

Beyond the Orphanage Foundation

ABN: 36 253 254 414

Financial Statements

For the Year Ended 30 June 2012

Beyond the Orphanage Foundation

ABN: 36 253 254 414

Contents

30 June 2012

	Page
Financial Statements	
Chairmans Report	1
Trustees' Report	3
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Declaration by the Directors of the Trustee Company	19
Independent Audit Report	20

Chairmans Report

30 June 2012

Another year has passed and it is with great pleasure that I present the 2012 Annual Report of Beyond the Orphanage Foundation (BTOF). The last year has been one of organic growth and change. We are, more than ever, looking to the future with implementation of best practices, new software designed to take us to the next level in being an efficient, well run organization, whilst reducing administration costs.

Over the past 12 months we have seen many developments, changes and achievements and I have taken the liberty of listing a few below:

As always the children in the Beyond the Orphanage program are the real measure of our success.

- This year we have five children who will sit the National Ethiopian exam (Year 10), which in itself is a great achievement for everyone involved.
- Six new children have joined the program and are progressing well with the help of our dedicated staff in Ethiopia.
- We unfortunately had to vacate our Ethiopian Drop-in Centre but were fortunate enough to secure another premise which allows plenty of room for growth.
- We were very fortunate to have Sr Martha Kafato accept the role of Head Social Worker in Ethiopia. Martha has a deep understanding of our children and their needs.
- BTO, in conjunction with David Rust Smith, successfully developed and launched a computer game which includes art work from BTO children and children from around the world. It encourages interest in the plight of Ethiopian orphans. All profits from the game go to BTO.
- A generous donation allowed us to upgrade the computer systems in Ethiopia, which was desperately needed. Our staff in Ethiopia now have new computers with access to higher speed internet, making communication much easier for them.
- It is with sadness that we saw the resignation of Claire Brace as a director. Claire's contribution to BTO over the years has been outstanding. Claire has been with us from the outset and we wouldn't be the entity we are today without her support and guidance.
- We welcome two new board members. Stuart Szabo was technically appointed to the board in this financial year but I wanted to recognize the contribution he has made so far and acknowledge the skill set he brings to our already diverse board. Kate Fewings will also join us on the board and will take responsibility for our sponsored children program. Kate will also take responsibility for reporting new legislative requirements and together, Kate and Peter Banki will assist us with legal queries or concerns as they arise.
- We are in the last stages of our DGR and ACFID applications. All indications are that these will be successful in the very near future.
- We were privileged to have Dr Natalie Connor and Dr Ray Kirk visit Ethiopia. Together they held a very successful three day training seminar on building up best practices for social workers, which was offered free to all creditable organisations. These kinds of seminars are not common place in Ethiopia. Not only was this widely attended by the profession, but also by students and academics from the universities in Addis Ababa. The feedback was, as expected, highly complimentary.

Chairmans Report

30 June 2012

- With the help of Drs Connor and Kirk, we implemented the NCFAS (The North Carolina Family Assessment Scale) as a development tool in Ethiopia. This is an instrument designed to measure environment, parental capabilities, self-sufficiency, child well-being (health, education, mental health), social and community life – among others. The data gathered is used both to plan and guide each child but also to evaluate the program as a whole.
- We are exploring a variety of long term funding streams to ensure the viability of the program.
- We are, thanks to the donation of a generous sum, in the midst of developing a new website and online communication strategies. The new site should be up and running by the end of 2012.

It goes without saying that with the positive, there were also challenges. In the harder economic climate, we are very aware of the importance of securing committed long term funding. This presents its own set of challenges which are not unique to BTO, as the not-for-profit sector as a whole is experiencing a retraction. We continue to pursue long term funding from a variety of streams including from individuals, the corporate sector and government grants.

As always, I want to express our sincere gratitude to our donors for their continued support. Particularly, amongst many, Map Communications, Garry Morrison, the Rose family, Hanoze Udachia of BCS Assurance, Jenny Munro and Dean Hanson. Special mention must also be made to Boyce Accountants and especially Beth Hoskins who has worked tirelessly for us and has provided us with invaluable advice.

Our donors and volunteers make the work of BTO possible. On behalf of the children in our program, I humbly thank you and we hope you understand the difference you are making to the lives of the children every day.

The Board of Directors must also receive thanks for their ongoing support and commitment. It is amidst their busy lives that they dedicate their time and energy, for which I am grateful. They provide the backbone to our program.

