



Edmund Rice
FOUNDATION AUSTRALIA
Liberating Lives Through Education

EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

Annual Financial Report For the year ended 31 December 2020

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Annual Financial Report

31 December 2020

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EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

**Directors' Report
For the year ended 31 December 2020**

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

Name	Qualification & Experience
Anthony Leonard Coates (Appointed Director 05/12/2012)	B.Build (QS)
Joel Egan (Appointed 29/10/2018)	Bachelor of Business (Marketing - Applied) – RMIT University Member of Australian Institution of Company Directors
Paul Gallagher (Appointed Director 16/05/17)	BCom, FCA, GAICD Partner, Audit and Assurance Services Division, BDO Director, BDO Australia Limited Director, QIC Limited Chair, Catholic Church Insurance Limited Chair, Archdiocese Ministries and Services Council – Brisbane Former Board Chair, St Joseph's College Gregory Terrace
Christina Longmire (Appointed Director 15/06/16)	BCom CPA GIA(Cert) Director Risk & Compliance, Edmund Rice Education Australia
Edward Phelan (Appointed Director 16/05/17)	Chairman, CV Services Group Pty Ltd Director, CVSG Construction Pty Ltd Director, CVSG Signage Solutions Pty Ltd Director, CVSG Asset Services Pty Ltd Director, CV Energy Pty Ltd Director, CV Media & Design Pty Ltd Director, CV Property Pty Ltd Director, CV Marine Pty Ltd Practical Business Consultants Pty Ltd BNE Enterprise Pty Ltd
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

Your Directors present their report on the Company for the financial year ended 31 December 2020.

EDMUND RICE FOUNDATION (AUSTRALIA)

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Directors' Report For the year ended 31 December 2020

Principal activity

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

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

Results of operations

The surplus of the Company for the financial year ended 31 December 2020 was \$872,444 (2019 Surplus: \$56,911).

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

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

State of affairs

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

Environmental issues

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

Proceedings on behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Likely developments

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

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

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 company, 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).

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.

EDMUND RICE FOUNDATION (AUSTRALIA)

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**Directors' Report
For the year ended 31 December 2020****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
Ann Rebgetz (appointed 20/07/2020)	2	2
Martin Sanderson, cfc	5	4
Jodie Sangster (resigned 25/08/2020)	3	0
Alan Zammit, AM (resigned 25/08/2020)	3	3

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.

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 23 of the financial report.

Signed in accordance with a resolution of Board of Directors:



Paul Gallagher

Director

Dated at Brisbane this 24th day of June 2021

Edmund Rice Foundation (Australia)

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

	Note	2020 \$	Restated* 2019 \$
REVENUE			
Donations and gifts			
Monetary		1,522,499	905,041
Non-monetary		-	-
Bequests and legacies		-	339,104
Fundraising income		87,305	355,665
Grants			
Department of Foreign Affairs and Trade		-	60,000
Other Australian		-	-
Other overseas		-	-
Investment income		74,955	132,357
Fair value gains on revaluation of financial assets		50,773	129,934
Other income		263,050	-
Revenue for international political or religious adherence promotion programs		-	-
TOTAL REVENUE	2	1,998,582	1,922,101
EXPENDITURE			
<i>International aid and development programs expenditure</i>			
International programs			
Funds to international programs		239,900	604,887
Grant expenditure		-	60,000
Program support costs		157,729	121,755
Community education		73,322	38,723
Fundraising costs			
Public		260,806	468,390
Government, multilateral and private		-	-
Accountability and administration		236,088	271,435
Non-monetary expenditure		-	-
Total international aid and development programs expenditure		967,845	1,565,190
International political or religious adherence promotion programs expenditure		-	-
Domestic programs expenditure		158,293	300,000
TOTAL EXPENDITURE		1,126,138	1,865,190
EXCESS OF REVENUE OVER EXPENDITURE		872,444	56,911

*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.

No single appeal generated 10% or more of the total income for the year ended 31 December 2020 (nor in 2019).

