageous children who depend on each of us to prioritise their dreams and and to celebrate our incredibly generous supporters.

The stunning Macquarie Global Headquarters again provided the perfect meeting place for our intimate event. It was heart-warming to witness many of our 150 guests mingling on the balcony whilst taking in the breathtaking Sydney skyline. We are truly indebted to our host Dan Phillips and to our supporters at Macquarie Group Foundation, who welcomed us back with such warmth and continued interest in our cause.

Our guests – including honoured guest, Vice Consul-General of PRC in Sydney, Yang Bo – were treated to a suave performance by Harrison Craig, a delectable menu prepared by Private Chef Winston Zhang and the team at Chefin, and a Silent Auction and Diamond Sky Draw. With so many people joining forces on the night, it is no surprise that an incredible \$398,000 was raised.

For the first time this year, we partnered with RoyalPay - our presenting sponsor. RoyalPay's vibrant CEO, Locky

Ge took to the stage and spoke about his quest to better the lives of vulnerable children after deeply reflecting on his own life experiences and current circumstances. We thank Locky for his generous contribution and empathy.

And finally, where would any of our events be without our fabulous Premium Event Partners - the Australia China Business Council, Auswan, Canturi, Chefin, Huawei and Wellcom. Their support of the evening not only confirmed brighter futures for disadvantaged children and their communities, but also proved that nothing is insurmountable when you have kind and compatible friends in your corner.



# BOARD OF DIRECTORS, ADVISORS, 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; 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**

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 Group, a global investment banking and diversified financial services group headquartered in Sydney. 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 Accontants: 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 nonprofit sector.

#### **Rachel Xing, Director**

CEO Chunhui Children's Foundation, China & OneSky Chief Operations Officer, China, with over 8 years operations leadership experience with Half the Sky & Chunhui in China. Previously worked in telecommunications and voluntary associations in Canada.

#### **ADVISORS**

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

Former screenwriter and film director, writing screenplays for major Hollywood producers and writerdirector 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) Veronica Reich - Communications Director (Volunteer) Lauren O'Hara - Chief Development Officer Carmen Lau - Director of Development Lauren Thompson - Communications and Events Advisor

#### 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 Stephen (

Gaetano Deanne N

Terese An Dianne M Joanne Eli Daniel Ph Rachel Xi

otherwise stated.

### (b) Company secretary

### (c) Principal activities

The principal activities of Half the Sky Foundation Australia Limited during the financial year were to continue its awareness-

Directors' Report, For the Year Ended 30 June 2018

- ---

	Position
Craig Jermyn	Director and Chairman (Non-
	Executive)
Alfred Gerrard Russo	Director and Deputy Chairman
Maree Bevan	Secretary, Public Officer, and Chief
	Executive Officer
nne Jermyn	Director
/largaret Banks	Director
lizabeth Smith	Director and Honorary Treasurer
nillips	Director
ing	Director (Appointed May 2018)

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

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

Deanne Maree Bevan

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.

#### 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;

### Directors' Report, For the Year Ended 30 June 2018

### 1. General information (c) Principal activities

- 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 orphaned, at-risk and disadvantaged children including "left behind" children in rural villages impacted by poverty;
- Ultimately hand over responsibility and operation of established model programs to local authorities, communities and staff to operate as their own for the long-term sustainability and expansion 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 the children's welfare system; 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 project (2011 – ongoing) 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;

# 1. General information

Directors' Report, For the Year Ended 30 June 2018

# (c) Principal activities

• 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 (2014 - ongoing):

• 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.

• Establishment of 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 achievement of Public Benevolent Institution (PBI) status (effective December, 2016).

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 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$80 (2017: \$70).

#### 2. Business review (a) Operating results

The surplus from ordinary activities for the year amounted to \$41,902 (2017: \$54,197).

### (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

No significant changes in the company's state of affairs occurred during the financial year except that the company decided to begin trading as "OneSky for all children Foundation Australia" commencing in the 2018-19 financial year.

