



EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

Concise Consolidated Annual Financial Report For the year ended 31 December 2019

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Where the money came from and where it went

Total revenue increased by \$149,640 or 3.9% in 2019 as compared to 2018 whilst the deficit for the year was \$247,166 compared to a surplus in the prior year of \$254,325. The key factors of the result were:

- ♦ A decrease of \$282,306 (8.7%) in donations income and an increase of \$597,440 (25.8%) in programs expenditure primarily due to
 - ❖ Increased funding to

Ruben Centre, Kenya	139,034
Papua New Guinea	105,000
Br Beausang Secondary School, Nairobi	65,000
Domestic Ministries	51,000
Congregational Mission Support	40,000
Embulbull	39,880
Centro Herman	33,000
So They Can	30,000
Philippines - Maasin	27,000
ERM Secretariat	26,000
Growing Strong	25,255
- ♦ Fundraising income decreased by \$44,139 (10.4%)
- ♦ Fundraising costs increased by \$149,025 (28.5%).

Financial Results

The deficit of the consolidated entity for the financial year 1 January to 31 December 2019 was \$247,166 (2018 Surplus: \$254,325).

Performance Measures

Administration Ratio

A useful measure of the Consolidated Entity's administrative efficiency is its administration cost ratio. The ratio expresses administration costs (including depreciation) as a percentage of total expenditure. For 2019 the ratio was 7.6% (2018: 6.9%).

Fundraising cost ratio

Another ratio often given attention is the fundraising cost ratio. There are different definitions of this ratio used throughout the not-for-profit sector. In order to assess the organisation's performance accurately and to provide a comparison with other non-government organisations, the following two fundraising cost ratios have been used:

- ♦ Fundraising costs as a percentage of total revenue
The ratio in relation to total revenue for 2019 was 16.9% (2018: 13.6%).
- ♦ Fundraising costs as a percentage of fundraising income (excluding grants)
Fundraising income, primarily from functions and events, represents 9.5% (2018: 11.0%) of the total annual revenue. The ratio in relation to all funds raised from fundraising events for 2019 was 177.3% (2018: 123.6%). Fundraising costs are comprised of facility hire, event management, catering and promotional activities for the specific events and hence account for a significant percentage of income. Donations generated from these activities are recorded separately in the accounts and are captured together with investment, bequest and grant income in the remaining 90.5% (2018: 89.0%) of annual revenue. It is therefore necessary to be cautious when comparing the fundraising cost ratio over time and with the corresponding ratio of other charities that may have quite different ways of funding their activities and reporting their results.

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

Consolidated Statement of Income and Expenditure for the year ended 31 December 2019

	Consolidated	
	2019	2018
	\$	\$
REVENUE		
Donations and gifts		
Monetary	2,959,404	3,241,710
Non-monetary	-	-
Bequests and Legacies	439,104	40,000
Fundraising Income	379,355	423,494
Grants	60,000	-
Investment income	146,931	132,512
Other income	2,563	1
Revenue for International Political or Religious Adherence Promotion Programs	-	-
TOTAL REVENUE	3,987,357	3,837,717
EXPENDITURE		
International Aid and Development Programs Expenditure		
Funds to international programs	2,599,411	2,052,971
Grants	60,000	-
Non-Monetary Expenditure	-	-
Program support costs	329,817	329,251
Domestic Aid and Development Programs Expenditure		
Funds to domestic programs	317,000	266,000
Community education	63,365	52,181
Fundraising costs (International and Domestic)		
Public	672,436	523,411
Accountability and Administration	333,121	240,067
<i>Total International Aid and Development Programs Expenditure</i>	<i>4,375,150</i>	<i>3,463,881</i>
International Political or Religious Adherence Promotion Programs Expenditure	-	-
TOTAL EXPENDITURE	4,375,150	3,463,881
EXCESS OF (EXPENDITURE OVER REVENUE) / REVENUE OVER EXPENDITURE	(387,793)	373,836
Statement of Comprehensive Income for the year ended 31 December 2019		
EXCESS OF (EXPENDITURE OVER REVENUE) / REVENUE OVER EXPENDITURE	(387,793)	373,836
Other Comprehensive Income		
Items that may be reclassified subsequently to Profit or Loss		
Foreign currency loss	(3,491)	-
Items that may not be reclassified subsequently to Profit or Loss		
Gain / (Loss) on revaluation of financial assets	144,118	(119,511)
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	140,627	(119,511)
TOTAL COMPREHENSIVE (DEFICIT) / SUPPLUS FOR THE YEAR	(247,166)	254,325

