
Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Financial Statements

For the Year Ended 30 June 2011

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

For the Year Ended 30 June 2011

CONTENTS

	<u>Page</u>
Financial Statements	
Independent Audit Report	1
Directors' Report	3
Directors' Declaration	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Financial Statements	13
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	16

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.

Hill Rogers
Spencer Steer

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 20 11

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Directors' Report

For the Year Ended 30 June 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.

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Directors' Report

For the Year Ended 30 June 2011

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	Director and Chairman (non-executive)
Qualifications	F CPA, Fellow of the Australian Certified Public Accountants
Experience	21 years executive experience at McDonald's Australia Ltd, served as CFO and retired as Deputy Managing Director in 2005; current Director and former Chairman Ronald McDonald House Charities Australia; currently Director on Australian public company boards Mortgage Choice Limited and Reverse Corp Limited as well as private company boards.

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Directors' Report

For the Year Ended 30 June 2011

4. Director Information continued

Information on directors continued

Gaetano Alfred Gerrard Russo	Director and Deputy Chairman
Experience	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	Director, Secretary, Public Officer and Executive Officer
Qualifications	Bachelor of Business; Master of Arts
Experience	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	Director
Qualifications	OAM, Medal of the Order of Australia
Experience	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	Director
Qualifications	University of Sydney Arts/Law degree
Experience	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.

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Directors' Report

For the Year Ended 30 June 2011

4. Director Information continued

Information on directors continued

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.
Clinton James Dines Qualifications Experience	Director Graduate in Asian Studies and Economics from Griffith University, Brisbane 1978; Course in International Business, INSEAD 1996 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 Experience Special Responsibilities	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 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. Chairman and Member of the Audit and Finance committee

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Directors' Report

For the Year Ended 30 June 2011

4. Director Information continued

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 options outstanding at the date of this report.

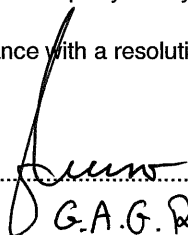
7. Proceedings on Behalf of Company

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.

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

Director:


G.A.G. Russo

Director:


D.M. BEVAN

Dated 17 October 2011

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

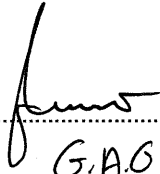
Directors' Declaration

The directors of the entity declare that:

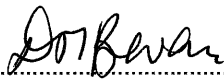
1. The financial statements and notes, as set out on pages 9 to 15, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on 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


G.A.G. RUSSO

Director


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

As At 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

2010

	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 137 332 364

Cash Flow Statement

For the Year Ended 30 June 2011

	2011	2010
Note	\$	\$
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	7(a) <u>10,372</u>	<u>22,429</u>
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	7(b) <u>32,801</u>	<u>22,429</u>

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

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

A.C.N 137 332 364

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(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
	<u>182,290</u>	<u>23,530</u>

3 Auditors' Remuneration

Remuneration of the auditor of the company for:

- auditing or reviewing the financial statements	<u>3,500</u>	<u>3,500</u>
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4 Cash and Cash Equivalents

Cash at bank	<u>32,801</u>	<u>22,429</u>
	<u>32,801</u>	<u>22,429</u>

5 Tax

CURRENT

Withholding tax receivable	<u>-</u>	<u>13</u>
	<u>-</u>	<u>13</u>

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
6 Trade and Other Payables		
CURRENT		
Unsecured liabilities		
Sundry payables and accrued expenses	<u>3,872</u>	4,600
	<u>3,872</u>	<u>4,600</u>
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	<u>10,372</u>	<u>22,429</u>
(b) Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	<u>32,801</u>	22,429
	<u>32,801</u>	<u>22,429</u>

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

Half the Sky Foundation Australia Limited

A.C.N 137 332 364

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

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.

HILL ROGERS SPENCER STEER

ASSURANCE PARTNERS



JOHN R WILCOX
Partner

Dated this 17th day of October 2011