

OrangeSky

— New Zealand —

ANNUAL REPORT

2018/2019





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Orange Sky acknowledges Māori as tangata whenua and Treaty of Waitangi partners in Aotearoa New Zealand.

Co-Founders Report

In early 2018 in our Brisbane headquarters, we had a crazy idea to launch Orange Sky's first international van on 10 October 2018 - exactly four years on from our first ever wash in Australia.

We knew that homelessness had become a growing challenge in New Zealand and hoped that we could make a difference in the lives of the 41,000 people doing it tough.

The road ahead wasn't all smooth sailing - from legal structures and securing funding to building a local team and finding places for the van to operate. We got there in the end and hoped all the hard work would be worth it. 'Thanks to the support of Hugo Charitable Trust and Ministry of Housing and Urban Development' we felt like we had the backing and support of some great organisations to support us on this journey.

For our first shift, we set up in Onehunga in Auckland - that's where we met Mike. He had two massive loads of washing and jumped in the van for a hot shower. We got chatting with Mike and learnt that he had been sleeping behind the church we were working in collaboration with and had been doing it tough for a few months. In an all too familiar story, Mike had worked all over Australia and New Zealand and fallen on some tough times.

A few weeks later, we were thrilled to learn that Mike had transitioned into housing, found himself a job and was feeling positive. Orange Sky didn't put a roof over Mike's head, but in collaboration with other service providers in Auckland, we were able to help Mike move off the streets.

After only six months of operating in Auckland, Orange Sky had washed 10,000kgs of laundry, provided over 1,000 warm showers and engaged in around 2,000 hours of conversation with people experiencing homelessness. Hugo is now one of the busiest vans in our service across New Zealand and Australia!

None of this would have been possible without the amazing Eddie, who joined the team on a full time basis supporting Orange Sky to deliver positive social impact in New Zealand. We are continually blown away by his passion and dedication to helping our friends on the street and we can't wait to see the service further develop at the hands of Eddie.

We are excited about the year ahead - both in terms of continuing to support New Zealanders doing it tough, as well as expanding Orange Sky's services to Wellington and (hopefully!) beyond.



Lucas and Nic,
Orange Sky Co-Founders and Managing Directors



Our Mission is to Positively Connect Communities

Passion & Focus

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

Imagination & Innovation

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

Collaborative Partnerships

We succeed through sharing ideas, challenges and resources.

Energy & Drive

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

Our Impact

Over the past year, we positively connected



680 people

at **269** van shifts

THROUGH



1,298
washes



1,359
showers



1,974
hours of
conversation

WITH



1
van in
operation



41
volunteers in
New Zealand



Terry & Eddie

“When I first met Terry he was sleeping on the streets and he was doing it pretty tough. It felt great to offer him a chance to wash his clothes, have a shower and a great chat.

He became a regular on shift but after a while we were able to celebrate Terry finding stable accommodation. The funny thing was that he would still come out and hang out with us on shift. It was no longer about how we could help him or what we could offer, it was just about the connection a simple conversation that we both enjoying so much.

I'll probably get in trouble for saying this, but I think my favourite part of what I do is getting to see Terry's face when we come out on shift. As soon as we get out of the van, he's there with a smile and he will come and check up on you and say, “How do you doing, cuzzy?” And give you a handshake. There's something special about Terry.

Terry's probably been to more shifts than I have. Terry's Mr. Famous, he is also our local Orange Sky DJ. He always brings us his boombox and he's always got the good tunes from the 70s, 80s. He plays the good stuff!

There's those genuine people that you meet and I can guarantee you that you probably won't ever meet anyone as genuine and as caring as Terry. So to have him choose to come out and hang out with us on shift is really special. We refer to everyone who uses our services as friends and just talking and hanging out with Terry, you realize really quickly that that's not just a word. I consider Terry a good friend.”

- Eddie

The Year Ahead

The year ahead for Orange Sky New Zealand is about our next phase of growth. This includes the addition of two more services; one in Wellington and another in a location yet to be finalised. Beyond the 2019/20 financial year, we are looking at deploying more vans into New Zealand to continue growing our impact and supporting people doing it tough.