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

	2020	Restated*
	\$	2019
	\$	\$
EXCESS OF REVENUE OVER EXPENDITURE	872,444	56,911
<i>Other comprehensive income</i>	-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	872,444	56,911

Edmund Rice Foundation (Australia)

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**Statement of Financial Position
As at 31 December 2020**

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	2,850,637	1,322,528
Trade and other receivables	5	267,618	928,889
Other assets	6	45,990	28,135
Total current assets		<u>3,164,245</u>	<u>2,279,552</u>
Non-current assets			
Financial assets at fair value through profit or loss	7	1,373,930	1,322,186
Plant and equipment	8	27,892	2,017
Lease asset	8	19,179	-
Total non-current assets		<u>1,421,001</u>	<u>1,324,203</u>
Total assets		<u>4,585,246</u>	<u>3,603,755</u>
Liabilities			
Current liabilities			
Trade and other payables	9	387,457	301,173
Provisions	11	13,234	9,756
Lease liability	10	3,725	-
Total current liabilities		<u>404,416</u>	<u>310,929</u>
Non-current liabilities			
Lease liability	10	15,560	-
Total non-current liabilities		<u>15,560</u>	<u>-</u>
Total liabilities		<u>419,976</u>	<u>310,929</u>
Net assets		<u>4,165,270</u>	<u>3,292,826</u>
Equity			
Reserves	12	4,262,436	3,263,147
Retained surplus		(97,166)	29,679
Total equity		<u>4,165,270</u>	<u>3,292,826</u>

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

	Retained Surplus Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
	\$	\$	\$	\$	\$
Balance 1 January 2019	341,557	1,093,662	49,381	1,751,315	3,235,915
*Restated: Excess of revenue over expenses for the year ended 31 December 2019	56,911	-	-	-	56,911
Items of other comprehensive income	-	-	-	-	-
Other amounts transferred (to) or from reserves					
Bequest reserve	(339,104)	339,104	-	-	-
Specified purpose reserves	100,249	-	-	(100,249)	-
Unrealised gains on revaluation of financial assets	(129,934)	-	129,934	-	-
Balance 31 December 2019	29,679	1,432,766	179,315	1,651,066	3,292,826
Excess of revenue over expenses for the year ended 31 December 2020	872,444	-	-	-	872,444
Items of other comprehensive income	-	-	-	-	-
Other amounts transferred from or (to) reserves					
Bequest reserve	-	-	-	-	-
Specified purpose reserves	(948,516)	-	-	948,516	-
Unrealised gains on revaluation of financial assets	(50,773)	-	50,773	-	-
Balance 31 December 2020	(97,166)	1,432,766	230,088	2,599,582	4,165,270

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

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Cash receipts in the course of operations		2,534,125	982,771
Cash payments in the course of operations		(1,048,875)	(1,681,483)
Interest received		2,944	6,621
Investment income		72,011	125,736
Net cash provided by / (used in) operating activities	13 (b)	<u>1,560,205</u>	<u>(566,355)</u>
Cash flows from investing activities			
Reinvestment of investment income		(971)	317
Purchase of plant and equipment		(30,000)	(2,198)
Disposal of plant and equipment		-	33,427
Net cash (used in) / provided by investing activities		<u>(30,971)</u>	<u>31,546</u>
Cash flows from financing activities			
Principal element of lease payments		(1,125)	-
Net cash (used in) financing activities		<u>(1,125)</u>	<u>-</u>
Net increase / (decrease) in cash held		1,528,109	(534,809)
Cash and cash equivalents at the beginning of the year		<u>1,322,528</u>	<u>1,857,337</u>
Cash and cash equivalents at end of the year	13 (a)	<u>2,850,637</u>	<u>1,322,528</u>

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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

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

These general purpose financial statements have been prepared to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Council for International Development (ACFID) Code of Conduct. For further information of the Code of Conduct, please refer to the ACFID Code of Conduct Guidance available at www.acfid.asm.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.

