

EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055



**Consolidated Annual Financial Report
For the year ended 31 December 2016**

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Consolidated Annual Financial Report
31 December 2016

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EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

Directors' Report

For the year ended 31 December 2016

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 2016.

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

<u>Name</u>	<u>Qualification & Experience</u>
Peter Bernard Clinch, cfc (Appointed 19/10/16)	B. Arts, B. Theology, Grad Dip Religious Education, Diploma of Teaching Director Christian Brothers Vic Property Ltd Director Edmund Rice Services Ltd. Director The Christian Brothers Incorporated Trustee Trustees of the Christian Brothers (Queensland) Trustee Trustees of the Christian Brothers in Western Australia Inc Trustee The Trustees of the Christian Brothers New Zealand Trustee Trustees of the Christian Brothers Province Leader of Oceania Province of Congregation of Christian Brothers
Anthony Leonard Coates (appointed Director 05/12/2012)	B. Build (QS)
Michael Fernon (Appointed Director 08/09/2011)	LL.B(Hons), B.A. Principal, M+K Lawyers
Peter Hogan (Appointed Director 08/09/2011) (Resigned 29 February 2016)	BBus, ACA Director, Carbon Energy Limited Director, Fabchem China Limited Vice President, Villa Maria Society Retired Partner, PricewaterhouseCoopers
Simon Lockyer (Appointed Director 30/04/2014)	BSc Director Global Marketing, Everyday Hero Director, Together Consulting Director, CCIQ
Christina Longmire (Appointed Director 15/06/16)	BCom CPA Director Risk & Compliance, Edmund Rice Education Australia
Christopher John Meehl cfc (RE-Appointed Director 25/07/2014) (Resigned 30/09/16)	Dip Teach (SVC-ICE-CBTC Melbourne), B. Arts (LaTrobe), Grad Dip R.E. (YTU), B.Theol (MCD), M. Ed. (ACU) Councilor, Oceania Province of Congregation of Christian Brothers Director, Christian Brothers Vic Property Ltd. Director, Edmund Rice Foundation Ltd. Director, The Christian Brothers Incorporated Trustee, Brothers of the Christian Schools of Ireland Trustee, The Trustees of the Christian Brothers New Zealand Trustee, Trustees of the Christian Brothers Trustee, Trustees of the Christian Brothers (Queensland) Trustee, Trustees of the Christian Brothers in Western Australia Inc.
Peter Anthony Murphy (Appointed Director 05/12/2012)	BCom, FCA Director, Davidson Group Retired Chair, Mount Olivet Foundation
Marianne Roux (Appointed Director 15/06/2016)	MA Org Psych and Human Resource Mgt Partner, Silverstone Edge Consulting
Mark Sawle (Appointed Director 29/04/2013)	B. PE, Dip.Ed, M.Ed Headmaster, Aquinas College Perth
Alan Zammit, AM (Appointed Director 30/04/2014)	BBus, ALGA, FCPA, FAICD, LREA Chairman, Mulpha Norwest Pty Limited Chairman, Mulpha Norwest Real Estate Pty Limited Chairman, 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 Chairman, St Gabriel's School for Hearing Impaired Children

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

EDMUND RICE FOUNDATION (AUSTRALIA)
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Directors' Report
For the year ended 31 December 2016

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
Peter Bernard Clinch cfc	2	2
Anthony Coates	7	7
Michael Fernon	7	7
Peter Hogan	1	1
Simon Lockyer	7	4
Christina Longmire	3	3
Christopher John Meehl cfc	5	5
Peter Murphy	7	7
Marianne Roux	3	3
Mark Sawle	7	7
Alan Zammit, AM	7	5

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 deficit of the consolidated entity for the financial year 1 January to 31 December 2016 was \$213,958 (2015 Deficit: \$35,609).

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 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 Events subsequent to balance date

At the finalisation of these accounts there were no known material events subsequent to balance date.

7 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 willful act or omission.

8 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.

9 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.

10 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 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.

11 Strategy for achieving the objectives

To achieve these objectives:

The Edmund Rice Foundation (Australia) has developed a strategic plan for the years 2016 – 2018. The plan defines Edmund Rice Foundation (Australia)'s organisational, fundraising, networking and accreditation (DFAT/ACFID) goals and sets out the key actions required to achieve them. The key goals are to identify stakeholders and to develop short, mid and long term strategies in order to engage these stakeholders in helping the consolidated entity expand its reach and at the same time offer best practice development principles that will assist each project in achieving sustainability.

