



Edmund Rice
FOUNDATION AUSTRALIA
Liberating Lives Through Education

EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

Annual Financial Report For the year ended 31 December 2019

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Annual Financial Report

31 December 2019

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EDMUND RICE FOUNDATION (AUSTRALIA)

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Directors' Report For the year ended 31 December 2019

The Directors in office throughout the year or since the end of the year are:

Name	Qualification & Experience
Anthony Leonard Coates (Appointed Director 05/12/2012)	B.Build (QS)
Joel Egan (Appointed 29/10/2018)	Bachelor of Business (Marketing - Applied) – RMIT University Member of Australian Institution of Company Directors
Michael Fernon (Appointed Director 08/09/2011) (Resigned 24/06/2019)	LL.B(Hons), B.A. Principal, Macpherson Kelly
Paul Gallagher (Appointed Director 16/05/17)	BCom, FCA, GAICD Partner, Audit and Assurance Services Division, BDO Director, BDO Australia Limited Director, QIC Limited Chair, Catholic Church Insurance Limited Chair, Archdiocese Ministries and Services Council – Brisbane Former Board Chair, St Joseph's College Gregory Terrace
Christina Longmire (Appointed Director 15/06/16)	BCom CPA GIA(Cert) Director Risk & Compliance, Edmund Rice Education Australia
Edward Phelan (Appointed Director 16/05/17)	Chairman, CV Services Group Pty Ltd Director, CVSG Construction Pty Ltd Director, CVSG Signage Solutions Pty Ltd Director, CVSG Asset Services Pty Ltd Director, CV Energy Pty Ltd Director, CV Media & Design Pty Ltd Director, CV Property Pty Ltd Director, CV Marine Pty Ltd Practical Business Consultants Pty Ltd BNE Enterprise Pty Ltd
Martin Sanderson,cfc (Appointed 1/01/2018)	BEd, DipT, DipRE, ATCL (Speech & Drama), Trinity College
Jodie Sangster (Appointed 29/10/2018)	BLaw, M Law (University of London) Director, Amaysim Pty Ltd
Alan Zammit, AM (Appointed Director 30/04/2014)	BBus, ALGA, FCPA, FAICD, FWSU Chair, Norwest Association Limited Managing Director, UPDM Pty Limited Director, Affordable Community Housing Limited Director, Affordable Community Housing Alliance Tasmania Pty Limited Director, Wentwest Limited Former Director, Edmund Rice Education Australia Former Chair, St Gabriel's School for Hearing Impaired Children

Your directors present their report on the Company for the financial year ended 31 December 2019.

EDMUND RICE FOUNDATION (AUSTRALIA)

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**Directors' Report
For the year ended 31 December 2019****Principal activity**

The Company was incorporated on 8 September 2011 to act as trustee of a Relief Fund, a Charitable Fund and an Ancillary Fund and as such trustee and also in its own right to raise and collect donations and gifts and distribute funds to:

- (a) Community development programs in Developing Countries by means of a comprehensive economic, social, cultural and political process projects of constant improvement which aim at the wellbeing of peoples resident in Developing Countries with the peoples of Developing Countries freely and meaningfully participating in such projects with there being a fair distribution of the benefits that result from the projects.
- (b) to assist and promote charitable works within Australia in particular for the relief of poverty, distress, sickness and helplessness of people in necessitous circumstances and the advancement of education for Australian youth who suffer underprivilege, disability, remoteness and other disadvantage or any charitable work conducted managed or promoted by the Religious Institute.

Results of operations

The surplus of the Company for the financial year ended 31 December 2019 was \$56,911 (2018 Surplus: \$474,219).

The Company is exempt from Income Tax under subdivision 50-B of the Income Tax Assessment Act 1997.

The Company is precluded from distributing its surpluses and property as dividends to its members.

State of affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company during the financial year not otherwise disclosed in this report or the accounts.

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.

Proceedings on behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to 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.

Likely developments

The Directors intend to continue the expansion of the Company's fundraising activities within Australia and to search for new opportunities to support community development projects and improving the wellbeing of people resident in developing nations and to relieve poverty, distress, sickness and helplessness of people in necessitous circumstances in Australia.