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

Accounting policies

(a) **Revenue recognition**

The company recognises revenue as follows:

Revenue from contracts with customers

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

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

Sales revenue

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

Grants

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

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

Donations

Donations are recognised at the time the pledge is made.

Bequests

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

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

Fundraising appeals

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

Interest

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

Other revenue

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

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

1 Summary of significant accounting policies (cont.d)

Volunteer services

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

Investment revenue

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

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

(b) Current and non-current classification

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

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

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

(c) Fair value measurement

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

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

(d) Cash and cash equivalents

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

(e) Trade and other receivables

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

(f) Plant and equipment

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

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

Computer equipment and software - 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.

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

1 Summary of significant accounting policies (cont.d)

(i) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Company 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 Company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use 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 Company'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 Company is reasonably certain to exercise and incorporate the Company'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 60 months.

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 60 months.

(j) Income tax

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

(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 Company 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.

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

1 Summary of significant accounting policies (cont.d)

(q) Investments and other financial assets

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

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

During the financial year, the Company reassessed the classification of investments held in managed funds. In previous financial years, the Company 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 Company 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 of \$73,023 to a surplus of \$56,911. The restatement of prior year other comprehensive income from \$129,934 to nil. 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.

Impairment of financial assets

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

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

(r) Critical accounting estimates and judgments

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

Estimation of useful lives of assets

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

Impairment of non-financial assets

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

Employee benefits provision

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

Allowance for expected credit losses

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

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 60 months.

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

	Note	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		72,011	125,736
Interest		2,944	6,621
		74,955	132,357
(c) Other revenue			
Donations		1,522,499	905,041
Bequests		-	339,104
Fundraising		87,305	355,665
Government COVID stimulus		263,050	-
		1,872,854	1,599,810
(d) Net change in fair value of financial assets classified as fair value through profit or loss- restated		50,773	129,934
Total revenue		1,998,582	1,922,101
(e) Depreciation		4,125	181
(f) Employee expenses			
Wages and salaries		623,508	594,628
Superannuation costs		57,365	55,265
Fringe benefits		650	-
Workers compensation		4,474	3,439
		685,997	653,332
Salary reimbursements		(132,324)	(381,415)
		553,673	271,917
(g) Auditors remuneration			
Audit services			
Current		17,000	22,000
Previous		469	-
		17,469	22,000

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

3 Information provided under the ACFID Code of Conduct

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

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

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

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

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

2020 Donations & Fund-Raising	Cash available at the beginning of the financial year	Cash Received (net of administration)	Cash Disbursed during year	Share of Fund Raising Profits (net of administration)	Specific Bequest Income Received	Transfers between Funds	Share of Operating Costs	Cash available at the end of the financial year
Unspecified	1,787,779	1,515,528	-	7,473	27,987	(354,169)	(303,105)	2,681,493
Domestic Ministries								
Amberley Food Van	-	-	-	-	-	-	-	-
Edmund Rice Camps								
- Queensland	-	-	(21,201)	-	-	21,201	-	-
- New South Wales	-	-	(10,043)	-	-	10,043	-	-
- South Australia	-	-	(13,762)	-	13,762	-	-	-
- Tasmania	-	-	(18,598)	-	18,598	-	-	-
- Victoria	-	-	(10,043)	-	1,361	8,682	-	-
- Western Australia	-	-	(14,878)	-	-	14,878	-	-
Edmund Rice Centre for Justice & Community Ed	-	-	(34,634)	-	10,303	24,331	-	-
Edmund Rice Centre Mirrabooka	-	-	(7,439)	-	-	7,439	-	-
Edmund Rice Refugee Services	-	-	(21,201)	-	-	21,201	-	-
Edmund Rice Ministry Oceania	-	-	(6,494)	-	-	6,494	-	-
Overseas Ministries								
Oceania Ministries								
East Timor	-	1,220	-	-	-	-	(244)	976
Papua New Guinea	3,988	-	-	-	-	-	-	3,988
Philippines General	-	-	-	-	-	-	-	-
Philippines Kabankalan	-	-	(68,650)	-	-	68,650	-	-
Philippines Maasin	-	-	(122,750)	-	-	122,750	-	-
Africa Ministries								
Africa General	-	-	-	-	-	-	-	-
Development Office	-	-	-	-	-	-	-	-
Eldoret	3,918	-	-	-	-	-	-	3,918
Embulbul	-	1,500	-	-	-	-	(300)	1,200
Mary Rice Centre Kenya	-	-	-	-	-	-	-	-
Ruben Centre, Kenya	-	4,251	-	48,800	-	-	(425)	52,626
Yambio	-	-	-	-	-	-	-	-
Zambia	-	-	-	-	-	-	-	-
Special Projects								
Baraka School, Kibera Slum, Kenya	-	-	-	-	-	-	-	-
Mirror of Hope Nairobi Kenya	108	-	-	-	-	-	-	108
Emergency Relief Fund	16,102	-	-	-	-	-	-	16,102
East Timor - TTN	-	-	-	-	-	-	-	-
ERM Secretariat	-	-	(23,500)	-	-	23,500	-	-
EREBB	-	-	-	-	-	-	-	-
Centro Herman	-	-	-	-	-	-	-	-
MCST	-	-	(25,000)	-	-	25,000	-	-
Nzara	(160,829)	-	-	-	-	-	-	(160,829)
	1,651,066	1,522,499	(398,193)	56,273	72,011	-	(304,074)	2,599,582
Total for other purposes	(328,538)	1,086,581	(682,778)	(56,273)	(72,011)	-	304,074	251,055
	1,322,528	2,609,080	(1,080,971)	-	-	-	-	2,850,637

