



Edmund Rice
FOUNDATION AUSTRALIA
Liberating Lives Through Education

EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

**Consolidated Annual Financial Report
For the year ended 31 December 2020**

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Consolidated Annual Financial Report
31 December 2020

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EDMUND RICE FOUNDATION (AUSTRALIA)
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Directors' Report
For the year ended 31 December 2020

The Directors present their report on the consolidated entity, which consists of Edmund Rice Foundation (Australia) ("the Company") and its trusts Edmund Rice Foundation Trust (a public ancillary fund) and Edmund Rice Overseas Aid Fund (an overseas Aid Fund), for the year ended 31 December 2020

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

<u>Name</u>	<u>Qualification & Experience</u>
Anthony Leonard Coates (Appointed Director 05/12/2012)	B.Build (QS)
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
Joel Egan (Appointed 29/10/2018)	Bachelor of Business (Marketing - Applied) – RMIT University Member of Australian Institution of Company Directors
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
Anne Rebgetz (Appointed 20/07/2020)	M Ed Stud Grad Dip RE BA Dip Ed Principal St James College Brisbane Chair/Director Board Catholic Secondary Principals Australia President Qld Independent Secondary Schools Netball National Schools Strategy Committee Ruby Australia
Martin Sanderson,cfc (Appointed 1/01/2018)	BEd, DipT, DipRE, ATCL (Speech & Drama), Trinity College
Jodie Sangster (Appointed 29/10/2018)(Resigned 25/08/2020)	BLaw, M Law (University of London) Director, Amaysim Pty Ltd
Alan Zammit, AM (Appointed Director 30/04/2014)(Resigned 25/08/2020)	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

The Directors commenced office during the financial year to the date of this report as stated.

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2 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	5	5
Paul Gallagher	5	5
Joel Egan	5	4
Christina Longmire	5	4
Edward Phelan	5	5
Anne Rebgetz	2	2
Martin Sanderson, cfc	5	4
Jodie Sangster	3	0
Alan Zammit, AM	3	3

3 Principal activity

The Company was incorporated on 8 September 2011 to act as trustee of a Relief Fund, a Charitable Fund or 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 underprivileged, disability, remoteness and other disadvantage or any charitable work conducted managed or promoted by the Religious Institute.

4 Results of operations

The surplus of the consolidated entity for the financial year 1 January to 31 December 2020 was \$835,188 (2019 Deficit \$247,166).

The consolidated entity 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.

5 State of affairs

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

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.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor or the Company or any related entity.

7 Environmental issues

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

8 Short term objective

The Edmund Rice Foundation (Australia)'s short term objective is to increase income to ensure that programming activities can be continued and expanded for the benefit of disadvantaged peoples. Edmund Rice Foundation (Australia) is also focused on achieving accreditation with DFAT and to fine tuning all policies and procedures that are necessary for best practice development procedures.

9 Long term objectives

The Edmund Rice Foundation (Australia)'s long term objective is to provide support to each of the projects to enable these to become sustainable over time by introducing them to best practise policies and procedures that will attract financial support from in country and international sources. We also aim to work with our alliance projects by assisting them in developing internal processes which may enhance the sustainability of their programs.

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Directors' Report
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10 Strategy for achieving the objectives

To achieve these objectives:

As an international development organisation with a global footprint, the Edmund Rice Foundation (Australia) has seen first-hand the impact an empowering education creates. Our commitment is to support people and their communities, to develop the life skills to change their own world and be a force for positive change around them.

Our new strategic plan, Liberating Lives through Education (2018-2020) is our commitment to those communities, to our supporters who entrust us with their time, talent and financial gifts and to the public, as to how we will do this over the coming years

The Directors intend to continue the expansion of the entity's fundraising activities within Australia, working closely with our Edmund Rice community and beyond to search for new opportunities to support development projects both internationally and here in Australia.

11 How principal activities assisted in achieving the objectives

The consolidated entity carried out the following principal activities to achieve its objectives:

- ◆ Targeted program expenditure to increase capacity and outreach both domestically and overseas
- ◆ Continued stakeholder and community awareness and engagement through the Gone Fishing Program, and
- ◆ Increased focus on strengthening internal systems.

Total revenue decreased by \$688,526 or 16.7% in 2020 as compared to 2019 whilst the surplus for the year was \$835,188 compared to a deficit in the prior year of \$247,166. The key factors of the result were

- ◆ Government COVID 19 support \$263,477
- ◆ No bequests were received in 2020
- ◆ A decrease of \$1,401,903 (53.9%) in funding to international programs
- ◆ A decrease of \$114,499 (36.1%) in funding to domestic programs
- ◆ An increase of \$162,664 (49.3%) in the costs of program support activities
- ◆ Fundraising income decreased by \$292,050 (77.0%)
- ◆ Fundraising costs decreased by \$396,630 (59.0%).

12 Performance measures

a) 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 2020 the ratio was 12.5% (2019: 7.6%)

b) 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 2020 was 8.0% (2019: 16.3%).
- ◆ *Fundraising costs as a percentage of fundraising income (excluding grants)*

Fundraising income, primarily from functions and events, represents 2.5% (2019: 9.2%) of the total annual revenue.