Other than matters discussed in the annual report there are no likely developments.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts, or the fixed salary of a full time employee of the Company or a related corporation, by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a firm in which the director has a substantial financial interest.

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**Directors' Report
For the year ended 31 December 2019****Directors' meetings**

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

	Number Eligible to Attend	Number Attended
Anthony Coates	7	6
Michael Fernon (resigned 24/06/2019)	3	1
Paul Gallagher	7	7
Joel Egan	7	7
Christina Longmire	7	5
Edward Phelan	7	6
Martin Sanderson, cfc	7	7
Jodie Sangster	7	2
Alan Zammit, AM	7	6

Indemnifying Directors, Officers and Auditor

During the financial year the Company has maintained insurance policies to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a criminal or wilful act or omission.

Auditor's Independence

The Auditor's independence declaration for the year ended 31 December, 2019 has been received and can be found following on page 22 of the financial report.

Signed in accordance with a resolution of Board of Directors:



Director

Dated at Brisbane this 11 day of June 2020

Edmund Rice Foundation (Australia)
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**Statement of Income and Expenditure
for the year ended 31 December 2019**

	Note	2019 \$	2018 \$
REVENUE			
Donations and gifts			
Monetary	2 (a)	905,041	1,570,904
Non-monetary		-	-
Bequests and Legacies	2 (a)	339,104	-
Fundraising Income	2 (a)	355,665	423,494
Grants			
Department of Foreign Affairs and Trade	2 (a)	60,000	-
Other Australian		-	-
Other overseas		-	-
Investment income	2 (a)	132,357	116,065
Other income		-	-
Revenue for International Political or Religious Adherence Promotion Programs		-	-
TOTAL REVENUE		<u>1,792,167</u>	<u>2,110,463</u>
EXPENDITURE			
<i>International Aid and Development Programs Expenditure</i>			
International programs			
Funds to international programs	2 (c)	604,887	621,929
Grant Expenditure	2 (c)	60,000	-
Program support costs		121,755	98,997
Community education		38,723	26,733
Fundraising costs			
Public		468,390	341,800
Government, multilateral and private		-	-
Accountability and Administration		271,435	187,804
Non-Monetary Expenditure		-	-
Total International Aid and Development Programs Expenditure		<u>1,565,190</u>	<u>1,277,263</u>
International Political or Religious Adherence Promotion Programs Expenditure		-	-
Domestic Programs Expenditure	2 (c)	300,000	248,643
TOTAL EXPENDITURE		<u>1,865,190</u>	<u>1,525,906</u>
EXCESS OF (EXPENDITURE OVER REVENUE)/REVENUE OVER EXPENDITURE		<u>(73,023)</u>	<u>584,557</u>

During the financial year, Edmund Rice Foundation (Australia) received no income for international political or religious proselytisation programs.

No single appeal generated 10% or more of the total income for the year ended 31 December 2019 (nor in 2018).

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**Statement of Comprehensive Income
for the year ended 31 December 2019**

	2019	2018
	\$	\$
EXCESS OF (EXPENDITURE OVER REVENUE) / REVENUE OVER EXPENDITURE	(73,023)	584,557
Other Comprehensive Income		
Items that may not be reclassified subsequently to Income and Expenditure		
Gain/(Loss) on revaluation of financial assets	129,934	(110,338)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>129,934</u>	<u>(110,338)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>56,911</u>	<u>474,219</u>

Edmund Rice Foundation (Australia)

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**Statement of Financial Position
As at 31 December 2019**

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and Cash Equivalents	4	1,322,528	1,857,337
Trade and Other Receivables	5	928,889	251,850
Other Assets	6	28,135	18,897
Total current assets		<u>2,279,552</u>	<u>2,128,084</u>
Non-current assets			
Other Financial Assets	7	1,322,186	1,192,569
Plant and Equipment	8	2,017	33,427
Total non-current assets		<u>1,324,203</u>	<u>1,225,996</u>
Total Assets		<u>3,603,755</u>	<u>3,354,080</u>
Liabilities			
Current liabilities			
Trade and Other Payables	9	301,173	110,019
Provisions	10	9,756	8,146
Total current liabilities		<u>310,929</u>	<u>118,165</u>
Total Liabilities		<u>310,929</u>	<u>118,165</u>
Net Assets		<u>3,292,826</u>	<u>3,235,915</u>
Equity			
Reserves	11	3,263,147	2,894,358
Retained surplus		29,679	341,557
Total Equity		<u>3,292,826</u>	<u>3,235,915</u>