Special mention must also go to Dr Natalie Connor, Dr Ray Kirk and Dr Donna Helm for their willingness to so generously share their expertise and guidance. Their knowledge and assistance is invaluable. Without the help of so many, we would not be able to sustain the growth pattern that we have, nor provide the hope that we do for our children.

We have achieved another successful year and I hope that everyone involved takes great pride in knowing that our children are continuing to thrive and grow into young adults who now dare to dream.



Chairman:

Geoff Hucker

Dated: 26 October 2012

Beyond the Orphanage Foundation

ABN: 36 253 254 414

Trustees' Report

30 June 2012

Your directors present their report on Beyond the Orphanage Foundation for the financial year ended 30 June 2012.

1. General information

Information on directors

The names of the directors in office at any time during, or since since the end of the financial year are:

Timothy Handfield

Geoffrey Hucker

Peter Banki

Claire Brace Resigned 4 September 2012

Susan Pitman Appointed 3 August 2011

Kate Fewings Appointed 12 June 2012

Stuart Szabo Appointed 26 September 2012

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

(a) Principal activities

The principal activity of Beyond the Orphanage Foundation is to support charitable organisations in Ethiopia.

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

2. Operating results and review of operations for the year

(a) Operating results

The net surplus of Beyond the Orphanage Foundation Limited ATF Beyond the Orphanage Foundation Trust amounted to \$ 53,354 (2011: \$ 51,069).

(b) Review of operations

The surplus achieved of \$53,354 enabled distributions of \$39,930 to be made to Beyond the Orphanage Organisation to assist them to continue the important work in supporting the operations in Ethiopia.

Trustees' Report

30 June 2012

3. Other items

(a) Significant changes in state of affairs

There have been no significant changes in the state of affairs of the trust during the year.

(b) After balance date events

On 15 August 2012 Beyond the Orphanage Foundation gained DGR status which will enable the trust to expand its fundraising in the future.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the trust, the results of those operations or the state of affairs of the trust in future financial years.

(c) Future developments

The trust now having DGR status is hoping to expand its fundraising opportunities in the future.

(d) Auditors independence declaration

The auditors independence declaration for the year ended 30 June 2012 has been received and can be found on page 8 of the financial report.

4. Director Information

(a) Information on directors

Timothy Handfield

Qualifications

BSc degree, La Trobe University

Experience

Extensive experience in the creative sectors including: photography, publishing and fine art. He is an acknowledged leader in the use of digital technologies for fine art reproduction. His previous work includes consultancies for leading cultural institutions such as: The National Museum of Australia, the Baillieu Library, and the National Gallery of Victoria. He has thirty years experience as a director of businesses involved in photography and information technologies. Current directorships include: Oloto Pty Ltd, Handfield and Bell Pty Ltd and Beyond the Orphanage Foundation Ltd.

Trustees' Report

30 June 2012

4. Director Information continued

(a) Information on directors continued

Geoffrey Hucker

Experience

Captain Geoffrey Hucker is an Airline Captain with global aviation experience with a major airline; specialties include: training, CRM, cross cultural communication and risk mitigation. Extensive experience in the not for profit sector, particularly in developing countries, including management and planning projects, policy and procedures development, cross cultural communication, fundraising and is the founder and CEO of Beyond the Orphanage. He has successfully run Beyond the Orphanage since 2007.

Peter Banki

Qualifications

Experience

Bachelor Arts/Law University of Sydney

Peter is one of the foundation partners of the legal firm Banki Haddock Fiora. He is one of Australia's most respected legal intellectual property practitioners. He has more than 20 years' experience as a copyright and patent litigator and a media and intellectual property advisory specialist. Peter has clients in the entertainment, publishing and new media industries. He is chairman of the Australian Copyright Council and has extensive experience in policy development as a member of numerous government and industry committees on intellectual property and related matters. In March 2008 the Australian Financial Review included Peter in its Best Lawyers of Australia list.

Claire Brace

Qualifications

Experience

MBA Human Resources University New England

Claire is a qualified Human Resource generalist whose experience spans a wide range of roles and responsibilities within the HR function over a period of nearly 20 years. Recent roles have required her to use not only HR expertise but also change management, communication, project management and administration skills. She has experience in HR Shared service centres, HR outsourcing as well as generalist HR. She has recently completed her MBA at the University of New England, Australia and majored in HR.

Susan Pitman

Qualifications

Experience

MA Anthropology

Susan has significant experience in the not for profit sector and specifically, has worked for 27 years as a social researcher in the child welfare field with an emphasis on practice research, program development and quality assurance/improvement. She has also worked as Manager of OzChild's International Aid Program.