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

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

	Note	2020 \$	2019 \$
4 Cash and cash equivalents			
Cash at bank		142,518	197,429
Cash at call		2,496,623	912,631
Short-term deposits		210,996	211,968
		<u>2,850,137</u>	<u>1,322,028</u>
Cash on hand		500	500
		<u>2,850,637</u>	<u>1,322,528</u>
5 Trade and other receivables			
Current			
Trade debtors		72,011	35,123
Sundry debtors		195,607	893,766
		<u>267,618</u>	<u>928,889</u>
6 Other assets			
Current			
Prepayments		35,294	17,439
Rental & security bonds		10,696	10,696
		<u>45,990</u>	<u>28,135</u>
7 Other financial assets			
Financial assets		1,373,930	1,322,186
		<u>1,373,930</u>	<u>1,322,186</u>
8 Plant & equipment & leasehold improvements			
(i) Office furniture & fittings		-	-
Less: accumulated depreciation		-	-
		<u>-</u>	<u>-</u>
(ii) Info & communications technology		32,198	2,198
Less: accumulated depreciation		(4,306)	(181)
		<u>27,892</u>	<u>2,017</u>
(iii) ROU lease asset		20,190	-
Less: accumulated amortisation		(1,011)	-
		<u>19,179</u>	<u>-</u>
(iv) Leasehold improvements		-	-
Less: accumulated amortisation		-	-
		<u>-</u>	<u>-</u>
		<u>47,071</u>	<u>2,017</u>

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

	Note	2020 \$	2019 \$
8 Plant & equipment & leasehold improvements (cont.d)			
Movements during year			
(i) Office furniture & fittings			
<i>Carrying amount at the beginning of the year</i>		-	15,762
Disposal		-	(15,762)
Depreciation charge for the period		-	-
<i>Carrying amount at the end of the year</i>		-	-
(ii) Info & communications technology			
<i>Carrying amount at the beginning of the year</i>		2,017	-
Additions		30,000	2,198
Depreciation charge for the period		(4,125)	(181)
<i>Carrying amount at the end of the year</i>		27,892	2,017
(iii) ROU lease asset			
<i>Carrying amount at the beginning of the year</i>		-	-
Additions		20,190	-
Amortisation charge for the period		(1,011)	-
<i>Carrying amount at the end of the year</i>		19,179	-
(iv) Leasehold improvements			
<i>Carrying amount at the beginning of the year</i>		-	17,665
Disposal		-	(17,665)
Amortisation charge for the period		-	-
<i>Carrying amount at the end of the year</i>		-	-
9 Trade and other payables			
Trade creditors		30,027	40,053
Sundry creditors		290,527	189,310
Annual leave		66,903	71,810
		387,457	301,173
10 Lease liability			
Current lease liability		3,725	-
Non current lease liability		15,560	-
		19,285	-
Total cash outlay for lease		1,125	-
11 Provisions			
Current			
Long service leave		13,234	9,756
		13,234	9,756
Number of employees at end of year (full time equivalent)		4	5