The Directors intend to continue the expansion of the consolidated entity'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 developing nations and in Australia.

EDMUND RICE FOUNDATION (AUSTRALIA)
ABN 28 153 110 055

Directors' Report

For the year ended 31 December 2016

12 How principal activities assisted in achieving the objectives

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

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

Total revenue decreased by \$502,131 or 13.9% in 2016 as compared to 2015 whilst the deficit for the year was \$213,958 compared to a deficit in the prior year of \$35,609. The key factors of the result were

- A decrease of \$376,891 (13.3%) in donations income and a decrease of \$270,471 (9.7%) in programs expenditure primarily due to:
 - ❖ A decrease in funds received from the public (a fall of \$582,530 or 28.9%). This was offset by an increase in Edmund Rice Colleges Parent Support Scheme of \$205,640 (25.1%).
 - ❖ Decreased funding to

Nzara Hospital, South Sudan	\$	278,000
Brother Beausang High School, Embulbul Kenya	\$	92,000
Callan Services, Papua New Guinea	\$	59,000
- Offset by increased funding*
- | | |
|---|------------|
| Research and Establishment of new Edmund Rice Ministries in Africa (Zambia) | (71,000) |
| Edmund Rice Secondary School Sinon | (64,000) |
| Edmund Rice Communidade East Timor | (63,000) |
| | \$ 231,000 |
- Fundraising income, reduced by \$44,582 (7.8%) largely due to the reduction in the number of functions and the number of participants at the Brisbane dinner.
 - Fundraising costs decreased by \$157,960 (29.1%) as a result of the reduction in the number of functions and the number of participants at functions.

13 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 2016 the ratio was 8.3% (2015: 6.2%)

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 2016 was 12.4% (2015: 15.0%).
- Fundraising costs as a percentage of fundraising income (excluding grants)
The ratio in relation to all funds raised for 2016 was 72.8% (2015: 94.6%). Fundraising income, primarily from functions and events, represents 17.0% (2015: 15.9%) of the total annual revenue. 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 83.0% (2015: 84.1%) 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.

14 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.

15 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 2016 the collective liability of members was \$6,200 (2015: \$6,300).

16 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.

17 Auditor's Independence

The Auditor's independence declaration for the year ended 31 December, 2016 has been received and can be found following on page 24 of the financial report.

Signed in accordance with a resolution of Board of Directors:

.....
Director

.....
Director

Dated at this day of March 2017

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

**Consolidated Statement of Income and Expenditure
for the year ended 31 December 2016**

	Note	Consolidated	
		2016	2015
		\$	\$
REVENUE			
Donations and gifts			
Monetary	2	2,460,891	2,837,782
Non-monetary		-	-
Bequests and Legacies		3,000	7,484
Fundraising Income		529,636	574,218
Grants		-	-
Department of Foreign Affairs and Trade		-	-
Other Australian		-	50,000
Other overseas		-	3,000
Investment income		119,805	143,404
Other income		425	-
Revenue for International Political or Religious Adherence Promotion Programs		-	-
TOTAL REVENUE		3,113,757	3,615,888
EXPENDITURE			
International Aid and Development Programs Expenditure			
Funds to international programs		2,073,603	2,376,175
Non-Monetary Expenditure		-	-
Program support costs		93,901	10,683
Domestic Aid and Development Programs Expenditure		-	-
Funds to domestic programs		423,000	417,000
Program support costs		-	-
Community education		124,146	19,358
Fundraising costs (International and Domestic)		-	-
Public		385,404	543,364
Government, multilateral and private		-	-
Accountability and Administration		284,664	222,751
Total International Aid and Development Programs Expenditure		3,384,718	3,589,331
International Political or Religious Adherence Promotion Programs Expenditure		-	-
TOTAL EXPENDITURE		3,384,718	3,589,331
EXCESS OF REVENUE OVER EXPENDITURE		(270,961)	26,557