### Directors' Report, For the Year Ended 30 June 2018

### HAI Directors' R

# 3. Other items(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 except that the company will restructure fundraising activities in 2019 which may impact revenue in the 2019-20 financial year.

### (c) Future developments

The company aims to maintain and ultimately increase the present level of overall operations and resources permitting 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	
Quanneations	Certified Public Accountants	Information on
Experience	21 years executive experience at McDonald's Australia Ltd, served as CFO and retired a Deputy Managing Director in 2005; current Director and former Chairman Ronald McDonald	<b>Deanne Ma</b> Secretary, Pu Qualificatior
	House Charities Australia; currently Director on Australian public company boards Mortgage Choice Limited and Reverse Corp Limited as well as private company boards.	Experience
	<b>d Gerrard Russo</b> eputy Chairman	

Experience	Chief Executive Officer of Wesfarmers	
-	Department Stores Division (Kmart	
	& Target); President of Half the Sky	
	Foundation/OneSky (the US entity); previous	
	33 years with McDonald's corporation including	Special Res
	as President McDonald's Greater China and	Special Res
	CEO McDonald's Australia Ltd; former Director	
	and Chairman Ronald McDonald House Charities	Terese Anr
	Australia and Director Ronald McDonald House	
	Charities Hong Kong. Served on the Business	Qualificatio
	Council of Australia and the board of Diabetes	
	Australia.	Experience

## HALF THE SKY FOUNDATION AUSTRALIA LTD ABN 79 137 332 364

Directors' Report, For the Year Ended 30 June 2018

talent agency and record and publishing

company.

### 4. Director Information

#### on directors

ne Maree etary. Public	Bevan Cofficer and Chief Executive Officer	Qualifications
fications	Bachelor of Business; Master of Arts	Experience
rience	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.	<b>Daniel Phillips,</b> D Qualifications Experience
al Respons	ibilities Member of the Audit and Finance committee	
e Anne Jer	myn, Director	
fications	OAM, Medal of the Order of Australia	
rience	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,	

# Special Responsibilities Member of the Audit and Finance committee

### Dianne Margaret Banks, Director

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

Directors' Report, For the Year Ended 30 June 2018

Information on directors (continued)

### 5. Indemnifying officers or auditors

During	tł
their po	SC
the cor	n

### 6. Indemnifying officers or auditors

Director

Joanne Elizabeth Smith, Director		During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each 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	during the year were as follow	•		
Experience	Associate, Bedford CA, Chartered Accountants;	Numb	er eligible to		
	previous experience in accounting and tax		attend	Number attended	
	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.	Stephen Craig Jermyn	5	5	
		Gaetano Alfred Gerrard Russo	5	5	
Special Responsibilities Honorary Treasurer and Chair of the Audit and Finance Committee		Deanne Maree Bevan	5	5	
		Terese Anne Jermyn	5	5	
Rachel Xing, Di	irector	Dianne Margaret Banks	5	5	
Qualifications	Bachelor of Arts, China; Master of Arts, Hong Kong; Bachelor of Science, Canada.	Joanne Elizabeth Smith	5	5	
		Daniel Phillips	5	5	
Experience	CEO Chunhui Children's Foundation, China & OneSky Chief Operations Officer, China, with over 8 years operations leadership experience with Half the Sky & Chunhui in China. Previously worked in telecommunications and voluntary	Rachel Xing	1	1	

**Meetings of directors** 

associations in Canada.

Directors' Report, For the Year Ended 30 June 2018

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

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

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 part to any such proceedings during the year.