Our future key organisational objectives are to grow our social impact, improve our financial sustainability and deliver greater social return.

Growing social impact quantifies the impact of Orange Sky's service on the well-being of the wider community. We measure all of our outputs, namely; washes, showers, conversation hours and friends referred externally; and an economic and social value is then assigned to each of these outputs to calculate our social impact.

Improving our financial sustainability is about ensuring that we have the adequate financial resources required to generate this social impact.

Delivering greater social return is a ratio of our social impact compared to our relevant expenses. The social return ratio is an indicator of how effectively we are generating our impact and allows us to compare, year on year, how we are tracking.

For the year ahead, we are looking to deliver \$850,000 in social impact, generate \$1.15m in revenue and deliver a social return of 1.7.

Additionally, we are currently recruiting a new Director for our Board. As Orange Sky continues to grow, we've recognised our need for strong mentors and business leaders to support and help us achieve our mission.



Meet The Board

Orange Sky New Zealand launched in Auckland on World Homeless Day, 10 October 2018.

Orange Sky New Zealand is a wholly-owned subsidiary of Orange Sky Australia with its own Board of Directors. All funds raised in New Zealand go towards furthering New Zealand's purpose, and likewise for the Australian entity, however financials are consolidated for financial reporting purposes. A management support fee is paid by Orange Sky New Zealand to Orange Sky Australia to manage its shared services, which include operations management, health & safety, marketing, fundraising, finance, human resources and administration.



Lucas Patchett
Executive Director

Lucas is one of the co-founders of Orange Sky and has been a Board member since its inception. Lucas has driven research and development across the organisation and has played a critical role in the strategic direction and culture of Orange Sky. Lucas leads the Brand and Communications, Fundraising, Finance, Admin and HR teams, with a focus on supporting the viability and sustainability of the organisation through strategy, building great relationships with supporters and growing our brand.



Nic Marchesi
Executive Director

Nic is one of the co-founders of Orange Sky and has been a Board member since its inception, playing a critical role in the strategic direction of Orange Sky. Nic leads the operations, projects and technology streams - working directly with our Chief Operating Officer and Chief Innovation Officer. He helps share the Orange Sky story through speaking engagements and meetings with our supporters to ensure Orange Sky's sustainability.



David Tubb
Executive Director

David was a founding Board Member of Orange Sky and has been integral to the organisations' development and expansion. David leads the Technology and Innovation team at Orange Sky and has supported the launch of 'Campfire' - a web-based tool that will help other for-purpose organisations amplify their impact. David is passionate about Orange Sky New Zealand after spending time in Auckland helping to set up the service and meeting with volunteers, friends and the wider community. He holds a Bachelor of Engineering (First Class Honours) from the University of Queensland and a Graduate Diploma in Secondary Education from the Australian Catholic University.



Emma Young
Company Secretary

Emma juggles the Finance and Admin and HR teams while focusing on the organisation's future stability and growth. With a Bachelor of Commerce majoring in Accounting, Emma is also currently completing her CPA on a full scholarship. She started with Orange Sky Australia as a volunteer in early 2016, pouring countless hours into the daily operations and running of the Brisbane services and setting up financial systems and processes from scratch. Emma has played a pivotal role in setting up Orange Sky New Zealand. Her passion, skills and dedication to social inclusion have all been a key part of her progression to her current role of CFO.

Senior Leadership Team



Lucas Patchett
Co-Founder & Managing Director

How long have you worked at Orange Sky?
Officially since July 2017, but was around for the first wash!

Roles and responsibilities?
I support the Brand and Communications, Fundraising, Finance, Admin and HR teams, with a focus on supporting the viability and sustainability of our organisation through our strategy, building great relationships with supporters and growing our brand.

Why Orange Sky?
I have always loved learning new things and helping people. Orange Sky lets me bring those two passions together every day.