The ratio in relation to all funds raised from fundraising events for 2020 was 315.9% (2019: 177.3%). 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 97.4% (2019: 90.5%) of annual revenue.

The meaningfulness of this ratio however, is affected by the range of fundraising activities undertaken in the respective financial periods. In Edmund Rice Foundation (Australia)'s case this range, and the associated cost rates, varies markedly between recruitment of donors to particular programs and special events. Fundraising activities are worth pursuing provided they generate a worthwhile surplus over time that can be devoted to achieving Edmund Rice Foundation (Australia)'s goal of improving the lives of disadvantaged peoples.

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.

13 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 2020

14 Members' guarantee

Edmund Rice Foundation (Australia) is a company limited by guarantee. In the event of, and for the purpose of, the winding up of the Consolidated Entity, the amount capable of being called up from each member and any person or association who has ceased to be a member in the year prior to the winding up, is limited to \$100 for all members subject to the provisions of the company's constitution. For 2020 the collective liability of members was \$6,500 (2019: \$6,700).

15 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.

16 Auditor's independence

The Auditor's independence declaration for the year ended 31 December, 2020 has been received and can be found following on page 26 of the financial report.

17 Events subsequent to reporting date

As at the date of signing these accounts, the global COVID-19 pandemic has, from time to time, resulted in 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 2020 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.

Signed in accordance with a resolution of Board of Directors:



Paul Gallagher

Director

Dated at Brisbane this 24th day of June 2021

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**Consolidated Statement of Profit or Loss
for the year ended 31 December 2020**

	Note	Consolidated	
		2020 \$	2019 \$
			Restated*
REVENUE			
Donations and gifts			
Monetary	2	2,945,712	2,959,404
Non-monetary		-	-
Bequests and legacies		-	439,104
Fundraising income		87,305	379,355
Grants		-	60,000
Investment and interest income		88,748	146,931
Net change in fair value of financial assets classified as fair value through profit or loss		57,707	144,118
Other income		263,477	2,563
Revenue for international political or religious adherence promotion programs		-	-
TOTAL REVENUE		<u>3,442,949</u>	<u>4,131,475</u>
EXPENDITURE			
International aid and development programs expenditure			
Funds to international programs		1,197,508	2,599,411
Grant expenditure		-	60,000
Non-monetary expenditure		-	-
Program support costs		492,481	329,817
Community education		107,797	63,365
Fundraising costs (international and domestic)			
Public		275,806	672,436
Government, multilateral and private		-	-
Accountability and administration		324,471	333,121
Total international aid and development programs expenditure		<u>2,398,063</u>	<u>4,058,150</u>
International political or religious adherence promotion programs expenditure		-	-
Domestic program expenditure		202,501	317,000
TOTAL EXPENDITURE		<u>2,600,564</u>	<u>4,375,150</u>
EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE		<u>842,385</u>	<u>(243,675)</u>

*Please refer to Note 1 on change on reassessment on the accounting policy for investments and other financial assets

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

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Consolidated Statement of Comprehensive Income
for the year ended 31 December 2020

	Consolidated	
	2020	2019
	\$	\$
		Restated*
EXCESS / (SHORTFALL) OF REVENUE OVER EXPENDITURE	842,385	(243,675)
<i>Other comprehensive income</i>		
<i>Items that may be reclassified subsequently to Profit or Loss</i>		
Foreign currency loss	(7,197)	(3,491)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>(7,197)</u>	<u>(3,491)</u>
TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE YEAR	<u>835,188</u>	<u>(247,166)</u>

Edmund Rice Foundation (Australia)

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Consolidated Statement of Financial Position

As at 31 December 2020

		Consolidated	
	Note	2020	2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	3,331,473	2,216,025
Trade and other receivables	6	131,854	504,756
Other	7	56,509	28,538
Total current assets		3,519,836	2,749,319
Non-current assets			
Financial assets at fair value through profit or loss	8	1,640,256	1,581,578
Plant and equipment	9	45,394	24,835
Leasehold improvements	10	11,779	14,722
Lease asset	10	127,333	138,336
Total non-current assets		1,824,762	1,759,471
Total assets		5,344,598	4,508,790
Liabilities			
Current liabilities			
Trade and other payables	11	168,664	164,734
Lease liability	13	38,345	31,988
Provisions	12	13,234	9,756
Total current liabilities		220,243	206,478
Non-current liabilities			
Lease liability	13	100,275	113,420
Total non-current liabilities		100,275	113,420
Total liabilities		320,518	319,898
Net assets		5,024,080	4,188,892
Equity			
Settlement		100	100
Retained (deficit) / surplus		(96,617)	30,229
Reserves	14	5,120,597	4,158,563
Total equity		5,024,080	4,188,892

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Consolidated Statement of Changes in Equity
for the year ended 31 December 2020