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Statement of Changes in Equity
for the year ended 31 December 2019

	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
	\$	\$	\$	\$	\$
Balance 1 January 2018	269,564	1,093,662	159,719	1,238,751	2,761,696
Excess of Revenue over Expenses for the year ended 31 December 2018	584,557	-	-	-	584,557
Items of Other Comprehensive Income		-	(110,338)	-	(110,338)
Other amounts transferred (to) or from reserves					
Bequest Reserve	-	-	-	-	-
Specified Purpose Reserves	(512,564)	-	-	512,564	-
Balance 31 December 2018	341,557	1,093,662	49,381	1,751,315	3,235,915
Excess of Expenses over Revenue for the year ended 31 December 2019	(73,023)		-	-	(73,023)
Items of Other Comprehensive Income	-	-	129,934	-	129,934
Other amounts transferred from or (to) reserves					
Bequest Reserve	(339,104)	339,104	-	-	-
Specified Purpose Reserves	100,249	-	-	(100,249)	-
Balance 31 December 2019	29,679	1,432,766	179,315	1,651,066	3,292,826

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**Statement of Cash Flows
for the year ended 31 December 2019**

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Cash receipts in the course of operations		982,771	1,850,061
Cash payments in the course of operations		(1,681,483)	(1,524,657)
Interest received		6,621	9,775
Investment income		125,736	106,290
Net cash (used in)/provided by operating activities	12 (b)	<u>(566,355)</u>	<u>441,469</u>
Cash flows from investing activities			
Reinvestment of Investment income		317	1,029
Purchase of plant and equipment		(2,198)	(33,425)
Disposal of Plant and Equipment		33,427	-
Net cash provided by/(used in) investing activities		<u>31,546</u>	<u>(32,396)</u>
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash (used in) financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash held		(534,809)	409,073
Cash and cash equivalents at the beginning of the year		<u>1,857,337</u>	<u>1,448,264</u>
Cash and cash equivalents at end of the year	12 (a)	<u>1,322,528</u>	<u>1,857,337</u>

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Notes to the Financial Statements For the year ended 31 December 2019

1 Summary of Significant Accounting Policies

Basis of Preparation

Edmund Rice Foundation (Australia) applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2011-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These general purpose financial statements have been prepared to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Council for International Development (ACFID) Code of Conduct. For further information of the Code of Conduct, please refer to the ACFID Code of Conduct Guidance available at www.acfid.asn.au. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The report was authorised by the Responsible Entities on the 22nd day of June 2020

The following is a summary of the material accounting policies adopted by Edmund Rice Foundation (Australia) in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Accounting Policies

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are the most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 January 2019.

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Notes to the Financial Statements
For the year ended 31 December 2019

1 Summary of Significant Accounting Policies (Cont.d)

(a) Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Donations

Donations are recognised at the time the pledge is made.

Bequests

Bequests are recognised when the company is notified of an impending distribution or the bequest is received, whichever occurs earlier.

Revenue from bequests comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property.

Fundraising appeals

Donations to the fundraising appeal are recognised as revenue on receipt.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Investment Revenue

Investment revenue is recognised when the right to receive a distribution has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST) where this applies.

(b) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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**Notes to the Financial Statements
For the year ended 31 December 2019**

1 Summary of Significant Accounting Policies (Cont.d)

(c) Fair Value Measurement

When an asset or liability, financial or non-financial is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with bank and other short-term highly liquid investments with original maturities of 3 months or less.

(e) Trade and Other Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(f) Plant and Equipment

All plant and equipment is stated at cost, representing the fair value of the consideration given in exchange, less accumulated depreciation and any impairment amounts.

Depreciation is calculated on a straight line basis over the estimated useful life of all plant and equipment, as follows:

Computer equipment - over 3 years

Office equipment - over 5 years

Purchases of items for \$2,000 or less are expensed in the year of purchase. Once an items written down value reaches \$750 it is fully depreciated.

(g) Impairment

At each reporting date the Directors assess whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Directors make a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying value is written down to its recoverable amount.