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

Deanne Maree Bevan

Director:

Gaetano Alfred Gerrard Russo

Dated 19th addres, 2018

Auditor's Independence Declaration

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 2018, 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

BUILD

John R Wilcox Partner

Dated this19th day of October 2018

HA Statement

Revenue Project operating Fundraising costs Depreciation and Management cost **Surplus / (deficit)** Income tax expen

Surplus / (deficit)

Other comprehe

Items that will no subsequently to s Items that may b to surplus or define **Other comprehen** 

Total comprehen

## HALF THE SKY FOUNDATION AUSTRALIA LTD ABN 79 137 332 364

Statement of Surplus and Deficit and Other Comprehensive Income, for the Year Ended 30 June 2018

			2018			2017	
		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	Note	\$	\$	\$	\$	\$	\$
	2	1,437,551	-	1,437,551	1,188,797	47,500	1,236,297
ng expenses	3	(966,356)	(30,000)	(996,356)	(724,329)	(79,844)	(804,173)
ts	4	(336,904)	-	(336,904)	(316,944)	-	(316,944)
d amortisation expense		(757)	-	(757)	(833)	-	(833)
osts		(61,632)	-	(61,632)	(60,150)	-	(60,150)
it) before income tax		71,902	(30,000)	41,902	86,541	(32,344)	54,197
ense		-	-	-	-	-	
it) for the year		71,902	(30,000)	41,902	86,541	(32,344)	54,197
ensive income:							
not be reclassified surplus or deficit	-	-	-	-	-	-	-
be reclassified subsequently ficit							
ensive income for the year	-	-	-	-	-	-	
nsive income for the year		71,902	(30,000)	41,902	86,541	(32,344)	54,197

Statement of Financial Position, As At 30 June 2018



ASSETS	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	7	673,792	810,548
Trade and other receivables	8	56,347	88,774
Inventories	9	1,781	1,781
Other assets	10	437,635	347,986
TOTAL CURRENT ASSETS	-	1,169,555	1,249,089
NON-CURRENT ASSETS			
Property, plant and equipment	11 _	1,756	1,151
TOTAL NON-CURRENT ASSETS	_	1,756	1,151
TOTAL ASSETS	=	1,171,311	1,250,240
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	9,799	7,803
Employee benefits	13	748	1,471
Deferred income	14	176,250	298,354
TOTAL CURRENT LIABILITIES		186,797	307,628
TOTAL LIABILITIES	-	186,797	307,628
NET ASSETS	=	984,514	942,612
EQUITY			
Retained earnings		984,514	912,612
Reserves	-	-	30,000
TOTAL EQUITY	_	984,514	942,612

#### 2018

	Retained earnings \$	Restricted reserve \$	Total Ś
Balance at 1 July 2017	912,612	30,000	942,612
Surplus attributable to the entity	41,902	-	41,902
Transfers from restricted reserve	30,000	(30,000)	-
Balance at 30 June 2018	984,514	-	984,514

### 2017

	Retained earnings	Restricted reserve	Total
	\$	\$	\$
Balance at 1 July 2016	826,071	62,344	888,415
Surplus attributable to the entity	54,197	-	54,197
Transfers from restricted reserve	32,344	(32,344)	-
Balance at 30 June 2017	912,612	30,000	942,612

Statement of Cash Flows, For the Year Ended 30 June 2018

		2018	2017	1	Sur
	Note	\$	\$	(a)	Ger
CASH FLOWS FROM OPERATING ACTIVITIES:					
Individual donations received		645,962	460,888		financi vidual e
Corporation and small business donations received		660,061	843,114		ndatior
Private foundation donations received		36,960	43,850		
Sale of books and prints		-	1,800	(b)	Bas
Interest received		5,112	3,508	The	financi
Project operating expenses - Changsha Development Project and Hunan					have b
CDE and training		(94,493)	(67,100)		dards -
Project operating expenses - Kunming Project		(61,562)	(179,546)		ounting
Project operating expenses - National Caregiver Training Plan		(915,256)	(659,146)		·for-prc ty for fi
Payments to suppliers and employees		(412,178)	(339,390)		idards.
Net cash (used in) / provided by operating activities	15(a)	(135,394)	107,978		
			, ,		tralian /
CASH FLOWS FROM INVESTING ACTIVITIES:					B has c vant an
Purchase of plant and equipment		(1,362)	(1,409)		ditions.
Net cash used in investing activities		(1,362)	(1,409)	of th	nese fin
		(_, ~ ~ _ ,	(_),	cons	sistentl
Net increase in cash and cash equivalents held		(136,756)	106569	The	financi
Cash and cash equivalents at beginning of year		810,548	703,979	beer	n prepa
Cash and cash equivalents at end of financial year	15(b)	673,782	810,548		lified, v
				sele	cted no