Consolidated	Note	Settlement Funds	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Foreign Exchange Reserve	Specified Purpose Reserves	Total
Balance 31 December 2018		100	335,880	1,223,788	57,089	-	2,819,201	4,436,058
*Restated net deficit for the year ended 31 December 2019		-	(243,675)	-	-	-	-	(243,675)
Other comprehensive loss for the year		-	-	-	-	(3,491)	-	(3,491)
Transfers to reserves								
Bequest reserve	14	-	(439,104)	439,104	-	-	-	-
Specified purpose reserves		-	521,246	-	-	-	(521,246)	-
Changes in fair value of investments through profit or loss		-	(144,118)	-	144,118	-	-	-
Balance 31 December 2019		100	30,229	1,662,892	201,207	(3,491)	2,297,955	4,188,892
Surplus for the year ended 31 December 2020		-	842,385	-	-	-	-	842,385
Other comprehensive loss for the year		-	-	-	-	(7,197)	-	(7,197)
Transfers to reserves								
Specified purpose reserves		-	(911,524)	-	-	-	911,524	-
Changes in fair value of investments through profit or loss		-	(57,707)	-	57,707	-	-	-
Balance 31 December 2020		100	(96,617)	1,662,892	258,914	(10,688)	3,209,479	5,024,080

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**Consolidated Statement of Cash Flows
for the year ended 31 December 2020**

	Note	Consolidated 2020 \$	2019 \$
Cash flows from operating activities	15		
Cash receipts in the course of operations		3,668,969	3,244,844
Cash payments in the course of operations		(2,584,527)	(4,036,511)
Interest received		3,371	9,184
Investment Income		85,804	140,310
Net cash provided by / (used in) by operating activities	(b)	<u>1,173,617</u>	<u>(642,173)</u>
Cash flows from investing activities			
Investment of bequest income		(971)	(99,683)
Purchase of plant and equipment		(30,000)	(14,324)
Sale of plant and equipment		-	-
Net cash (used in) investing activities		<u>(30,971)</u>	<u>(114,007)</u>
Cash flows from financing activities			
Principal element of lease payments		(27,198)	(23,110)
Net cash (used in) financing activities		<u>(27,198)</u>	<u>(23,110)</u>
Net increase / (decrease) in cash held		1,115,448	(779,290)
Cash and cash equivalents at the beginning of the year		<u>2,216,025</u>	<u>2,995,315</u>
Cash and cash equivalents at end of the year	(a)	<u>3,331,473</u>	<u>2,216,025</u>

The accompanying notes on pages 10 to 24 form part of these financial statements

Edmund Rice Foundation (Australia)

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Notes to the Financial Statements For the year ended 31 December 2020

1 Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of Edmund Rice Foundation (Australia) group 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 24th day of June 2021

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Edmund Rice Foundation (Australia) Limited ('company' or 'parent entity') and its Trusts as at 31 December 2020 and their results for the year then ended. Edmund Rice Foundation (Australia) Limited and its Trusts together are referred to in these financial statements as the 'group'

A subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power to direct the activities of the entity. The subsidiary is fully consolidated from the date on which control is transferred to the group. It is de-consolidated from the date the control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(a) Revenue recognition

The group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group: 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 group satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the group 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 group 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 group becomes legally entitled to the shares or property.

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Notes to the Financial Statements For the year ended 31 December 2020

1 Summary of significant accounting policies (cont.d)

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 group 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.

(c) 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 consolidated 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.

During the financial year, the group reassessed the classification of investments held in managed funds. In previous financial years, the group elected to designate, and subsequently measure, all investments held in managed funds at fair value through other comprehensive income (FVtOCI). After reconsidering the underlying terms and conditions of units held in managed funds, the group has determined that it would be more appropriate for units redeemable directly from the fund to be classified, and subsequently measured, at fair value through profit or loss (FVtPL). As a result, change in fair value of investments in redeemable units are now recognised in profit or loss, instead of other comprehensive income. Unrealised gains or losses are subsequently transferred to a financial asset reserve. Comparative information has been restated to align with the revised accounting assessment, so that both the current year and prior year information is presented on a consistent and comparable basis. Applying the revised accounting assessment to the comparative information resulted in the restatement of prior year deficit from \$387,793 to \$243,675. The restatement of prior year other comprehensive income from \$140,627 to \$3,491. The revised accounting assessment did not impact the reported amount of total comprehensive income or the carrying amount of investments held in managed funds.

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. Unrealised gains / losses of such financial assets are transferred to the financial asset reserve in the statement of changes in equity.

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Notes to the Financial Statements For the year ended 31 December 2020

1 Summary of significant accounting policies (cont.d)

Impairment of financial assets

The group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through profit or loss. The measurement of the loss allowance depends upon the group'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.

(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) **Leases**

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the group the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use (ROU) asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the group is reasonably certain to exercise and incorporate the group's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the income statement.

ROU assets are amortised over the residual of the lease term calculated at the time of adoption of AASB 16, the residual term of the lease being 67 months for the Nairobi office and 60 months for the Brisbane office.

Leasehold improvements are amortised over the residual of the lease term calculated at the time of adoption of AASB16, the residual term of the lease, being 67 months for the Nairobi office and 60 months for the Brisbane office.

Edmund Rice Foundation (Australia)

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Notes to the Financial Statements For the year ended 31 December 2020

1 Summary of significant accounting policies (cont.d)

(j) **Income tax**

The group 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 group is also exempt from capital gains tax.

(k) **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.

(l) **Trade and other payables**

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

(m) **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.

(n) **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.

(o) **Comparatives**

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

(p) **Rounding off**

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

(q) **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 group 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 group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the group 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.

Impairment of assets

The group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the group 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.

Key estimates - incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the lease asset, with similar terms, security and economic environment. The incremental borrowing rate is estimated at 4.5%.