Nic Marchesi
Co-Founder & Managing Director

How long have you worked at Orange Sky?
Since our first ever wash in October 2014.

Roles and responsibilities?
My focus is on supporting the operations, projects and technology streams at Orange Sky - working directly with our Chief Operating Officer and Chief Innovation Officer. I also help to share the Orange Sky story through speaking engagements and meetings with our supporters to keep stabilising and sustaining Orange Sky.

Why Orange Sky?
Growing up, I learned that there were 1 in 200 people disconnected from the community and I wanted to find a small way to help. I love Orange Sky for its mission of positive connection.



Emma Young
Chief Financial Officer

How long have you worked at Orange Sky?
I've been employed for almost as long as we've had staff, but was volunteering for a year before that. All up it's been about four years!

Roles and responsibilities?
I am lucky enough to lead the Finance, Admin and HR teams. My focus is on maximising our social return through effective use of funding. I care about creating an environment where people come to work feeling connected, motivated and supported.

Why Orange Sky?
Orange Sky gives me the opportunity to combine my passion for social inclusion with my skills and education in business.



Mike Duggan
Chief Operating Officer

How long have you worked at Orange Sky?
Since the 1st of April 2019.

Roles and responsibilities?
Ensuring our operations team and volunteers have the direction, resources and capacity to deliver social impact across Australia and New Zealand.

Why Orange Sky?
After years working in and managing for-profit enterprises, I wanted to transition into a purpose-driven organisation. I spend time outside of work volunteering for other organisations and wanted to connect my commercial experience with my passion for volunteering in non-profits.



David Tubb
Chief Innovation Officer

How long have you worked at Orange Sky?
Full-time from December 2016, but a volunteer since October 2014

Roles and responsibilities?
Leading the Technology and Innovation team to support Orange Sky's tech needs and launch Campfire.

Why Orange Sky?
It's a privilege to solve problems every day that are meaningfully contributing to the community. To do this surrounded by a group of talented and energetic colleagues is an absolute pleasure.



Jo Westh
Chief Executive Officer (Finished April 2019)

How long have you worked at Orange Sky?
I was one of Orange Sky's founding Board members and officially started full-time in June 2016.

Roles and responsibilities?
Leading and supporting the growth of Orange Sky across all departments and people.

Why Orange Sky?
Orange Sky allowed me to bring my years of business experience and my passion for helping people together at the perfect time in my career.

Financials

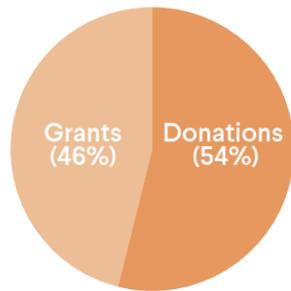
Revenue

\$421,102

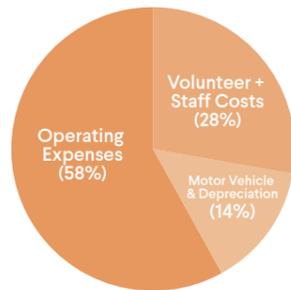
Surplus

\$41,027

Income



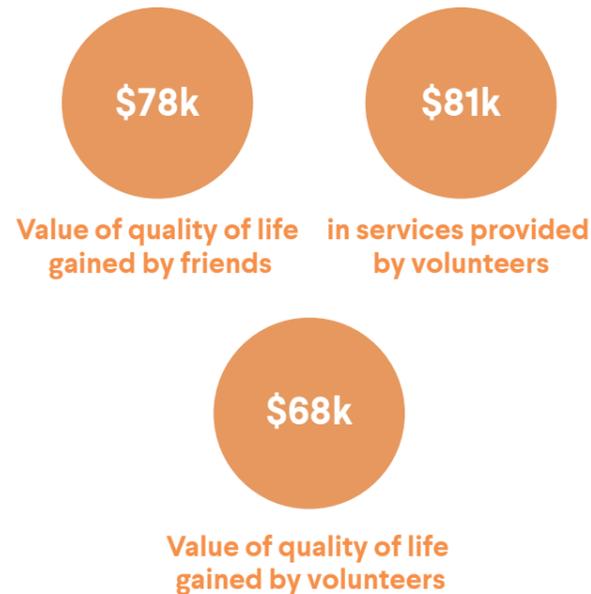
Expenses



Our Impact

\$318k

Orange Sky's social impact



The Orange Sky New Zealand Annual Report reflects the Australian financial year from July 1, 2018 to June 30, 2019.