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

	Note	2020 \$	2019 \$
12 Reserves			
Bequest			
The bequest reserve was put in place to provide a capital base from which the annual income derived be used to fund			
Balance as at 1 January		1,432,766	1,093,662
Additions		-	339,104
Balance as at 31st December		<u>1,432,766</u>	<u>1,432,766</u>
Financial assets reserve			
The financial assets reserve records the unrealised market movements on investment assets.			
Balance as at 1 January		179,315	49,381
Unrealised gains		50,773	129,934
Balance as at 31st December		<u>230,088</u>	<u>179,315</u>
Specified purpose			
The specified purpose reserve records donations and contributions made to Edmund Rice Foundation (Australia) where the contributor or donor has designated the funds towards a specific appeal or purpose.			
General		2,681,493	1,787,779
Domestic Ministries			
Edmund Rice Centre for Justice & Community Education		-	-
Overseas Ministries			
Oceania Ministries			
Papua New Guinea		3,988	3,988
East Timor		976	-
Africa Ministries			
Eldoret		3,918	3,918
Embulbul		1,200	-
Mary Rice Centre Kenya		-	-
Ruben Centre, Kenya		52,626	-
Yambio		-	-
Special Projects			
Baraka School, Kibera Slum, Kenya		-	-
Emergency Relief Fund		16,102	16,102
Mirror of Hope		108	108
Nzara		(160,829)	(160,829)
		<u>2,599,582</u>	<u>1,651,066</u>
Total reserves		<u>4,262,436</u>	<u>3,263,147</u>
13 Notes to the cash flow statement			
(a) Reconciliation of cash			
Cash at bank		142,518	197,429
Cash at call		2,496,623	912,631
CBA short term investments		210,996	211,968
Petty cash		500	500
		<u>2,850,637</u>	<u>1,322,528</u>
(b) Reconciliation of net cash provided by operating activities to operating result			Restated
Net surplus for the year		872,444	56,911
Adjustments for non-cash items			
Depreciation		4,125	181
Lease amortisation		1,011	-
Lease interest		220	-
Unrealised (gain) on investments		(50,773)	(129,934)
		<u>827,027</u>	<u>(72,842)</u>
Adjustments for changes in current assets & current liabilities			
Decrease / (increase) in debtors		661,271	(677,039)
(Increase) in prepayments		(17,855)	(9,238)
Increase in creditors		86,284	191,154
Increase in employee provisions		3,478	1,610
Net cash inflows / (outflows) from operating activities		<u>1,560,205</u>	<u>(566,355)</u>