### HALF THE SKY FOUNDATION AUSTRALIA LTD ABN 79 137 332 364

Notes to the Financial Statements, For the Year Ended 30 June 2018

#### ummary of significant accounting policies

#### General information

ncial report is for Half the Sky Foundation Australia Ltd as an al entity, incorporated and domiciled in Australia. Half the Sky ion Australia Ltd is a company limited by guarantee.

### Basis of preparation

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

an Accounting Standards set out accounting policies that the s concluded would result in financial statements containing and reliable information about transactions, events and ns. Material accounting policies adopted in the preparation financial statements are presented below and have been ntly applied unless stated otherwise.

ncial statements, except for the cash flow information, have epared on an accruals basis and are based on historical costs, l, where applicable, by the measurement at fair value of non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### **Cash and cash equivalents** (c)

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.

#### **Restricted / unrestricted funds** (d)

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.

#### New accounting standards (e)

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.

#### Summary of significant accounting policies 1

#### (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 33% Computer equipment

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

#### (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.

#### **Employee benefits** (i)

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.

#### (i) **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.

### Summary of significant accounting policies

#### (k) **Revenue and other income**

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

#### **Expenses**

1

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.

#### Goods and Services Tax (GST) (m)

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.

Comparatives are consistent with prior years, unless otherwise stated.

#### **Comparative figures** (n)

Notes to the Financial Statements, For the Year Ended 30 June 2018

2	Revenue: Donations received and other income	2018		2017
		\$		\$
	Donations received:			
	- individual donations	(	553,270	486,504
	- corporate and small business	(	597,209	695,635
	- private foundations		81,960	48,850
	Total donations received	1,4	432,439	1,230,989
	Other income:			
	- sale of books and prints		-	1,800
	- interest received		5,112	3,508
	Total other income		5,112	5,308
	Total donations received and other income	1,4	437,551	1,236,297
5	Project operating expenses			
	Project operating expenses:			
	- Changsha Development Project and Hunan CDE and training	1	L04,620	173,080
	- Kunming Project		65,988	204,166
	- National Caregiver Training	٤	321,889	426,927
	- Program site visits		3,859	-
	Total project operating expenses		996,356	804,173
Ļ	Fundraising costs			
	Employee benefits expense	1	127,272	124,855
	Other fundraising costs		55,021	42,826
	Event expenses	1	154,611	148,530
	Cost of goods sold		-	733
	Total fundraising costs	3	336,904	316,944
5	Employee benefits expense			
	Salaries and wages	1	116,891	112,902
	Movement in employee benefits provisions		(723)	1,227
	Superannuation		11,104	10,726
	Total employee benefits expense	1	127,272	124,855

## HALF THE SKY FOUNDATION AUSTRALIA LTD ABN 79 137 332 364

Notes to the Financial Statements, For the Year Ended 30 June 2018

Auditors' remuneration	2018	2017		
	\$	\$		
Remuneration of the auditor of the company for:				
- auditing or reviewing the financial statements	3,500	3,500		
Cash and cash equivalents	673,792	810,548		
Cash at bank	673,792	810,548		
Trade and other receivables				
CURRENT	552	331		
GST receivable	55,795	88,443		
Pledge and other receivables	56,347	88,774		
Inventories				
CURRENT				
At cost:	1,781	1,781		
Books and prints	1,781	1,781		
Other assets				
CURRENT				
Project prepayments	404,102	329,146		
Other prepayments	33,533	18,840		
Property, plant and equipment	437,635	347,986		
PLANT AND EQUIPMENT				
Computer equipment				
At cost	3,860	2,498		
Accumulated depreciation	(2,104)	(1,347)		
Total computer equipment	1,756	1,151		
Total property, plant and equipment	1,756	1,151		