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 2016

	Consolidated	
	2016	2015
	\$	\$
<i>EXCESS OF REVENUE OVER EXPENDITURE</i>	(270,961)	26,557
<i>Other Comprehensive Income</i>		
(Loss)/Gain on revaluation of financial assets	<u>57,003</u>	<u>(62,166)</u>
<i>TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</i>	<u>57,003</u>	<u>(62,166)</u>
<i>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</i>	<u>(213,958)</u>	<u>(35,609)</u>

Edmund Rice Foundation (Australia)

ABN 20 067 072 726

Consolidated Statement of Financial Position
As at 31 December 2016

	Note	Consolidated 2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,649,924	3,087,276
Trade and other receivables	6	94,063	173,060
Other	7	12,210	22,124
Total current assets		<u>2,756,197</u>	<u>3,282,460</u>
Non-current assets			
Financial assets	8	1,344,086	1,286,728
Plant & equipment	9	-	21,520
Total non-current assets		<u>1,344,086</u>	<u>1,308,248</u>
Total assets		<u>4,100,283</u>	<u>4,590,708</u>
Liabilities			
Current liabilities			
Trade and other payables	10	73,569	218,134
Provisions	11	2,817	11,634
Interest bearing liabilities	12	50,000	123,084
Total current liabilities		<u>126,386</u>	<u>352,852</u>
Non Current Liabilities			
Non interest bearing liabilities	12	-	50,000
		-	50,000
Total liabilities		<u>126,386</u>	<u>402,852</u>
Net assets		<u>3,973,897</u>	<u>4,187,856</u>
Equity			
Settlement		100	100
Retained surplus		539,392	597,171
Reserves	13	3,434,405	3,590,585
Total equity		<u>3,973,897</u>	<u>4,187,856</u>

Edmund Rice Foundation (Australia)
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Consolidated Statement of Changes in Equity
for the year ended 31 December 2016

Consolidated	Note	Settlement Funds	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
Balance 1 January 2015		100	662,408	1,205,588	122,784	2,229,018	4,219,898
Adjustment to Opening Balance of Bequest and Financial Asset Reserves		-	46,141	(32,284)	(12,136)	1,846	3,567
Surplus attributable to Edmund Rice Foundation (Australia)		-	26,557	-	-	-	26,557
Other Comprehensive Income for the year		-	(62,166)	-	-	-	(62,166)
Transfers to Reserves							
Bequest Reserve	13	-	(7,484)	7,484	-	-	-
Financial Assets Reserve	13	-	62,166	-	(62,166)	-	-
Financial Assets Reserve	13	-	17,103	-	-	(17,103)	-
Specified Purpose Reserves	13	-	(147,554)	-	-	147,554	-
Balance 31 December 2015		100	597,171	1,180,788	48,482	2,361,315	4,187,856
Surplus attributable to Edmund Rice Foundation (Australia)		-	(270,961)	-	-	-	(270,961)
Other Comprehensive Loss for the year		-	57,003	-	-	-	57,003
Transfers to Reserves							
Bequest Reserve	13	-	(3,000)	3,000	-	-	-
Financial Assets Reserve	13	-	(57,003)	-	57,003	-	-
Specified Purpose Reserves	13	-	216,182	-	-	(216,182)	-
Distributions from Reserves		-	-	-	-	-	-
Balance 31 December 2016		100	539,392	1,183,788	105,485	2,145,133	3,973,898

Edmund Rice Foundation (Australia)

ABN 20 067 072 726

Consolidated Statement of Cash Flows
for the year ended 31 December 2016

	Note	Consolidated	
		2016	2015
		\$	\$
Cash flows from operating activities	14		
Cash receipts in the course of operations		2,957,394	3,482,732
Cash payments in the course of operations		(3,408,760)	(3,584,357)
Interest received		38,493	51,288
Investment Income		81,312	92,116
Net cash provided by operating activities	(b)	<u>(331,561)</u>	<u>41,779</u>
Cash flows from investing activities			
Investment of Bequest Income		-	(5,000)
Sale of Motor Vehicle		40,909	17,877
Purchase of Motor Vehicle		(23,616)	(24,577)
Net cash used in investing activities		<u>17,293</u>	<u>(11,700)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	360,000
Repayment of borrowings		(123,084)	(186,916)
Net cash provided by financing activities		<u>(123,084)</u>	<u>173,084</u>
Net increase in cash held		(437,352)	203,163
Cash and cash equivalents at the beginning of the year		<u>3,087,276</u>	<u>2,884,113</u>
Cash and cash equivalents at end of the year	(a)	<u>2,649,924</u>	<u>3,087,276</u>

Edmund Rice Foundation (Australia)
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Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

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 2010-2: 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 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 27th day of March 2017.