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

	Note	2020 \$	2019 \$
14 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.			
15 Directors remuneration			
No income was due or receivable, for the financial year, by any Director of the Company, directly or indirectly, from the Company or from any related body corporate.			
16 Related parties			
(a) Transactions with related parties			
The following transactions occurred with related parties:			
Amounts received from related parties			
Contribution received from Trusts re operational costs and salaries		149,557	439,220
Contributions received from Trustees of the Christian Brothers		123,755	125,736
Contribution by Christian Brothers Communities		-	34,170
		273,312	599,126
Amounts paid to related parties			
Disbursement of funds to Edmund Rice ministries in Australia		117,165	265,000
Disbursement of funds to Edmund Rice ministries in Developing Nations		191,400	563,887
Disbursements of funds to Trustees of the Christian Brothers		41,128	35,000
		349,693	863,887
(b) Receivables from and payable to related parties			
The following balances are outstanding at the reporting date in relation to transactions with related parties:			
Trade receivables from Trusts		149,557	439,220
Trade receivable from Trustees of the Christian Brothers		72,011	125,736
Financial assets held with Trustees of the Christian Brothers		1,373,930	1,322,186
Trade payables to Trusts		239,900	156,500
(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
Reimbursement by Trusts		(132,324)	(152,129)
		122,692	108,455
Terms and conditions			
All related party financial assets and liabilities are due within 12 months.			
Financial assets are held with Trustees of the Christian Brothers on a long term basis. Trustees of the Christian Brothers distributes all realised income and gains to the entity annually.			
Trustees of the Christian Brothers provided accounting and other administrative services to the Company. No fees were paid or are payable for these services.			
Trustees of the Christian Brothers has met all the establishment costs of the Company to date.			
Trustees of the Christian Brothers provides ongoing financial, administrative and other support to the Company.			
17 Project funding commitments			
Edmund Rice Foundation (Australia) has committed to project funding 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 projects		73,000	329,300
Conditional funding		-	103,650
		Total funding commitment	3,007,950
		1,518,500	3,007,950

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

	Note	2020 \$	2019 \$
18 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		1,609,804	1,599,810
Less: Direct costs of fundraising appeals		(260,806)	(468,390)
Net surplus from fundraising appeals		1,348,998	1,131,420
This fundraising surplus was applied against direct service and administration costs as detailed below:			
(b) Direct service costs		1,348,998	1,131,420
Total cost of fundraising		260,806	468,390
Gross income from fundraising		1,609,804	1,599,810
		16%	29%
Net surplus from fundraising appeals		1,348,998	1,131,420
Gross income from fundraising		1,609,804	1,599,810
		84%	71%
Total cost of services		398,193	904,887
Total cost of expenditure		1,126,138	1,865,190
		35%	49%
Totals cost of services		398,193	904,887
Total income received		1,998,582	1,922,101
		20%	47%

19 Contingent liabilities

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

20 Commitments for capital expenditure

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

21 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 Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company, 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

22 Responsible persons

Name and position held of Edmund Rice Foundation (Australia) responsible persons in office at any time during the financial year are:

Key Governance Officials	Position
Mr Paul Gallagher	Chair
Mr Anthony Coates	Director
Mr Joel Egan	Director
Ms Christina Longmire	Director
Mr Edward Phelan	Director
Ms Ann Rebgetz (appointed 20/07/2020)	Director
Br Martin Sanderson	Director
Ms Jodie Sangster (resigned 25/08/2020)	Director
Mr Alan Zammit (resigned 25/08/2020)	Director

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

23 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.

24 Organisation details

(a) Registered office

126 The Avenue
Parkville Vic 3052

(b) Principal place of business

126 The Avenue
Parkville Vic 3052

(c) Legal form

Public Company Limited by Guarantee

(d) Nature of operations

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

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

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

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

- (i) The financial statements and notes as set out on pages 4 to 21, 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 for the year then ended on that date.
 - (c) comply with the requirements set out in the ACFID Code of Conduct

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

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

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



Paul Gallagher

Director

Dated at Brisbane this 24th day of June 2021

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE RESPONSIBLE PERSONS OF EDMUND RICE FOUNDATION (AUSTRALIA)
ABN: 28 153 110 055**

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.



S WALLACE
Partner

PITCHER PARTNERS
Sydney

24 June 2021

**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'), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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 of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Company 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 Company'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 Edmund Rice Foundation (Australia). The Edmund Rice Foundation (Australia) has 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 Edmund Rice Foundation (Australia) 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 Company 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* (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 Directors' 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 Company 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* 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 Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDMUND RICE FOUNDATION (AUSTRALIA)
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higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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 Company'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 Company'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 Company 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.

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.

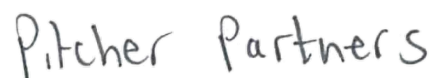
Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Edmund Rice Foundation (Australia) 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

24 June 2021



PITCHER PARTNERS
Sydney