(h) Employee Benefits

(i) Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

(i) Income Tax

The company has been constituted to provide services as a Public Benevolent Institution. Its activities are exempt from income tax under section 50-B of the Income Tax Assessment Act 1997. The company is also exempt from capital gains tax.

(j) Other taxes

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

Where GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as an expense item as applicable: and

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

(k) Trade and Other Payables

Trade and other payables are recognised when the Company becomes obliged to make future payments.

(l) Reserves

Reserves represent funds held for the specific purpose for which they were raised or in the case of general donations, for the commitments made to third parties engaged in aid or development activities where memorandums of understanding are in place. It has been determined by the Trustee that these reserves can only be drawn against for these specified purposes or commitments.

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Notes to the Financial Statements
For the year ended 31 December 2019

1 Summary of Significant Accounting Policies (Cont.d)

(m) Accumulated Funds Available for Future Use

Funds available for future use represent accumulated surpluses available to fund future projects yet to be determined by the Trustee.

(n) Comparatives

Where necessary, comparative information has been reclassified in order to comply with the current year's presentation of financial information.

(o) Rounding Off

The amounts within the financial statements and the accompanying notes have been rounded off to the nearest dollar.

(p) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete assets have been written off or written down.

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increased through promotion and inflation have been taken into account.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates

(q) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Financial assets at fair value through other comprehensive income are reflected at fair value. Unrealised and realised gains and losses arising from changes in fair value, or on disposal of the financial assets, are taken directly to asset revaluation reserve in equity.

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Notes to the Financial Statements
For the year ended 31 December 2019

	Note	2019 \$	2018 \$
2 Revenue and Expenses			
(a) Operating Revenue			
Donations		905,041	1,570,904
Grant Income		60,000	-
Bequests		339,104	-
Fundraising		355,665	423,494
Interest		6,621	9,775
Income from Investments		125,736	106,290
Total Revenue		1,792,167	2,110,463
(b) Other Comprehensive Income			
Unrealised Gain / (Loss) on Financial Assets		129,934	(110,338)
(c) Expenses			
Disbursements to Domestic Projects		300,000	248,643
Disbursements to Overseas Projects		604,887	621,929
Costs of Fundraising Events		355,544	201,441
Employee Benefits	2 (d)	271,917	225,446
Grant Expenditure		60,000	-
Administration Expenses		209,529	127,572
Community Education		9,900	15,360
Project Management		53,232	85,515
Depreciation		181	-
		1,865,190	1,525,906
(d) Employee expenses			
Wages and salaries		594,628	562,706
Superannuation costs		55,265	50,898
Workers compensation		3,439	3,017
		653,332	616,621
Salary Reimbursements		(381,415)	(391,175)
		271,917	225,446
(e) Auditors remuneration			
Audit Services		22,000	17,179

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2019

3 Information provided under the ACFID Code of Conduct

Edmund Rice Foundation (Australia) is a signatory to the Australian Council for International Development (ACFID) Code of Conduct, and as such has an obligation to provide the following information which demonstrates adherence to the Code's financial standards. For further information on the Code please refer to the ACFID Code of Conduct Guidance Document available at www.acfid.asn.au.