Key judgement - lease term

The lease term is a significant component in the measurement of both the lease asset and lease liability. In determining the lease term, the residual term of the initial lease term was assessed as the appropriate lease term for the calculations under AASB 16. The term used is 67 months for the Nairobi office lease and 60 months for the Brisbane office lease.

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 allocated an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Edmund Rice Foundation (Australia)
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Notes to the Financial Statements
For the year ended 31 December 2020

	Note	Consolidated	
		2020 \$	2019 \$
2 Revenue and expenses			
(a) Revenue from contracts with customers			
Grant income		-	60,000
		-	60,000
(b) Interest and investment income			
Income from investments		85,804	140,310
Interest		3,371	9,184
		89,175	149,494
(b) Other revenue			
Donations		2,945,712	2,959,404
Donations in kind		-	-
Bequests		-	439,104
Fundraising		87,305	379,355
Other income - Govt COVID 19 support		263,050	-
		3,296,067	3,777,863
(c) Net change in fair value of financial assets classified as fair value through profit or loss		57,707	144,118
Total operating revenue		3,442,949	4,131,475
(d) Expenses			
Disbursements to domestic projects		202,501	317,000
Disbursements to overseas projects		1,197,508	2,406,024
Disbursements in kind to overseas projects		-	-
Costs of fundraising events		31,032	382,737
Employee benefits	2 (f)	865,992	777,706
Grant expenditure		-	60,000
Administration expenses		145,304	286,331
Community education		34,108	29,052
Project management		74,407	70,927
Depreciation		12,384	8,193
Amortisation		31,193	30,182
Lease interest		6,135	6,998
		2,600,564	4,375,150
(e) Employee expenses			
Wages and salaries		803,503	719,002
Superannuation costs		57,365	55,265
Fringe benefits		650	-
Workers compensation		4,474	3,439
		865,992	777,706
3 Auditors remuneration			
Audit services - current year		35,083	34,097

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2020

4 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

2019 Donations & Fund-Raising for Designated Purposes	Cash available at the beginning of the financial year	Cash Received	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
Edmund Rice Domestic Ministries								
Domestic General	-	12,102	-	-	2	(9,012)	(3,026)	66
Amberley Food Van	-	-	(15,000)	-	-	15,000	-	-
Edmund Rice Camps								
- Brisbane	-	10,650	(44,000)	-	-	36,012	(2,662)	-
- New South Wales	-	5,813	(23,000)	-	-	23,000	(1,453)	4,360
- South Australia	-	-	(32,000)	-	32,000	-	-	-
- Tasmania	-	-	(50,000)	-	1,880	48,120	-	-
- Victoria	-	535	(25,000)	-	25,000	-	(134)	401
- Western Australia	-	1,219	(40,000)	-	-	40,000	(305)	914
Edmund Rice Centre for Justice & Community Ed	-	-	(20,000)	-	-	20,000	-	-
Edmund Rice Centre Mirrabooka	-	-	(18,000)	-	-	18,000	-	-
Edmund Rice Refugee Services	-	-	(50,000)	-	17,989	32,011	-	-
Edmund Rice Overseas Ministries								
Overseas General	43,470	153,137	-	-	12,917	(85,119)	(38,284)	86,121
Oceania Ministries								
Oceania General	-	19,710	-	-	-	(14,783)	(4,927)	-
East Timor	15,000	10,520	(53,000)	-	-	30,110	(2,630)	-
Papua New Guinea	41,307	51,869	(105,000)	(1,767)	4,217	26,329	(12,967)	3,988
Philippines General	-	10,000	-	-	-	(7,500)	(2,500)	-
Philippines Kabankalan	-	6,050	(111,000)	-	-	106,463	(1,513)	-
Philippines Maasin	-	-	(207,000)	-	-	207,000	-	-
Africa Ministries								
Africa General	323,348	362,184	-	(1,300)	-	(491,578)	(90,545)	102,109
Development Office	59,645	231,100	(217,868)	-	-	-	(7,955)	64,922
East Africa General	66,984	11,738	-	-	-	(75,787)	(2,935)	-
Eldoret	39,892	25,294	(140,000)	-	-	85,055	(6,323)	3,918
Embulbul	-	163,811	(308,800)	-	-	185,942	(40,953)	-
Edmund Rice Advocacy Network	-	-	(55,000)	-	-	55,000	-	-
Growing Strong	-	250,000	(25,255)	-	-	-	-	224,745
Edmund Rice Camps Nairobi	-	-	(35,000)	-	-	35,000	-	-
Edmund Rice Secondary School Sinon	57,633	-	(65,000)	-	-	7,367	-	-
Mary Rice Centre Kenya	84,662	65,905	(140,635)	(809)	-	21,434	(16,477)	14,080
Ruben Centre, Kenya	345,503	703,953	(694,500)	(5,928)	-	26,982	(205,989)	170,021
Ruben Special Projects	-	55,000	(51,894)	-	-	13,820	(13,750)	3,176
South Africa	9,000	150	(33,515)	-	-	33,403	(38)	9,000
So They Can	-	-	(30,000)	-	-	30,000	-	-
Yambio	-	32,782	(62,000)	-	-	37,413	(8,195)	-
Zambia	-	-	(40,000)	-	-	40,000	-	-
Special Projects								
Centro Herman	-	-	(33,000)	-	-	33,000	-	-
Congregational Mission Support	-	-	(40,000)	-	-	40,000	-	-
Emergency Relief Fund	21,602	4,720	(5,200)	-	-	-	(1,180)	19,942
ERM Secretariat	-	-	(26,000)	-	-	26,000	-	-
EREBS	-	-	(15,000)	-	-	15,000	-	-
Mirror of Hope Nairobi Kenya	24,006	12,657	(53,650)	-	-	20,259	(3,164)	108
Uganda	169	1,460	(1,130)	-	-	-	(330)	169
Nzara	(121,952)	31,717	(99,700)	-	-	-	(7,929)	(197,864)
Total Funds for Designated Purposes	2,819,201	2,959,404	(2,966,147)	121	142,872	-	(657,496)	2,297,955
Total for other purposes	176,114	445,567	(1,218,114)	(121)	(142,872)	-	657,496	(81,930)
Total funds available	2,995,315	3,404,971	(4,184,261)	-	-	-	-	2,216,025