Our Supporters

Hugo Charitable Trust's generous donation supported Orange Sky in bringing our laundry and shower service to Auckland. The Trust was established in May 2017 by Maryanne Green in memory of the late Hugh Green. Thanks to the Trust's support, Orange Sky has been able to support many New Zealanders doing it tough.

The Ministry of Housing and Urban Development have generously contributed to Orange Sky in New Zealand. We couldn't have achieved what we have for New Zealanders doing it tough without their support.

Main Sponsors:



In Kind:



BELL GULLY

Orange Sky New Zealand Limited
PERFORMANCE REPORT
for the period ended 30 June 2019

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ENTITY INFORMATION

Legal Name of Entity: Orange Sky New Zealand Limited

Type of Entity and Legal Basis: NZ Limited Company and Registered Charity

Registration Number: Company number: 6830278
Charity registration number: CC55443

Directors: Nicholas Marchesi (appointed 15 May 2018)
David Tubb (appointed 15 May 2018)
Lucas Patchett (appointed 18 April 2019)

Entity's Purpose or Mission:

Orange Sky provides a free mobile laundry and shower services to people experiencing homelessness.

Each week, more than 50 volunteers give their time to help positively connect some of the 41,000 New Zealanders doing it tough. The focus is on creating a safe, positive and supportive environment for people who are too often ignored or feel disconnected from the community.

We want to make sure that everyone has access to free laundry and shower services - but most importantly - the opportunity to connect and feel welcome.

Our mission and values are encapsulated in the following graphic:



Entity Structure: NZ Limited Company and Registered Charity

ENTITY INFORMATION (CONTINUED)

Main Source of the Entity's Cash and Resources:

The majority of Orange Sky's income is comprised of donations and grants from both government and non-government organisations and charities. In addition, a small amount of income is raised through donations from individuals and businesses.

Main Methods Used by the Entity to Raise Funds:

Orange Sky is active in applying for grants from both government and non-government organisations, as well as seeking donations from charities and sponsorship from businesses. In addition, a small amount of fundraising is undertaken through the organisation's website and social media channels.

Entity's Reliance on Volunteers and Donated Goods or Services:

Orange Sky relies significantly on volunteers to operate the van on a day-to-day basis. There are various levels of responsibility from general volunteering for 2-4 hours per week/fortnight through to maintaining the vehicle or leading the service which involves a larger time commitment.

Contact Details:

Physical & Postal Address:	17-31 Dover Street Albion, Queensland Australia 4010
Email/Website:	https://orangesky.org.nz/
Facebook:	https://www.facebook.com/OrangeSkyNZ/
Instagram:	https://www.instagram.com/orangeskynz/

COMPILATION REPORT

Compilation report to the Directors of Orange Sky New Zealand Limited.

Scope

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, the Performance Report of Orange Sky New Zealand Limited for the period ended 30 June 2019. As described in Note 1 to the Performance Report, the Performance Report has been prepared in accordance with PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) .

Responsibilities

You are solely responsible for the information contained in the Performance Report and have determined that the accounting policies employed are appropriate to meet your needs and for the purpose for which the Performance Report was prepared.

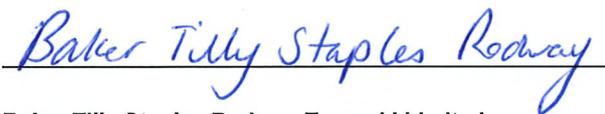
The Performance Report was prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the Performance Report.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the Performance Report from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Disclaimer of Liability

As mentioned earlier in our report, we have compiled the Performance Report based on information provided to us which has not been subject to an audit or review engagement. Neither Baker Tilly Staples Rodway Taranaki Limited nor any of its employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person.