2018 Donations & Fund-Raising	Cash available at the beginning of the financial year	Cash Received (net of administration)	Cash Disbursed during year	Share of Fund Raising Profits (net of administration)	Specific Bequest Income Received	Transfers between Funds	Share of Operating Costs	Cash available at the end of the financial year
Unspecified	1,116,150	1,437,407	-	6,694	41,309	(430,688)	(361,940)	1,808,932
Domestic Ministries								
Amberley Food Van	-	-	(20,000)	-	-	20,000	-	-
Edmund Rice Camps								
- Brisbane	-	-	(24,351)	-	-	24,351	-	-
- Central Queensland	-	-	(6,000)	-	-	6,000	-	-
- New South Wales	-	-	(24,380)	-	-	24,380	-	-
- South Australia	-	-	(24,872)	-	-	24,872	-	-
- Tasmania	-	-	(25,000)	-	881	24,119	-	-
- Victoria	-	-	(18,750)	-	18,750	-	-	-
- Western Australia	-	-	(24,940)	-	-	24,940	-	-
Community Ed	8,000	-	(20,000)	-	-	12,000	-	-
Edmund Rice Centre Mirrabooka	-	-	(15,000)	-	-	15,000	-	-
Edmund Rice Refugee Services	-	-	(45,350)	-	45,350	-	-	-
Overseas Ministries								
Oceania Ministries								
East Timor	-	4,760	(51,660)	-	-	48,090	(1,190)	-
Papua New Guinea	-	21,131	-	-	-	-	(5,283)	15,848
Philippines General	-	-	(7,250)	452	-	6,798	-	-
Philippines Kabankalan	-	-	(94,750)	-	-	94,750	-	-
Philippines Maasin	-	-	(45,000)	-	-	45,000	-	-
Africa Ministries								
Africa General	-	-	-	(1,261)	-	1,261	-	-
Development Office	-	33,000	-	-	-	-	(33,000)	-
Eldoret	3,887	818	(4,190)	3,607	-	-	(204)	3,918
Mary Rice Centre Kenya	59,821	29,086	(93,159)	9,889	-	1,634	(7,271)	-
Ruben Centre, Kenya	167,202	491	(232,207)	95,736	-	-	2,627	33,849
Yambio	917	-	(4,493)	3,155	-	421	-	-
Zambia	-	-	(56,000)	-	-	56,000	-	-
Special Projects								
Baraka School, Kibera Slum, Kenya	6,990	-	(2,245)	-	-	(4,745)	-	-
Mirror of Hope, Nairobi	-	-	-	-	-	4,745	-	4,745
Emergency Relief Fund	16,102	-	-	-	-	-	-	16,102
East Timor - TTN	-	33,225	(30,975)	-	-	1,072	(3,322)	-
Nzara	(140,318)	10,986	-	-	-	-	(2,747)	(132,079)
	1,238,751	1,570,904	(870,572)	118,272	106,290	-	(412,330)	1,751,315
Total for other purposes	209,513	395,222	(686,481)	(118,272)	(106,290)	-	412,330	106,022
	1,448,264	1,966,126	(1,557,053)	-	-	-	-	1,857,337

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the signatory organisation's international aid and development revenue for the financial year or the previous financial year.

Edmund Rice Foundation (Australia)
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Notes to the Financial Statements
For the year ended 31 December 2019

3 Information provided under the ACFID Code of Conduct (cont.d)

2019 Donations & Fund-Raising	Cash available at the beginning of the financial year	Cash Received (net of administration)	Cash Disbursed during year	Share of Fund Raising Profits (net of administration)	Specific Bequest Income Received	Transfers between Funds	Share of Operating Costs	Cash available at the end of the financial year
Unspecified	1,808,932	725,328	-	9,925	48,867	(623,941)	(181,332)	1,787,779
Domestic Ministries								
Amberley Food Van	-	-	(15,000)	-	-	15,000	-	-
Edmund Rice Camps								
- Queensland	-	-	(27,000)	-	-	27,000	-	-
- New South Wales	-	-	(23,000)	-	-	23,000	-	-
- South Australia	-	-	(32,000)	-	32,000	-	-	-
- Tasmania	-	-	(50,000)	-	1,880	48,120	-	-
- Victoria	-	-	(25,000)	-	25,000	-	-	-
- Western Australia	-	-	(40,000)	-	-	40,000	-	-
Community Ed	-	-	(20,000)	-	-	20,000	-	-
Edmund Rice Centre Mirrabooka	-	-	(18,000)	-	-	18,000	-	-
Edmund Rice Refugee Services	-	-	(50,000)	-	17,989	32,011	-	-
Overseas Ministries								
Oceania Ministries								
East Timor	-	-	-	-	-	-	-	-
Papua New Guinea	15,848	18,209	(23,750)	(1,767)	-	-	(4,552)	3,988
Philippines General	-	-	-	-	-	-	-	-
Philippines Kabankalan	-	-	(55,500)	-	-	55,500	-	-
Philippines Maasin	-	-	(207,000)	-	-	207,000	-	-
Africa Ministries								
Africa General	-	87,207	-	(1,300)	-	(64,106)	(21,801)	-
Development Office	-	-	-	-	-	-	-	-
Eldoret	3,918	-	-	-	-	-	-	3,918
Mary Rice Centre Kenya	-	19,167	(35,000)	(809)	-	21,434	(4,792)	-
Ruben Centre, Kenya	33,849	50,130	(92,500)	(5,928)	-	26,982	(12,533)	-
Yambio	-	-	-	-	-	-	-	-
Zambia	-	-	(40,000)	-	-	40,000	-	-
Special Projects								
Baraka School, Kibera Slum, Kenya	-	-	-	-	-	-	-	-
Mirror of Hope Nairobi Kenya	4,745	-	(4,637)	-	-	-	-	108
Emergency Relief Fund	16,102	-	-	-	-	-	-	16,102
East Timor - TTN	-	-	-	-	-	-	-	-
ERM Secretariat	-	-	(26,000)	-	-	26,000	-	-
EREBB	-	-	(15,000)	-	-	15,000	-	-
Centro Herman	-	-	(33,000)	-	-	33,000	-	-
MCST	-	-	(40,000)	-	-	40,000	-	-
Nzara	(132,079)	5,000	(32,500)	-	-	-	(1,250)	(160,829)
	1,751,315	905,041	(904,887)	121	125,736	-	(226,260)	1,651,066
Total for other purposes	106,022	243,831	(778,794)	(121)	(125,736)	-	226,260	(328,538)
	1,857,337	1,148,872	(1,683,681)	-	-	-	-	1,322,528