One appeal generating more than 10% of the signatory organisation's international aid and development revenue for a designated purpose for the financial year has been highlighted: Ruben Centre (Kenya) 22.5% (2018: Ruben Centre (Kenya) 15.7%).

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2020

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

2020 Donations & Fund-Raising for Designated Purposes	Cash available at the beginning of the financial year	Cash Received	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	1,787,779	1,515,528	-	7,473	27,987	(354,169)	(303,105)	2,681,493
Edmund Rice Domestic Ministries								
Domestic General	66	44,037	-	-	1	(39,385)	(4,719)	-
Amberley Food Van	-	-	-	-	-	-	-	-
Edmund Rice Camps								
- Brisbane	-	-	(28,153)	-	-	28,153	-	-
- New South Wales	4,360	420	(13,335)	-	-	10,043	(84)	1,404
- South Australia	-	-	(18,274)	-	13,762	4,512	-	-
- Tasmania	-	-	(24,696)	-	18,598	6,098	-	-
- Victoria	401	270	(13,335)	-	1,361	11,357	(54)	-
- Western Australia	914	-	(19,756)	-	-	18,842	-	-
Edmund Rice Centre for Justice & Community Ed	-	-	(39,512)	-	10,303	29,209	-	-
Edmund Rice Centre Mirrabooka	-	-	(9,879)	-	-	9,879	-	-
Edmund Rice Refugee Services	-	-	(28,153)	-	-	28,153	-	-
Edmund Rice Ministries Oceania	-	-	(7,408)	-	-	7,408	-	-
Edmund Rice Overseas Ministries								
Overseas General	86,121	116,941	-	-	5,932	(153,949)	(23,386)	31,659
Oceania Ministries								
Oceania General	-	8,700	-	-	-	(6,960)	(1,740)	-
East Timor	-	11,260	(63,000)	-	-	54,968	(2,252)	976
Papua New Guinea	3,988	10,000	-	-	2,415	-	(2,000)	14,403
Philippines General	-	5,000	-	-	-	-	(1,000)	4,000
Philippines Kabankalan	-	-	(68,650)	-	-	68,650	-	-
Philippines Maasin	-	-	(122,750)	-	-	122,750	-	-
Philippines Secretariat	-	-	-	-	-	-	-	-
Africa Ministries								
Africa General	102,109	226,512	-	-	-	(200,569)	(45,302)	82,750
Development Office	64,922	100,000	(203,296)	-	-	-	(3,996)	(42,370)
East Africa General	-	1,979	-	-	5,446	-	(396)	7,029
Eldoret	3,918	100,150	(11,250)	-	-	-	(20,030)	72,788
Embulbul	-	137,470	(189,391)	-	-	80,615	(27,494)	1,200
Edmund Rice Advocacy Network	-	-	(17,300)	-	-	17,300	-	-
Growing Strong	224,745	-	(58,000)	-	-	-	-	166,745
Edmund Rice Camps Nairobi	-	-	(18,800)	-	-	18,800	-	-
Edmund Rice Secondary School Sinon	-	-	-	-	-	-	-	-
Mary Rice Centre Kenya	14,080	8,334	(69,500)	-	-	48,753	(1,667)	-
Ruben Centre, Kenya	170,021	650,859	(558,750)	48,800	-	92,074	(55,086)	347,918
Ruben Special Projects	3,176	-	-	-	-	-	-	3,176
South Africa	9,000	-	-	-	-	-	-	9,000
So They Can	-	-	-	-	-	-	-	-
West Africa	-	-	-	-	-	-	-	-
Yambio	-	7,300	(18,000)	-	-	12,160	(1,460)	-
Zambia	-	-	-	-	-	-	-	-
Special Projects								
India	-	-	(19,989)	-	-	19,989	-	-
Congregational Mission Support	-	-	(25,000)	-	-	25,000	-	-
Emergency Relief Fund	19,942	-	5,122	-	-	-	-	25,064
ERM Secretariat	-	-	(23,500)	-	-	23,500	-	-
EREBS	-	-	(2,250)	-	-	2,250	-	-
Mirror of Hope Nairobi Kenya	108	952	(15,500)	-	-	14,738	(190)	108
Uganda	169	-	-	-	-	(169)	-	-
Nzara	(197,864)	-	-	-	-	-	-	(197,864)
Total Funds for Designated Purposes	2,297,955	2,945,712	(1,682,305)	56,273	85,805	-	(493,961)	3,209,479
Total for other purposes	(81,930)	812,432	(960,391)	(56,273)	(85,805)	-	493,961	121,994
Total funds available	2,216,025	3,758,144	(2,642,696)	-	-	-	-	3,331,473

One appeal generating more than 10% of the signatory organisation's international aid and development revenue for a designated purpose for the financial year has been highlighted: Ruben Centre (Kenya) 22.7% (2019: Ruben Centre (Kenya) 22.5%).