Baker Tilly Staples Rodway Taranaki Limited
Chartered Accountants

109-113 Powderham Street
New Plymouth
78 Miranda Street
Stratford

Dated: 27 August 2019

**ANNUAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2019**

The Directors present their Annual Report including Performance Report of the Company for the period ended 30 June 2019.

Section 211 of the Companies Act 1993 requires the following disclosures:

The business of the Company is the provision of a free mobile laundry and shower services to people experiencing homelessness. . The nature of the Company's business has not changed during the period.

The persons listed below held office as director during the year, their remuneration is also disclosed:

Director	\$
Nicholas Marchesi	-
David Tubb	-
Lucas Patchett	-
	<u>-</u>
	<u>-</u>

The Register of Interests was updated to include the interests of any new directors appointed during the year.

No other persons held the office of director at any time during the year. No Director acquired or disposed of any interest in shares in the Company.

Information on Directors of the Company

The Board of Directors received no notices from Directors wishing to use company information received in their capacity as Directors which would not have ordinarily been available.

State of Affairs

The Directors are of the opinion that the state of affairs of the Company is satisfactory.

Performance Report

The Performance Report for the period ended 30 June 2019 is attached to this report.

Auditors

No auditor has been appointed.

Donations

No donations were made by the Company during the year.

For and on behalf of the Board of Directors:

Director  _____

Director  _____

Dated: 27 August 2019

STATEMENT OF SERVICE PERFORMANCE

Description of the Entity's Outcomes:

Since commencing in October 2018 until the end of financial year (30 June 2019), Orange Sky aimed to do the following:

- Build, mobilise and operate one van to deliver services to people doing it tough in locations in New Zealand where the need is paramount; and
- Recruit and train volunteers to operate the service and connect with friends on the street who are in need of the service in the above locations.

Description and Quantification of the Entity's Outputs:

	Goal 2019	Actual 2019
Conversation Hours	1,600	1,970
Loads of laundry	1,100	1,292
Showers	750	1,358
Volunteers	60	39

Additional Output Measures:

Orange Sky is moving towards a focus on Social Impact. Deloitte was engaged by Orange Sky Australia to build a framework of measurement. Based on the Australian method of calculation and converted to NZD, the Social Impact as at 30 June 2019 was \$334,000. This is made up of the value in services provided by volunteers, quality of life gained by friends and volunteers through connection and the value health benefits gained by friends.

Additional Information:

Orange Sky Australia has developed software that Orange Sky New Zealand use to collect real time data. Australia also provide shared services to New Zealand including health & safety, marketing, fundraising, finance, human resources and administration which means only one staff member is currently required in New Zealand to oversee operations and raise awareness of the service .

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30 JUNE 2019**

	<i>Notes</i>	<i>2019</i> \$
Revenue		
Donations, fundraising and other similar revenue	2	421,025
Interest, dividends and other investment revenue		77
Total Revenue		421,102
Expenses		
Volunteer and employee related costs	3	106,703
Costs related to providing goods or services	4	51,187
Other expenses	5	222,185
Total Expenses		380,075
Surplus/(deficit) for the period		41,027

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	<i>Notes</i>	<i>2019</i> \$
ASSETS		
Current assets		
Bank accounts and cash		88,676
Debtors and prepayments		1,045
GST recoverable		1,094
Total current assets		<u>90,815</u>
Non-current assets		
Property, plant and equipment	6	<u>144,934</u>
Total non-current assets		<u>144,934</u>
TOTAL ASSETS		<u><u>235,749</u></u>
Current liabilities		
Creditors and accrued expenses	7	45,602
Related party borrowings	16	86,520
Unused donations and grants with conditions	8	62,500
Total current liabilities		<u>194,622</u>
TOTAL LIABILITIES		<u><u>194,622</u></u>
NET ASSETS		<u><u>41,127</u></u>
Share capital	9	100
Accumulated surpluses	10	41,027
TOTAL ACCUMULATED FUNDS		<u><u>41,127</u></u>