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the signatory organisation's international aid and development revenue for the financial year or the previous financial year.

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Notes to the Financial Statements
For the year ended 31 December 2019

	Note	2019 \$	2018 \$
4 Cash and Cash Equivalents			
Cash at Bank		197,429	13,593
Cash at Call		912,631	1,631,593
Short-term Deposits		211,968	211,651
		<u>1,322,028</u>	<u>1,856,837</u>
Cash on Hand		500	500
		<u>1,322,528</u>	<u>1,857,337</u>
The effective interest rate on short term bank deposits was 0.78%; these deposits have been available at call.			
5 Trade and Other Receivables			
Current			
Trade Debtors		35,123	62,615
Sundry Debtors		893,766	189,235
		<u>928,889</u>	<u>251,850</u>
6 Other Assets			
Current			
Prepayments		17,439	8,201
Rental & Security Bonds		10,696	10,696
		<u>28,135</u>	<u>18,897</u>
7 Other Financial Assets			
Financial Assets		1,322,186	1,192,569
		<u>1,322,186</u>	<u>1,192,569</u>
8 Plant & Equipment & Leasehold Improvements			
(i) Office Furniture & Fittings			
Less: Accumulated Depreciation		-	15,762
		<u>-</u>	<u>15,762</u>
(ii) Info & Communications Tech			
Less: Accumulated Depreciation		2,198	-
		<u>(181)</u>	<u>-</u>
		<u>2,017</u>	<u>-</u>
(iii) Leasehold Improvements			
Less: Accumulated Depreciation		-	17,665
		<u>-</u>	<u>17,665</u>
		<u>2,017</u>	<u>33,427</u>
Movements during year			
(ii) Info & Communications Tech			
<i>Carrying amount as at 1 January 2019</i>		-	-
Additions		2,198	-
Depreciation charge for the period		(181)	-
<i>Carrying amount at 31 December 2019</i>		<u>2,017</u>	<u>-</u>
(i) Office Furniture & Fittings			
<i>Carrying amount as at 1 January 2019</i>		15,762	15,762
Disposal		(15,762)	-
Depreciation charge for the period		-	-
<i>Carrying amount at 31 December 2019</i>		<u>-</u>	<u>15,762</u>
(iii) Leasehold Improvements			
<i>Carrying amount as at 1 January 2019</i>		17,665	-
Disposal		(17,665)	17,665
Depreciation charge for the period		-	-
<i>Carrying amount at 31 December 2019</i>		<u>-</u>	<u>17,665</u>

Edmund Rice Foundation (Australia)
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Notes to the Financial Statements
For the year ended 31 December 2019