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Notes to the Financial Statements
For the year ended 31 December 2020

	Note	Consolidated	
		2020 \$	2019 \$
5 Cash and cash equivalents			
Cash at bank		183,927	301,555
Cash at call		2,935,908	1,702,002
Short-term bank deposits		211,138	211,968
		<u>3,330,973</u>	<u>2,215,525</u>
Cash on hand		500	500
		<u>3,331,473</u>	<u>2,216,025</u>
6 Trade and other receivables			
Current			
Trade debtors		72,011	24,365
Sundry debtors		59,843	480,391
		<u>131,854</u>	<u>504,756</u>
7 Other assets			
Current			
Prepayments		44,366	17,439
Rental and security bonds		10,696	10,696
GST rebate		1,447	403
		<u>56,509</u>	<u>28,538</u>
8 Financial assets at fair value through profit or loss			
Investments		1,640,256	1,581,578
		<u>1,640,256</u>	<u>1,581,578</u>
9 Plant and equipment			
(a) Office furniture and fittings		21,596	21,597
Accumulated depreciation		(6,406)	(3,167)
		<u>15,190</u>	<u>18,430</u>
(b) Info & communication technology		38,489	8,489
Accumulated depreciation		(8,285)	(2,084)
		<u>30,204</u>	<u>6,405</u>
Total plant and equipment		<u>45,394</u>	<u>24,835</u>
Movements during year			
(c) <i>Office furniture and fittings</i>			
Carrying amount as at 1 January		18,430	-
Additions		-	21,597
Disposals		-	-
Depreciation charge for the period		(3,240)	(3,167)
Carrying amount at 31 December		<u>15,190</u>	<u>18,430</u>
(d) <i>Info & communication technology</i>			
Carrying amount as at 1 January		6,405	-
Additions		30,000	8,489
Disposals		-	-
Depreciation charge for the period		(6,201)	(2,084)
Carrying amount at 31 December		<u>30,204</u>	<u>6,405</u>

Edmund Rice Foundation (Australia)
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Notes to the Financial Statements
For the year ended 31 December 2020

	Note	Consolidated	
		2020 \$	2019 \$
10 Lease assets			
(a) ROU lease asset		188,708	168,518
Accumulated amortisation		(61,375)	(30,182)
		<u>127,333</u>	<u>138,336</u>
(b) Leasehold improvements		17,665	17,665
Accumulated amortisation		(5,886)	(2,943)
		<u>11,779</u>	<u>14,722</u>
Movements during year			
(c) ROU asset			
Carrying amount as at 1 January		138,336	168,518
Additions		20,190	-
Disposals		-	-
Amortisation charge for the period		(31,193)	(30,182)
Carrying amount at 31 December		<u>127,333</u>	<u>138,336</u>
(d) Leasehold improvements			
Carrying amount as at 1 January		14,722	-
Additions		-	17,665
Disposals		-	-
Amortisation charge for the period		(2,943)	(2,943)
Carrying amount at 31 December		<u>11,779</u>	<u>14,722</u>
11 Trade and other payables			
Trade creditors		32,189	42,350
Sundry creditors		65,688	44,207
GST payable		4,309	6,217
Annual leave		66,478	71,960
		<u>168,664</u>	<u>164,734</u>
12 Provisions			
Current			
Long service leave		13,234	9,756
		<u>13,234</u>	<u>9,756</u>
Number of employees at end of year (full time equivalent)		4	5
13 Lease liability			
Current lease liability - Nairobi office		38,345	31,988
Non current lease liability - Nairobi office		100,275	113,420
		<u>138,620</u>	<u>145,408</u>
Total cash outflows for leases		<u>27,198</u>	<u>23,110</u>

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Notes to the Financial Statements
For the year ended 31 December 2020