This Performance Report has been approved by the Board of Directors, for and on behalf of Orange Sky New Zealand Limited:

Director  _____

Director  _____

Dated: 27 August 2019

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019**

	<i>Notes</i>	<i>2019</i>
		\$
<hr/>		
Cash flows from operating activities		
Cash received from donations, fundraising and other similar receipts		482,616
Cash received from interest, dividends and other investment receipts		77
Goods and services tax (net)		5,361
Payments to suppliers and employees		(154,146)
Payment of management fee to related entity		(67,813)
Net cash flows from operating activities		<u>266,095</u>
Cash flows from investing and financing activities		
Payments to acquire property, plant and equipment		(177,519)
Capital contributed from owners		100
Net cash flows used in investing and financing activities		<u>(177,419)</u>
Net increase/(decrease) in bank accounts and cash		88,676
Bank accounts and cash at the beginning of the period		-
Bank accounts and cash at the end of the period		<u><u>88,676</u></u>

**ORANGE SKY NEW ZEALAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

1 STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

Orange Sky New Zealand Limited has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

The primary objective of the Company is the relief of poverty and benefiting the New Zealand community.

The Company is a fully owned subsidiary of Orange Sky Australia Limited.

The financial statements were authorised for issue by the Board of Directors on 27 August 2019

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company have been applied consistently to all periods presented in this Performance Report.

The significant accounting policies used in the preparation of the Performance Report are summarised below:

Revenue

Revenue is accounted for as follows:

Grants and Donations

Grants and donations are accounted for depending on whether they have been provided with a "use of return" condition attached or not. Where no use or return conditions are attached to the grant or donation, revenue is Income when the cash is received. Where grants or donations include a use or return condition, the donation is initially recorded as a liability on receipt. The grant or donation is subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Interest Income

Interest income is recognised on an accruals basis.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Trade Debtors

Debtors are stated at their estimated realisable value after providing for amounts not considered recoverable.

Property, Plant and Equipment

Property, plant and equipment consist of the following asset classes: motor vehicles and other equipment and computer costs.

Items of property, plant and equipment are measured at cost, less accumulated depreciation.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

ORANGE SKY NEW ZEALAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment (continued)

Additions and subsequent costs

Subsequent costs and the cost replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight line basis over the estimated useful life of the asset. The depreciation rates used in the preparation of these statements are as follows:

Motor vehicles	25%
Other equipment and computer costs	50% - 100%

The residual value, useful life, and depreciation methods of property, plant and equipment is reassessed annually.

Trade creditors

Short-term creditors and other short-term payables are recorded at their face value.

Equity

Equity is measured as the difference between total asset and total liabilities. Equity is disaggregated and classified into the following components:

- Share capital
- Accumulated surpluses

Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for trade debtors and trade creditors that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Where applicable, any commitments and contingences are disclosed exclusive of GST.

Taxation

No provision for Income Tax has been made as the Company is exempt from taxation by section CW 41(1) of the Income Tax Act 2007.

ORANGE SKY NEW ZEALAND LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 30 JUNE 2019

2 DONATIONS, FUNDRAISING AND OTHER SIMILAR REVENUE

	2019
	\$
Government grants	187,500
Other grants	5,232
General donations	13,293
Hybrid partner donations	215,000
Total	<u>421,025</u>

3 VOLUNTEER AND EMPLOYEE RELATED COSTS

	2019
	\$
Contractor & consultancy fees	62,079
Volunteer costs	1,260
Wages & salaries	43,364
Total	<u>106,703</u>

4 COSTS RELATED TO PROVIDING GOODS OR SERVICES

	2019
	\$
Depreciation - motor vehicle	31,515
Motor vehicle costs	19,672
Total	<u>51,187</u>