### Statement of Cash Flows, For the Year Ended 30 June 2018

11	Property, plant and equipment	2018	2017	18	Fundraising income and expenses				
	Movements in carrying amounts	\$	\$			2018	2018	2017	2017
	Movement in the carrying amounts for each class of propert	y plant and equinment between the beginning and th	e end of the current financial year.			\$	%	\$	%
			e cha of the current maneur year.		Details of aggregate gross income and total expenses from fundraising appeals				
		Computer equipment	Total		Gross proceeds from fundraising	1,432,439		1,230,989	
		\$	\$		Less: total costs of fundraising	(336,904)	_	(316,944)	
	Balance at the beginning of year	1,151	1,151		Net surplus from fundraising	1,095,535	_	914,045	_
	Additions	1,362	1,362						
	Depreciation expense	(757)	(757)		Gross comparisons				
	Balance at the end of the year	1,756	1,756		Total cost of fundraising	336,904	24%	316,944	26%
					Gross proceeds from fundraising	1,432,439	-	1,230,989	-
12	Trade and other payables								
	CURRENT				Net surplus from fundraising	1,095,535	76%	914,045	74%
	Trade payables and accrued expenses	9,799	7,803		Gross proceeds from fundraising	1,432,439	-	1,230,989	-
		9,799	7,803						
13	Employee benefits				Total project expenses	996,356	71%	804,173	68%
	CURRENT				Total expenditure	1,395,649	_	1,182,100	-
	Provision for employee benefits	748	1,471						
		748	1,471		Total project expenses	996,356	69%	804,173	65%
14	Deferred Income				Total Revenue	1,437,551	-	1,236,297	-
	Deferred event income	176,250	298,354						
		176,250	298,354	19	Company details				
					The registered office of the company is:				

## HALF THE SKY FOUNDATION AUSTRALIA LTD ABN 79 137 332 364

Notes to the Financial Statements, For the Year Ended 30 June 2018

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

Director's Declaration

The directors of the entity declare that:

- The financial statements and notes, as set out on pages 9 -20, are in accordance with the Australian Charities and Not-for-profits *Comission Act 2012* and:
  - comply with Australian Accounting Standards Reduced (a) Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013, and
  - give a true and fair view of the financial position as at 30 (b) June 2018 and of the performance for the year ended on that date of the entity.
- 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.

Deanne Maree Bevan 

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.

Deanne Maree Bevan Director

19 th October 2018

in

Gaetano-Alfred Gerrard Russo

Opinion the directors' declaration.

- ended;
- •
- financial result of fundraising appeals conducted during the year; the accounting and associated records have been properly kept •
- Charitable Fundraising Act 1991 and the Regulations; and money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations;

## HILL ROGERS

### Independent Auditor's Report to the Members of Half the Sky Foundation Australia Ltd

We have audited the financial report of Half the Sky Foundation Australia Ltd, which comprises the statement of financial position as at 30 June 2018, 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

- 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 (ACNC Act), including:

giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then

- complying with Australian Accounting Standards Reduced Disclosure Requirements, and Division 60 the
- Australian Charities and Not-for-profits Commission Regulation 2013. the financial statements show a true and fair view of the
- during the year in accordance with the

#### **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 auditor independence requirements of the Subdivision 60C Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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:

• 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 19th day of October 2018



### Unlocking the potential of our world's vulnerable children

Half the Sky Foundation Australia Limited | PO Box 8850, Armadale, Vic, 3143

#### www.onesky.org.au

www.facebook.com/oneskyaustralia/ www.instagram.com/onesky\_australia/

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