	Note	2019 \$	2018 \$
9 Trade and Other Payables			
Trade Creditors		40,053	22,873
Sundry Creditors		189,310	25,939
Annual Leave		71,810	61,207
		301,173	110,019
10 Provisions			
Current			
Long Service Leave		9,756	8,146
		9,756	8,146
Number of employees at end of year (full time equivalent)		5	4
11 Reserves			
Bequest			
The Bequest Reserve was put in place to provide a capital base from which the annual income derived be used to fund			
Balance as at 1 January		1,093,662	1,093,662
Additions		339,104	-
Balance as at 31st December		1,432,766	1,093,662
Financial Assets Reserve			
The Financial Assets reserve records the unrealised market movements on investment assets.			
Balance as at 1 January		49,381	159,719
Unrealised Gains / (Losses)		129,934	(110,338)
Balance as at 31st December		179,315	49,381
Specified Purpose			
The Specified purpose reserve records donations and contributions made to Edmund Rice Foundation (Australia) where the contributor or donor has designated the funds towards a specific appeal or purpose.			
General		1,787,779	1,808,932
Overseas Ministries			
Oceania Ministries			
Papua New Guinea		3,988	15,848
Africa Ministries			
Eldoret		3,918	3,918
Ruben Centre, Kenya		-	33,849
Special Projects			
Emergency Relief Fund		16,102	16,102
Mirror of Hope		108	4,745
Nzara		(160,829)	(132,079)
		1,651,066	1,751,315
Total Reserves		3,263,147	2,894,358

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2019

	Note	2019 \$	2018 \$
12 Notes to the Cash Flow Statement			
(a) Reconciliation of Cash			
Cash at Bank		197,429	13,593
Cash at Call		912,631	1,631,593
CBA Short Term Investments		211,968	211,651
Petty Cash		500	500
		<u>1,322,528</u>	<u>1,857,337</u>
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Result			
Operating Result		56,911	474,219
Adjustments for Non-Cash Items			
Depreciation		181	-
Unrealised (Gain) / Loss on Investments		(129,934)	110,338
		<u>(72,842)</u>	<u>584,557</u>
Adjustments for changes in Current Assets & Current Liabilities			
(Increase) in Debtors		(677,039)	(144,337)
(Increase) in Prepayments		(9,238)	(11,742)
Increase in Creditors		191,154	9,471
Increase in Employee Provisions		1,610	3,520
Net Cash (Outflows) / Inflows from Operating Activities		<u>(566,355)</u>	<u>441,469</u>
13 Liabilities of Members			
The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. As at 31 December 2019 the number of members was 67.			
14 Directors Remuneration			
No income was due or receivable, for the financial year, by any Director of the Company, directly or indirectly, from the Company or from any related body corporate.			
15 Related Parties			
(a) Transactions with related parties			
The following transactions occurred with related parties:			
Amounts received from related parties			
Contribution received from Trusts re operational costs and		439,220	391,175
Contributions received from Trustees of the Christian Brothers		125,736	106,290
Contribution by Christian Brothers Communities		34,170	38,236
		<u>599,126</u>	<u>535,701</u>
Amounts paid to related parties			
Disbursement of Funds to Edmund Rice ministries in Australia		265,000	228,643
Disbursement of Funds to Edmund Rice ministries in Developing Nations		563,887	588,709
Disbursements of Funds to Trustees of the Christian Brothers		35,000	40,000
		<u>863,887</u>	<u>857,352</u>

Edmund Rice Foundation (Australia)
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Notes to the Financial Statements
For the year ended 31 December 2019

	Note	2019 \$	2018 \$
15 Related Parties (cont.d)			
(b) Receivables from and payable to related parties			
The following balances are outstanding at the reporting date in relation to transactions with related parties:			
Trade Receivables from Trusts		439,220	92,627
Trade Receivable from Trustees of the Christian Brothers		125,736	106,290
Financial Assets held with Trustees of the Christian Brothers		1,322,186	1,192,569
Trade Payables to Trusts		156,500	-
 (c) Key Management Personnel			
The aggregate compensation made to key management personnel of the consolidated entity is set out below:			
Aggregate Compensation		260,584	260,321
Reimbursement by Trusts		(152,129)	(156,961)
		108,455	103,360

Terms and Conditions

All related party financial assets and liabilities are due within 12 months.

Financial Assets are held with Trustees of the Christian Brothers on a long term basis. Trustees of the Christian Brothers distributes all realised income and gains to the entity annually.