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

Consolidated Statement of Financial Position as at 31 December 2019

	Consolidated	
	2019	2018
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,216,025	2,995,315
Trade and other receivables	504,756	168,406
Other	28,538	35,011
Total current assets	2,749,319	3,198,732
Non-current assets		
Financial assets	1,581,578	1,337,777
Plant and equipment	24,835	15,762
Leasehold improvements	14,722	17,665
Lease assets	138,336	-
Total non-current assets	1,759,471	1,371,204
Total assets	4,508,790	4,569,936
Liabilities		
Current liabilities		
Trade and other payables	164,734	125,732
Lease liability	31,988	-
Provisions	9,756	8,146
Total current liabilities	206,478	133,878
Non-current liabilities		
Lease liability	113,420	-
Total non-current liabilities	113,420	-
Total liabilities	319,898	133,878
Net assets	4,188,892	4,436,058
Equity		
Settlement	100	100
Retained surplus	30,229	335,880
Reserves	4,158,563	4,100,078
Total equity	4,188,892	4,436,058

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

Consolidated	Settlement Funds	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	FX Reserve	Specified Purpose Reserves	Total
	\$	\$	\$	\$		\$	\$
Balance 1 January 2018	100	269,602	1,183,788	176,600	-	2,551,643	4,181,733
Surplus attributable to Edmund Rice Foundation (Australia)	-	373,836	-	-	-	-	373,836
Other Comprehensive Income for the year	-	-	-	(119,511)	-	-	(119,511)
Transfers to Reserves							
Bequest Reserve	-	(40,000)	40,000	-	-	-	-
Specified Purpose Reserves	-	(267,558)	-	-	-	267,558	-
Balance 31 December 2018	100	335,880	1,223,788	57,089	-	2,819,201	4,436,058
Surplus attributable to Edmund Rice Foundation (Australia)	-	(387,793)	-	-	-	-	(387,793)
Other Comprehensive Income for the year	-	-	-	144,118	(3,491)	-	140,627
Transfers to Reserves							
Bequest Reserve	-	(439,104)	439,104	-	-	-	-
Specified Purpose Reserves	-	521,246	-	-	-	(521,246)	-
Balance 31 December 2019	100	30,229	1,662,892	201,207	(3,491)	2,297,955	4,188,892

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

	2019 \$	2018 \$
Cash flows from operating activities		
Cash receipts in the course of operations	3,244,844	3,553,457
Cash payments in the course of operations	(4,036,511)	(3,373,015)
Interest received	9,184	16,618
Investment Income	140,310	115,895
Net cash (used) / provided by operating activities	<u>(642,173)</u>	<u>312,955</u>
Cash flows from investing activities		
Investment of bequest income	(99,683)	(39,821)
Purchase of plant and equipment	(14,324)	(33,425)
Net cash (used in) investing activities	<u>(114,007)</u>	<u>(73,246)</u>
Cash flows from financing activities		
Principal elements of lease payments	(23,110)	-
Net cash (used in) financing activities	<u>(23,110)</u>	<u>-</u>
Net increase in cash held	(779,290)	239,709
Cash and cash equivalents at the beginning of the year	2,995,315	2,755,606
Cash and cash equivalents at end of the year	<u>2,216,025</u>	<u>2,995,315</u>

Consolidated table of cash movements for designated purposes for the year ended 31 December 2019

	Cash available at the beginning of the financial year	Cash Received	Cash Disbursed during year	Transfers between Funds	Cash available at the end of the financial year
	\$	\$	\$	\$	\$
Funds Raised for					
Edmund Rice Oceania Domestic Projects	-	107,190	(324,580)	223,131	5,741
Edmund Rice Oceania Developing Nations Projects	56,307	100,599	(500,537)	347,619	3,988
Edmund Rice African Developing Nations Projects					
Ruben Centre (Kenya)	345,503	703,953	(814,343)	26,982	262,095
Other African Projects	641,164	1,195,855	(1,398,091)	(22,931)	415,997
Total for other purposes	1,952,341	1,297,374	(1,146,710)	(574,801)	1,528,204
	<u>2,995,315</u>	<u>3,404,971</u>	<u>(4,184,261)</u>	<u>-</u>	<u>2,216,025</u>

The consolidated entity 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.

The only appeal which represented more than 10 percent of the total cash raised in 2019 was for the Ruben Centre.

The purpose of the table of cash movements is to ensure the accountability of cash raised for designated purposes. The table of cash movements is used to disclose the amount of cash that has been raised for a designated purpose, disbursed and remains unspent at the end of the year.

Cash raised refers to cash donations and other income actually received during the year. Cash disbursed refers to expenditure actually paid out during the year.

Notes to the consolidated summary financial report for the year ended 31 December 2019

The concise financial report is an extract from Edmund Rice Foundation (Australia)'s consolidated full financial report for the year ended 31 December 2019.

The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report does not and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Edmund Rice Foundation (Australia) and its trusts as the full financial report.

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

The responsible persons declare that in their opinion:

- (a) The concise financial report of the Company and its controlled entities for the year ended 31 December 2019 as set out in pages 1 to 3 complies with Accounting Standard AASB 1039: Concise Financial Reports
- (b) The concise financial report is an extract from the full financial report for the year ended 31 December 2019. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.
- (c) The concise financial report cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Company and its controlled entities as the full financial report, which is available on request.

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

This declaration is made in accordance with a resolution of the responsible persons



Paul Gallagher
Director

Dated at Brisbane this 27 day of July 2020