	Note	Consolidated	
		2020	2019
		\$	\$
14 Reserves			
<i>Financial assets reserve</i>			
The financial assets reserve records the unrealised market movements on investments held at fair value through profit or loss.			
Balance as at 1 January		201,207	57,089
Unrealised gains		57,707	144,118
Balance as at 31st December		258,914	201,207
<i>Specified purpose</i>			
The Specified purpose reserve records donations and contributions made to Edmund Rice Foundation where the contributor or donor has designated the funds towards a specific appeal or purpose.			
General		2,681,493	1,787,845
Edmund Rice Camps			
New South Wales		1,404	4,360
Victoria		-	401
Western Australia		-	914
Overseas ministries			
General		31,659	86,121
<i>Oceania ministries</i>			
East Timor		976	-
Papua New Guinea		14,403	3,988
Philippines General		4,000	-
<i>Africa ministries</i>			
Africa General		82,750	102,109
Development office		(42,370)	64,922
East Africa General		7,029	-
Eldoret		72,788	3,918
Embulbul		1,200	-
Edmund Rice Secondary School Sinon		-	-
Mary Rice Centre Kenya		-	14,080
Ruben Centre, Kenya		347,918	170,021
Ruben Special projects		3,176	3,176
West Africa		9,000	9,000
<i>Special projects</i>			
Emergency Relief Fund		25,064	19,942
Mirror of Hope		108	108
Growing Strong		166,745	224,745
Uganda		-	169
Nzara		(197,864)	(197,864)
		3,209,479	2,297,955
<i>Bequest</i>			
The bequest reserve was put in place to provide a capital base from which the annual income derived be used to fund expenditure.			
Balance as at 1 January		1,662,892	1,223,788
Additions		-	439,104
Balance as at 31st December		1,662,892	1,662,892
<i>Foreign currency reserve</i>			
Balance as at 1 January		(3,491)	-
Realised (loss)		(7,197)	(3,491)
Balance as at 31st December		(10,688)	(3,491)
Total reserves		5,120,597	4,158,563

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2020

	Note	Consolidated	
		2020 \$	2019 \$
15 Notes to the Cash Flow Statement			
(a) Reconciliation of cash			
Cash at bank		183,927	301,555
Cash at call		2,935,908	1,702,002
CBA short term investments		211,138	211,968
Petty cash		500	500
		3,331,473	2,216,025
(b) Reconciliation of net cash provided by operating activities to operating result			
Operating result		842,385	(249,390)
Adjustments for non-cash items			
Depreciation & amortisation		43,797	38,375
Foreign exchange loss		(7,197)	-
Changes in fair value of investments through profit or loss		(57,707)	(144,118)
		821,278	(355,133)
Adjustments for changes in current assets & current liabilities			
Decrease / (increase) in debtors		372,902	(832,652)
(Increase) in prepayments		(26,927)	(9,238)
Increase in creditors		3,930	537,528
Increase in employee provisions		3,478	1,610
(Decrease) / increase in GST rebate due at year end		(1,044)	15,712
Net cash inflows / (outflows) from operating activities		1,173,617	(642,173)
16 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 2020 the number of members was 65 (2019: 67).			
17 Directors remuneration			
No income was due or receivable, for the financial year, by any Director of the group, directly or indirectly, from the group or from any related body corporate.			
18 Related parties			
(a) Transactions with related parties			
The following transactions occurred with related parties:			
Amounts received from related parties			
Investment return on financial assets held by Trustees of the Christian Brothers		144,482	154,494
Contribution by Christian Brothers communities		-	34,170
		144,482	188,664
Amounts paid to related parties			
Disbursement of Funds to Edmund Rice ministries in Australia		155,581	282,000
Disbursement to Edmund Rice ministries in developing nations for operational costs		1,398,687	2,365,024
Disbursements of funds to Trustees of the Christian Brothers		46,920	40,083
		1,601,188	2,687,107

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2020

	Note	Consolidated	
		2020	2019
		\$	\$
18 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 receivable from Trustees of the Christian Brothers		85,804	140,310
Financial assets held with Trustees of the Christian Brothers		1,640,256	1,581,578
(c) Key management personnel			
The aggregate compensation made to key management personnel of the consolidated entity is set out below:			
Aggregate compensation		255,016	260,584

Terms and conditions

All related party financial assets and liabilities are due within 12 months, with the exception of those financial assets that 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 group annually.

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

19 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

Mr Paul Gallagher	Chair	
Mr Anthony Coates	Director	
Mr Joel Egan	Director	
Ms Christina Longmire	Director	
Mr Edward Phelan	Director	
Ms Anne Rebgetz	Director	Appointed 20/07/2020
Br Martin Sanderson, cfc	Director	
Ms Jodie Sangster	Director	Resigned 25/08/2020
Mr Alan Zammit	Director	Resigned 25/08/2020

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

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2020

20 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

Table of cash movements for designated purposes	Cash available at the beginning of the financial year	Cash raised during the financial year	Cash Disbursed during the financial year	Cash available at the end of the financial year
2019				
Donations received - Kenya - Ruben Centre, Health & Education	345,503	730,935	(906,417)	170,021
Total for other purposes	2,649,812	2,674,036	(3,277,844)	2,046,004
	<u>2,995,315</u>	<u>3,404,971</u>	<u>(4,184,261)</u>	<u>2,216,025</u>

No other single appeal represented more than 10% of the total cash raised.

2020				
Donations received - Kenya - Ruben Centre, Health & Education	170,021	742,933	(565,036)	347,918
Total for other purposes	2,046,004	3,015,211	(2,077,660)	2,983,555
	<u>2,216,025</u>	<u>3,758,144</u>	<u>(2,642,696)</u>	<u>3,331,473</u>

No other single appeal represented more than 10% of the total cash raised.