Trustees' Report

30 June 2012

4. Director Information continued

(a) Information on directors continued

Kate Fewings

Qualifications

Experience

Bachelor of Laws, University of Queensland

Kate currently works as in-house legal counsel for one of the world's largest financial institutions, having been based initially in Hong Kong and later in Sydney. Prior to taking a position as in-house counsel, she worked for an international firm with roles based in Singapore, London and Hong Kong. Kate has over 15 years of experience as a lawyer and has participated in a number of not for profit projects including school renovation in Nepal, the establishment of a travel company intended to return money to local communities and various projects for women and girls in crisis across Asia.

Stuart Szabo

Qualifications

Experience

Diploma Management Studies, Masters Business Administration
Melbourne Business School

Stuart has 20 years consulting experience, including management consulting, line management, program and project management. He has broad industry experience, particularly with the implementation of structured approaches to program management. Stuart's work as an international airline pilot allows him the opportunity of regular visits to BTO in Ethiopia. He oversees management of the Ethiopian budget, and marketing planning. More recently, Stuart assisted with the search and relocation to the new drop-in centre in Addis Ababa, and further development of the IT facilities.

Trustees' Report

30 June 2012

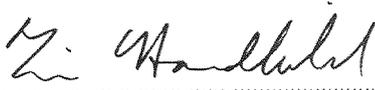
4. Director Information continued

Meetings of directors of the trustee company

During the financial year, five meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Timothy Handfield	5	5
Geoffrey Hucker	5	5
Peter Banki	5	5
Claire Brace	5	4
Susan Pitman	5	4
Kate Fewings	-	-
Stuart Szabo	-	-

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

Director: 
Timothy Handfield

Director: 
Geoffrey Hucker

Dated 26 October 2012



Chartered accountants since 2003

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AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF

BEYOND THE ORPHANAGE FOUNDATION

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2012 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.

BCS ASSURANCE PTY LIMITED

A handwritten signature in blue ink, appearing to read 'Hanoze Udachia', written over a horizontal line.

HANOZE UDACHIA
Director

Sydney, 03 December 2012

BCS Assurance P/L ABN 98 124 334 363

Liability is limited by the Accountants
Scheme approved under the Professional
Standards Act 1994 (NSW)

A small version of the BCS logo, featuring the letters 'B' and 'C' in dark teal, a yellow arrow, and the letter 'S' below.

Beyond the Orphanage Foundation

ABN: 36 253 254 414

Statement of Comprehensive Income

For the Year Ended 30 June 2012

		2012	2011
	Note	\$	\$
Revenue	2	76,852	78,485
Communications and promotions		(8,758)	(6,588)
Fundraising expenses		(4,585)	-
Consultancy		(1,170)	-
Administration expenses		(8,985)	(15,617)
Program administration		-	(5,211)
Profit before income tax		53,354	51,069
Income tax expense		-	-
Profit for the year		53,354	51,069
Other comprehensive income:			
Total comprehensive income for the year		53,354	51,069

The accompanying notes form part of these financial statements.

Beyond the Orphanage Foundation

ABN: 36 253 254 414

Statement of Financial Position

30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	34,565	20,890
Trade and other receivables	5	1,200	1,500
Other assets	6	1,020	-
TOTAL CURRENT ASSETS		36,785	22,390
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,628	987
Intangible assets	8	3,662	5,494
TOTAL NON-CURRENT ASSETS		5,290	6,481
TOTAL ASSETS		42,075	28,871
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	78	298
TOTAL CURRENT LIABILITIES		78	298
TOTAL LIABILITIES		78	298
NET ASSETS		41,997	28,573
Trust capital		100	100
Retained earnings		41,897	28,473
TOTAL EQUITY		41,997	28,573

The accompanying notes form part of these financial statements.