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

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of Edmund Rice Foundation (Australia) and its trusts, Edmund Rice Foundation Trust (a public ancillary fund) and Edmund Rice Overseas Aid Fund (an overseas aid fund).

Inter-entity transactions and balances between the entity and its trusts are eliminated.

(b) Revenue

Fundraising proceeds, bequests, donations, gifts in kind and contributions are recognised as revenue when received.

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Interest Revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

Gifts in kind are recognised at fair value, when their measurement can be reasonably determined.

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

(c) 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.

(d) 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.

Edmund Rice Foundation (Australia)

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**Notes to the Consolidated Financial Statements
For the year ended 31 December 2016**

1 Summary of Significant Accounting Policies (Cont.d)

(e) 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 12 months or less.

(f) Trade and Other Receivables

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified as uncollectible.

(g) 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:

- Motor vehicles - over 4 years
- 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.

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) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Edmund Rice Foundation (Australia)

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**Notes to the Consolidated Financial Statements
For the year ended 31 December 2016**

1 Summary of Significant Accounting Policies (Cont.d)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(h) Financial Instruments (cont.d)

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) 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 using the projected unit credit method. 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.

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

**Notes to the Consolidated Financial Statements
For the year ended 31 December 2016**

1 Summary of Significant Accounting Policies (Cont.d)

(j) Income Tax

The consolidated entity is a registered charity and as such its activities are exempt from income tax under section 50-B of the Income Tax Assessment Act 1997.

(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 consolidated entity 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 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.

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

	Note	Consolidated	
		2016 \$	2015 \$
2 Revenue and expenses			
(a) Operating revenue			
Grants received - Australian		-	50,000
Grants received - Overseas		-	3,000
Donations		2,460,891	2,837,782
Donations in kind		-	-
Bequests		3,000	7,484
Fundraising		529,636	574,218
Interest		38,493	51,288
Income from bequest investments		81,312	92,116
Other income		425	-
Total Revenue		3,113,757	3,615,888
(b) Other Comprehensive Income			
Unrealised Gain on Financial Assets		57,003	(62,166)
(c) Expenses			
Disbursements to Domestic Projects		423,000	417,000
Disbursements to Overseas Projects		2,073,603	2,376,175
Disbursements in Kind to Overseas Projects		-	-
Costs of Fundraising Events		261,269	308,747
Employee Benefits	2 (d)	374,359	317,599
Administration Expenses		95,405	112,302
Community Education		77,550	19,358
Project Management		47,305	10,683
Auditor's Remuneration	3	28,000	23,000
Depreciation		4,227	4,467
		3,384,718	3,589,331
(d) Employee expenses			
Wages and salaries		343,067	304,984
Superannuation costs		30,565	25,568
Fringe benefits		2,186	1,257
Workers compensation		2,341	1,702
		378,159	333,511
Write Back Long Service Leave Provision		(3,800)	-
Salary Reimbursements		-	(15,912)
		374,359	317,599
3 Auditors remuneration			
Audit Services - Current year		28,000	23,000