21 Project funding commitments

Edmund Rice Foundation (Australia) has committed to project funding for 2021 as follows:

	2021	2020
Edmund Rice Oceania Domestic Ministries	300,000	417,000
Edmund Rice Oceania Ministries - Developing Nations	10,000	562,000
Edmund Rice Pan Africa Ministries	1,135,500	1,596,000
Other Ministries	73,000	329,300
Conditional funding	-	103,650
Total Funding Commitment	<u>1,518,500</u>	<u>3,007,950</u>

22 Contingent liabilities

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

23 Commitments for capital expenditure

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

24 Events subsequent to reporting date

As at the date of signing these accounts, the global COVID-19 pandemic has, from time to time, resulted in restrictions being placed on the movement, working and social habits of all Australians. The group has put in place operational measures to ensure the safety of our employees and associates, while they continue the work of the group. The group 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 2020 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.

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2020

25 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.

26 Parent entity 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.

27 Parent entity financial information

The individual financial statements for the parent entity, Edmund Rice Foundation (Australia), shows the following aggregate accounts

	2020	2019
	\$	\$
Balance sheet		
Current assets	3,164,245	2,279,552
Non current assets	1,421,001	1,324,203
Total assets	<u>4,585,246</u>	<u>3,603,755</u>
Current liabilities	404,416	310,929
Non current liabilities	15,560	-
Total liabilities	<u>419,976</u>	<u>310,929</u>
Net assets	<u>4,165,270</u>	<u>3,292,826</u>
Reserves	4,262,436	3,263,147
Retained (deficit) / surplus	(97,166)	29,679
Total equity	<u>4,165,270</u>	<u>3,292,826</u>
Excess of revenue over expenditure / (expenditure over revenue)	<u>872,444</u>	<u>56,911</u>
Total comprehensive income for the year	<u>872,444</u>	<u>56,911</u>

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Financial Statements
For the year ended 31 December 2020

28 Information required under the Charitable Fundraising Act 1991

Fundraising appeals conducted during the financial year include, mail appeals, raffles, merchandising, fundraising events, bequests and donations.

	2020	2019
	\$	\$
(a) Gross proceeds from fundraising appeals	3,033,017	3,777,863
Less: direct costs for fundraising appeals	(275,806)	(672,436)
Net surplus from fundraising appeals	2,757,211	3,105,427
This fundraising surplus was applied against direct service and administration costs as detailed below		
(b) Direct service costs	2,757,211	3,105,427
Total cost of fundraising	275,806	672,436
Gross income from fundraising	3,033,017	3,777,863
	9%	18%
Net surplus from fundraising appeals	2,757,211	3,105,427
Gross income from fundraising	3,033,017	3,777,863
	91%	82%
Total cost of services	1,682,305	2,966,147
Total cost of expenditure	2,600,564	4,375,150
	65%	68%
Total cost of services	1,682,305	2,966,147
Total income received	3,442,949	4,131,475
	49%	72%

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

**For the year ended 31 December 2020
Responsible Persons' Declaration**

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

- (i) The consolidated financial statements and notes as set out on pages 5 to 24, 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 2020 and of the performance of the Company and its Trusts for the year then ended on that date.
 - (c) comply with the requirements set out in the ACFID Code of Conduct
- (ii) In the Board of Directors' opinion there are reasonable grounds to believe that the Edmund Rice Foundation (Australia) and its Trusts 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:



Paul Gallagher

Director

Dated at Brisbane this 24th day of June 2021

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201 Sussex Street
Sydney NSW 2000

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GPO Box 1615
Sydney NSW 2001

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e. sydneypartners@pitcher.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE RESPONSIBLE PERSONS OF EDMUND RICE FOUNDATION (AUSTRALIA)**

In relation to the independent audit for the year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (ii) no contraventions of any applicable code of professional conduct.

This declaration is in respect of Edmund Rice Foundation (Australia) and the entities it controlled during the year.



S WALLACE
Partner

PITCHER PARTNERS
Sydney

24 May 2021

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Sydney NSW 2000

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Sydney NSW 2001

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDMUND RICE FOUNDATION (AUSTRALIA)
ABN 28 153 110 055**

Report on the Financial Report

Qualified Opinion

We have audited the accompanying financial report of Edmund Rice Foundation (Australia) ('the Company') and its subsidiaries ('the Group'), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, except for the effects if any, of the matter described in the Basis for Qualified opinion paragraph, the financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- c) complying with the Australian Council for International Development (ACFID) Code of Conduct.

Basis for Qualified Opinion

Donations are a significant source of fundraising revenue for the Group. The Group have determined that it is impracticable to establish control over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded donations of the Group are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDMUND RICE FOUNDATION (AUSTRALIA)
ABN: 28 153 110 055**

Other Information

The responsible persons are responsible for the other information. The other information comprises the information included in the Director's report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Persons' for the Financial Report

The responsible persons of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, the ACFID Code of Conduct and for such internal control as the responsible persons determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible persons either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDMUND RICE FOUNDATION (AUSTRALIA)
ABN: 28 153 110 055**

- Obtain an understanding of internal control relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Edmund Rice Foundation (Australia) and its controlled entities for the year ended 31 December 2020 included on Edmund Rice Foundation's website. The responsible persons are responsible for the integrity of Edmund Rice Foundation's website. We have not been engaged to report on the integrity of the Edmund Rice Foundation's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



S WALLACE
Partner



PITCHER PARTNERS
Sydney

24 June 2021