Beyond the Orphanage Foundation

ABN: 36 253 254 414

Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

	Trust Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2011	100	28,473	28,573
Total comprehensive income	-	53,354	53,354
Distribution - Beyond the Orphanage Organisation (Ethiopia)	-	-	-
Distribution - Beyond the Orphanage Organisation (Library)	-	-	-
Distribution - Beyond the Orphanage Organisation (Stefo)	-	-	-
Distribution - Beyond the Orphanage Organisation (General)	-	(39,930)	(39,930)
Sub-total	-	13,424	13,424
Balance at 30 June 2012	100	41,897	41,997

2011

	Trust Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2010	100	54,877	54,977
Total comprehensive income	-	51,068	51,068
Distribution - Beyond the Orphanage Organisation (Ethiopia)	-	(9,132)	(9,132)
Distribution - Beyond the Orphanage Organisation (Library)	-	(16,457)	(16,457)
Distribution - Beyond the Orphanage Organisation (Stefo)	-	(3,871)	(3,871)
Distribution - Beyond the Orphanage Organisation (General)	-	(48,012)	(48,012)
Sub-total	-	(26,404)	(26,404)
Balance at 30 June 2011	100	28,473	28,573

The accompanying notes form part of these financial statements.

Beyond the Orphanage Foundation

ABN: 36 253 254 414

Statement of Cash Flows For the Year Ended 30 June 2012

	2012	2011
Note	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Receipts from donors	75,664	77,265
Payments to suppliers	(20,938)	(26,172)
Interest received	1,188	1,220
Net cash provided by (used in) operating activities	11 <u>55,914</u>	<u>52,313</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(2,309)</u>	(727)
Net cash used by investing activities	<u>(2,309)</u>	<u>(727)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Beneficiary distributions	<u>(39,930)</u>	(77,473)
Net cash used by financing activities	<u>(39,930)</u>	<u>(77,473)</u>
Net increase (decrease) in cash and cash equivalents held	13,675	(25,887)
Cash and cash equivalents at beginning of year	<u>20,890</u>	46,777
Cash and cash equivalents at end of financial year	4 <u><u>34,565</u></u>	<u>20,890</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that has 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.

The financial report covers the trust, Beyond the Orphanage Foundation.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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.

The Trust has chosen to change the format of the Statement of Comprehensive Income in the current year in order to show expenses by function rather than by nature. This change has been adopted to be more consistent with expectations for charities particularly in distinguishing between direct and indirect costs. The comparatives in the income statement have been adjusted accordingly.

(b) Comparative figures

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

(c) Revenue and other income

The trust trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Beyond the Orphanage Foundation's activities as discussed below.

Donation revenue

Donations are recognised upon receipt from donors.

Interest revenue

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

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(c) Revenue and other income continued

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

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

(e) 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 losses.

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20%
Office Equipment	66%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(f) Intangibles

Web site design

Intangibles, being website development is initially capitalised at cost. Once in place and being used these costs are written off over the estimated useful life of the asset. The asset's value is amortised on a systematic basis matched to the future economic benefits over the useful life.

(g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the trust during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Goods and services tax (GST)

The trust is not registered for GST. Revenues, expenses and assets are recognised inclusive of the amount of GST. The GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Summary of Significant Accounting Policies continued

(h) Goods and services tax (GST) continued

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

2 Revenue and Other Income

	2012	2011
	\$	\$
Revenue		
- donations	58,760	77,265
- sponsorship	1,229	-
- fundraising income	15,632	-
	<u>75,621</u>	<u>77,265</u>
Other revenue		
- interest received	1,188	1,220
- sundry income	43	-
	<u>1,231</u>	<u>1,220</u>
Total Revenue	<u>76,852</u>	<u>78,485</u>

3 Result for the Year

(a) The result for the year includes the following specific expenses

Depreciation and amortisation		
- Property, plant and equipment	649	629
- Intangible assets	1,831	1,831
	<u>2,480</u>	<u>2,460</u>
Total depreciation and amortisation		

Notes to the Financial Statements

For the Year Ended 30 June 2012

4 Cash and Cash Equivalents

	2012	2011
	\$	\$
Cash on hand	-	100
Cash at bank	34,565	20,790
	34,565	20,890

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	34,565	20,890
Balance as per statement of cash flows	34,565	20,890

5 Trade and Other Receivables

CURRENT		
Sundry debtors	1,200	1,500
	1,200	1,500

6 Other Assets

CURRENT		
Prepayments	1,020	-
	1,020	-

7 Property, Plant and Equipment

PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,992	702
Accumulated depreciation	(639)	(308)
Total plant and equipment	1,353	394
Office equipment		
At cost	3,574	3,574
Accumulated depreciation	(3,299)	(2,981)
Total office equipment	275	593
Total property, plant and equipment	1,628	987

Notes to the Financial Statements

For the Year Ended 30 June 2012

8 Intangible Assets

	2012	2011
	\$	\$
Web site design		
Net carrying value	3,662	5,494
Total Intangibles	3,662	5,494

9 Trade and Other Payables

CURRENT		
Unsecured liabilities		
Sundry payables and accrued expenses	77	297
	77	297

10 Financial Instruments

The trust's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The main purpose for non-derivative financial instruments is to raise finance for trust operations and for the investment income from deposits to act as an additional source of revenue.