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

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

2015 Donations & Fund-Raising for Designated Purposes	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	-	816,158	-	(20,267)	-	(232,493)	(81,754)	481,644
Oceania General	292,930	96,300	-	47,874	-	(343,955)	(9,530)	83,619
Edmund Rice Domestic Ministries								
General	1,544	5,176	-	-	-	(5,826)	(512)	382
Edmund Rice Camps								
- Camps General	-	-	-	-	15,789	(15,789)	-	-
- Brisbane	-	1,930	(27,000)	18,000	-	7,623	(193)	360
- New South Wales	-	1,100	(27,000)	-	-	26,100	(110)	90
- South Australia	-	50	(27,000)	-	-	26,955	(5)	-
- Tasmania	-	166	(27,000)	-	-	27,000	(17)	149
- Victoria	-	1,763	(27,000)	-	-	25,817	(169)	411
- Western Australia	-	2,827	(27,000)	-	-	24,375	(202)	-
Edmund Rice Centre for Justice & Community Ed	-	-	(75,000)	-	-	75,000	-	-
Edmund Rice Centre Mirrabooka	-	2,000	(32,000)	-	-	30,100	(100)	-
Edmund Rice Refugee Services	90	-	(48,000)	-	-	48,000	-	90
Special Projects								
Build the Bridge Projects	-	-	(30,000)	-	-	30,000	-	-
St Joseph's Flexible Learning Centre	-	-	(70,000)	-	36,637	33,363	-	-
Edmund Rice Overseas Ministries								
Overseas General	256,068	14,536	-	-	34,502	(269,085)	(1,455)	34,566
Oceania Ministries								
Oceania Ministries General	9,860	25,643	-	-	-	(32,939)	(2,564)	-
East Timor	33,466	105,598	(151,776)	21,761	-	12,980	(9,786)	12,243
Papua New Guinea	-	89,040	(195,000)	-	-	113,714	(7,754)	-
Philippines General	67,666	51,768	-	-	-	(100,681)	(2,562)	16,191
Philippines Kabankalan	18,738	13,303	(163,749)	-	-	132,938	(1,230)	-
Philippines Maasin	1,300	30	(164,000)	-	-	162,673	(3)	-
Africa Ministries								
Africa General	272,004	245,190	-	-	-	(65,197)	(11,701)	440,296
East Africa General	305,140	132,717	(20,934)	-	-	-	(8,296)	408,627
Eldoret	186,699	119,324	(93,210)	9,425	-	-	(4,932)	217,306
Embulbul	272,540	255,382	(390,000)	-	-	45,197	(21,680)	161,439
Edmund Rice Camps Nairobi	-	17,050	(12,100)	-	-	-	(1,705)	3,245
Edmund Rice Secondary School Sinon	-	33,520	(18,150)	-	-	-	(3,227)	12,143
ERAN Kenya	-	-	(20,000)	-	-	20,000	-	-
Mary Rice Centre Kenya	68,184	108,866	(89,000)	12,480	-	-	(6,693)	93,837
Ruben Centre, Kenya	342,518	378,237	(380,997)	83,459	-	-	(37,216)	386,001
South Africa	90	-	-	-	-	-	-	90
Yambio	5,898	172,765	(78,000)	9,424	-	-	(7,777)	102,310
Special Projects								
Congregational TST	-	5,870	(200,000)	-	-	194,130	-	-
Ebola Crisis	30,397	1,000	(9,795)	-	-	-	-	21,602
Other								
Edmund Rice Education Beyond Borders	-	-	(25,000)	-	-	25,000	-	-
Manila Homeless Project	-	-	(5,000)	-	-	5,000	-	-
Nzara	37,563	143,472	(358,114)	45,108	-	-	(8,347)	(140,318)
Terrace Timor Network	26,323	-	(1,351)	-	-	-	-	24,972
Total Funds for Designated Purposes	2,229,018	2,840,781	(2,793,176)	227,264	86,928	-	(229,520)	2,361,295
Total for other purposes	655,095	957,200	(886,314)	-	-	-	-	725,981
Total funds available	2,884,113	3,797,981	(3,679,490)	227,264	86,928	-	(229,520)	3,087,276

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) 14.5% (2014: Ruben Centre (Kenya) 15.0% and Br Beausang School (Kenya) 14.1%).