Trustees of the Christian Brothers provided accounting and other administrative services to the Company. No fees were paid or are payable for these services.

Trustees of the Christian Brothers has met all the establishment costs of the Company to date.

Trustees of the Christian Brothers provides ongoing financial, administrative and other support to the Company.

16 Project Funding Commitments

Edmund Rice Foundation (Australia) has committed to project funding as follows:	2020	2019
Edmund Rice Oceania Domestic Ministries	417,000	317,000
Edmund Rice Oceania Ministries - Developing	562,000	439,000
Edmund Rice Pan Africa Ministries	1,596,000	926,500
Other Projects	329,300	73,000
Conditional Funding	103,650	283,648
Total Funding Commitment	3,007,950	2,039,148

17 Contingent Liabilities

There are no contingent liabilities to be disclosed in this report.

18 Commitments for Capital Expenditure

There are no commitments for capital expenditure to be disclosed in this report.

19 Events subsequent to Reporting Date

As at the date of signing these accounts, the global COVID-19 pandemic has resulted in severe restrictions being placed on the movement, working and social habits of all Australians. The Company has put in place operational measures to ensure the safety of our employees and associates, while they continue the work of the Company. The Company will not be immune to the financial impact of the pandemic and is implementing a range of measures to best manage the likely financial impact without affecting our core mission.

Except for the Corona Virus (COVID-19) and subsequent government actions, the impacts of which on the business cannot be determined at this time, there has been no matter or circumstance, which has arisen since 31 December 2019 which has significantly affected or which may significantly affect:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company, in subsequent financial years.

Edmund Rice Foundation (Australia)

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Notes to the Financial Statements For the year ended 31 December 2019

20 Responsible Persons

Name and Position held of Edmund Rice Foundation (Australia) Responsible Persons in office at any time during the financial year are:

Key Governance Officials	Position	
Mr Paul Gallagher	Chair	
Mr Michael Fernon	Deputy Chair	resigned 24/06/2019
Mr Anthony Coates	Director	
Mr Joel Egan	Director	
Ms Christina Longmire	Director	
Mr Edward Phelan	Director	
Br Martin Sanderson	Director	
Ms Jodie Sangster	Director	
Mr Alan Zammit	Director	

The Responsible Persons do not receive any compensation for their roles at Edmund Rice Foundation (Australia).

21 Right of Indemnity

The Company in its capacity as Trustee of Edmund Rice Foundation (a public ancillary fund) and Edmund Rice Overseas Aid Fund, has a right of indemnity against all liabilities incurred while acting in that capacity.

22 Organisation Details

(a) *Registered office*

126 The Avenue
Parkville Vic 3052

(b) *Principal place of business*

126 The Avenue
Parkville Vic 3052

(c) *Legal form*

Public Company Limited by Guarantee

(d) *Nature of operations*

The Company exists to raise and collect donations and gifts and distribute funds to:

- (i) Community development programs in Developing Countries by means of a comprehensive economic, social, cultural and political process projects of constant improvement which aim at the wellbeing of peoples resident in Developing Countries with the peoples of Developing Countries freely and meaningfully participating in such projects with there being a fair distribution of the benefits that result from the projects.
- (ii) to assist and promote charitable works within Australia in particular for the relief of poverty, distress, sickness and helplessness of people in necessitous circumstances and the advancement of education for Australian youth who suffer underprivilege, disability, remoteness and other disadvantage or any charitable work conducted managed or promoted by the Religious Institute.

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**For the year ended 31 December 2019
Responsible Persons' Declaration**

The Board of Directors of the Edmund Rice Foundation (Australia), as the responsible entity, declares that in the responsible persons' opinion:-

- (i) The financial statements and notes as set out on pages 4 to 20, are in accordance with the *Australian Charities and Not-For-Profits Commission Act (2012)* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure requirements (including Australian Accounting Interpretations) as applicable; and
 - (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance of the Company for the year then ended on that date.
 - (c) comply with the requirements set out in the ACFID Code of Conduct

- (ii) In the Directors' opinion there are reasonable grounds to believe that the Edmund Rice Foundation (Australia) will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

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



Director

Dated at Brisbane this 11 day of June 2020