5 OTHER EXPENSES

	2019
	\$
Accounting fees	1,300
Advertising and promotion costs	11,368
Bank fees & charges	1,000
Computer expenses	662
Depreciation - other equipment & computer costs	1,070
Insurance	5,041
Management support fee	154,333
Other expenses	756
Printing, postage & stationery	8,572
Telephone & internet	2,041
Travel & accommodation	36,042
Total	<u>222,185</u>

ORANGE SKY NEW ZEALAND LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 30 JUNE 2019

6 PROPERTY, PLANT AND EQUIPMENT

2019	Motor Vehicles	Other Equipment & Computer Costs	Total
	\$	\$	\$
Cost	174,948	2,571	177,519
Accumulated depreciation	<u>(31,515)</u>	<u>(1,070)</u>	<u>(32,585)</u>
Closing balance	<u>143,433</u>	<u>1,501</u>	<u>144,934</u>
Opening balance	-	-	-
Additions	174,948	2,571	177,519
Disposals	-	-	-
Depreciation	<u>(31,515)</u>	<u>(1,070)</u>	<u>(32,585)</u>
Closing balance	<u>143,433</u>	<u>1,501</u>	<u>144,934</u>

There are no restrictions over the title of the Company's property, plant and equipment assets, nor is any property, plant and equipment assets pledged as security for liabilities.

7 CREDITORS AND ACCRUED EXPENSES

	2019
	\$
Trade creditors	43,238
Accrued expenses	-
Payroll liability	1,419
Credit card liability	945
Total	<u>45,602</u>

8 UNUSED DONATIONS AND GRANTS WITH CONDITIONS

	2019
	\$
Government grants	62,500
Total	<u>62,500</u>

9 SHARE CAPITAL

	2019
	\$
100 shares authorised and fully paid	<u>100</u>

All ordinary shares have equal voting rights.

10 ACCUMULATED SURPLUSES

	2019
	\$
Balance at beginning of period	-
Surplus/(deficit) for the period	41,027
Balance at end of period	<u>41,027</u>

11 COMMITMENTS AND CONTINGENCIES

Capital Commitments

There are no capital commitments at balance sheet date.

Contingencies

There are no contingent liabilities or guarantees at balance sheet date.

12 SIGNIFICANT GRANTS AND DONATIONS WITH CONDITIONS

There are no significant grants and donations with conditions which have not been recorded as a liability.

**ORANGE SKY NEW ZEALAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

13 GOODS OR SERVICES PROVIDED TO THE ENTITY IN KIND

Orange Sky had a number of businesses that donated goods and services in kind including Bell Gully, Eleven and Purple Sherbet PR.

14 ASSETS USED AS SECURITIES FOR LIABILITIES

There are no assets used by the Company that have been used as securities for liabilities.

15 ASSETS HELD ON BEHALF OF OTHERS

There are no assets owned by the Company on behalf of others.

16 RELATED PARTY TRANSACTIONS

A management support fee is paid by the Company to Orange Sky Australia Limited to manage its shared services. These shared services include operations management, health & safety, marketing, fundraising, finance, human resources and administration. A total of \$154,333 was charged during the period.

The Company also incurred labour costs during the year from Orange Sky Australia Limited totalling \$59,436 and acquired the vehicle from Orange Sky Australia Limited for a cost of \$174,948.

As at the year end, the outstanding balance included in trade creditors was \$42,533.

In addition, \$86,620 of costs were paid directly by Orange Sky Australia Limited to be reimbursed by Orange Sky New Zealand Limited. As at the year end, the outstanding balance in relation to these costs was \$86,520.

17 EVENTS AFTER THE BALANCE SHEET DATE

The Company's van was involved in an accident where it collided with a structure. Temporary repairs have been made to get it up and running however the Company is currently awaiting on information from the insurance assessor about whether the van will be fully repaired or need to be replaced.

18 ABILITY TO CONTINUE OPERATING

As at 30 June 2019, the Company's current liabilities exceeded current assets by \$103,807. The Company is reliant on continued funding and shareholder support to continue operating for the foreseeable future.