The trust does not believe it faces major risks from interest rates, credit, liquidity and foreign exchange risks and accordingly no further disclosures regarding financial risk management policies are required under AASB107.

Notes to the Financial Statements

For the Year Ended 30 June 2012

11 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2012	2011
	\$	\$
Profit for the year	53,354	51,069
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	1,831	1,831
- depreciation	649	629
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	300	(1,500)
- increase/(decrease) in trade and other payables	(220)	284
Cashflow from operations	<u>55,914</u>	<u>52,313</u>

12 Company Details

Registered office

The registered office of the trustee of the trust is:

The registered office of the Trustee Company, Beyond the Orphanage Foundation Limited is 7 Piper Lane, Torquay VIC

Beyond the Orphanage Foundation

ABN: 36 253 254 414

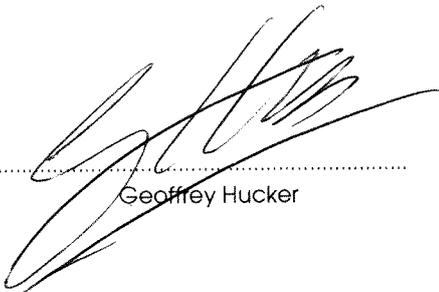
Declaration by the Directors of the Trustee Company

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 8 to 18, present fairly the trust's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. In the directors' opinion, there are reasonable grounds to believe that the trust 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 of the trustee company.

Director 
Timothy Handfield

Director 
Geoffrey Hucker

Dated 26 October 2012



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BEYOND THE ORPHANAGE FOUNDATION

FOR THE YEAR ENDED 30 JUNE 2012

Chartered accountants since 2003

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Level 2 / 1 23 Clarence Street

Sydney NSW 2000 Australia

GPO Box 3789 Sydney NSW 2001

www.bcsassurance.com

Report on the Financial Report

We have audited the accompanying financial report of Beyond the Orphanage Foundation which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the financial year.

Trustee Directors' Responsibility for the Financial Report

The directors of the trustee company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

BCS Assurance P/L ABN 98 124 334 363

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Scheme approved under the Professional
Standards Act 1994 (NSW)

A small, stylized signature or logo in the bottom right corner of the page.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BEYOND THE ORPHANAGE FOUNDATION
FOR THE YEAR ENDED 30 JUNE 2012 (Con'd)**

Chartered accountants since 2003

T 612 9248 2500

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Level 2 / 1 23 Clarence Street

Sydney NSW 2000 Australia

GPO Box 3789 Sydney NSW 2001

www.bcsassurance.com

Auditor's Responsibility (Con'd)

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 judgment, 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 and fair presentation of the financial report 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.

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, provided to the trustee directors of Beyond the Orphanage Foundation, would be in the same terms if provided to the directors as at the date of this auditor's report.

Qualification

We have obtained appropriate audit evidence regarding revenue from cash donations and other fundraising activities with respect to revenue recorded in the financial records of Beyond the Orphanage Foundation. As it is impracticable to establish control over the collection of revenue from these sources prior to entry into the financial records, our audit procedures are necessarily limited to those amounts recorded in these financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

BCS Assurance P/L ABN 98 124 334 363

Liability is limited by the Accountants
Scheme approved under the Professional
Standards Act 1994 (NSW)

A small, stylized signature or logo in the bottom right corner of the page.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BEYOND THE ORPHANAGE FOUNDATION
FOR THE YEAR ENDED 30 JUNE 2012 (Con'd)



Chartered accountants since 2003

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Qualified Auditor's Opinion

In our opinion, except for the effects of such adjustments, if any, on the financial statements, as might have been determined to be necessary had the limitations referred to in the qualification paragraph not existed:

- a) the financial report of Beyond the Orphanage Foundation is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the foundation's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

BCS ASSURANCE PTY LIMITED

A handwritten signature in blue ink, appearing to read 'Hanoze Udachia', written over a horizontal line.

HANOZE UDACHIA
Director

Sydney, 03 December 2012

BCS Assurance P/L ABN 98 124 334 363

Liability is limited by the Accountants
Scheme approved under the Professional
Standards Act 1994 (NSW)

A small version of the BCS logo, located in the bottom right corner of the page.