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

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

2016 Donations & Fund-Raising for Designated Purposes	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	481,644	941,855	-	10,640	-	(492,148)	(198,901)	743,090
Oceania General	83,619	75,992	-	10,942	-	(155,354)	(15,199)	-
Edmund Rice Domestic Ministries								
Domestic General	382	-	-	7,957	-	(7,957)	-	382
Amberley Food Van	-	-	(30,000)	-	-	30,000	-	-
Build the Bridge Projects	-	-	(25,000)	-	-	25,000	-	-
Edmund Rice Camps	-	-	-	-	-	-	-	-
- Brisbane	360	450	(33,000)	-	-	32,550	(90)	270
- Central Queensland	-	-	(15,000)	-	-	15,000	-	-
- New South Wales	90	960	(33,000)	-	-	32,142	(192)	-
- South Australia	-	100	(34,000)	-	-	34,000	(20)	80
- Tasmania	149	-	(33,000)	-	-	32,851	-	-
- Victoria	411	3,600	(33,000)	-	22,189	10,021	(720)	2,501
- Western Australia	-	1,390	(31,000)	-	-	30,964	(278)	1,076
Edmund Rice Centre for Justice & Community Ed	-	-	(30,000)	-	-	30,000	-	-
Edmund Rice Centre Mirrabooka	-	-	(36,000)	-	-	36,000	-	-
Edmund Rice Refugee Services	90	-	(60,000)	-	51,510	8,400	-	-
Edmund Rice Overseas Ministries								
Overseas General	34,566	244,691	-	-	25,701	(198,422)	(47,418)	59,118
Oceania Ministries								
Oceania General	-	20,072	-	-	-	(16,958)	(3,114)	-
East Timor	12,243	124,116	(214,557)	2,433	-	96,702	(20,937)	-
Papua New Guinea	-	29,275	(136,071)	-	-	108,651	(1,855)	-
Philippines General	16,191	53,955	-	-	-	(66,129)	(791)	3,226
Philippines Kabankalan	-	16,500	(156,524)	-	-	143,324	(3,300)	-
Philippines Maasin	-	180	(214,590)	-	-	214,446	(36)	-
Africa Ministries								
Africa General	440,296	91,243	(44,247)	19,965	-	(62,448)	(15,749)	429,060
East Africa General	408,627	150,289	(28,278)	-	-	(324,577)	(12,558)	193,503
Eldoret	217,306	36,335	(99,995)	-	-	-	(7,267)	146,379
Embulbul	161,439	107,758	(282,951)	-	-	186,956	(21,552)	151,650
Edmund Rice Advocacy Network	-	-	(11,915)	-	-	11,915	-	-
Edmund Rice Camps Nairobi	3,245	350	(16,644)	-	-	13,119	(70)	-
Edmund Rice Secondary School Sinon	12,143	29,202	(84,824)	-	-	49,319	(5,840)	-
Mary Rice Centre Kenya	93,837	17,696	(91,928)	10,771	-	63,268	(2,209)	91,435
Ruben Centre, Kenya	386,001	352,940	(376,244)	75,510	-	-	(59,335)	378,872
South Africa	90	9,290	(34,500)	4,419	-	30,081	(1,858)	7,522
Yambio	102,310	29,810	(90,198)	-	-	-	(5,162)	36,760
Zambia	-	-	(70,705)	-	-	70,705	-	-
Special Projects								
Baraka School, Kibera Slum, Kenya	-	37,322	-	349	-	-	(7,889)	29,782
Ebola Crisis	21,602	-	-	-	-	-	-	21,602
EREA - St James College	-	-	(30,000)	-	-	30,000	-	-
Terrace Timor Network	24,972	12,474	-	240	-	(21,421)	(2,709)	13,556
Manila Homeless Project	-	-	(10,000)	-	-	10,000	-	-
Uganda	-	28,997	(28,993)	-	-	-	-	4
Nzara	(140,318)	44,051	(80,440)	19,262	-	-	(7,310)	(164,755)
Total Funds for Designated Purposes	2,361,295	2,460,893	(2,496,604)	162,488	99,400	-	(442,359)	2,145,113
Total for other purposes	725,981	498,650	(719,820)	-	-	-	-	504,811
Total funds available	3,087,276	2,959,543	(3,216,424)	162,488	99,400	-	(442,359)	2,649,924

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) 15.0% (2015: Ruben Centre (Kenya) 14.5%).

Edmund Rice Foundation (Australia)
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Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

	Note	Consolidated	
		2016 \$	2015 \$
5 Cash and Cash Equivalents			
Cash at Bank		124,561	1,002,528
Cash at Call		2,314,596	1,282,570
Short-term Bank Deposits		209,885	801,678
		<u>2,649,042</u>	<u>3,086,776</u>
Cash on Hand		882	500
		<u>2,649,924</u>	<u>3,087,276</u>
The effective interest rate on short term bank deposits was 2.85%; these deposits have been available at call.			
6 Trade and other receivables			
Current			
Trade Debtors		18,980	15,888
Sundry Debtors		75,083	157,172
		<u>94,063</u>	<u>173,060</u>
7 Other assets			
Current			
Prepayments		11,447	18,946
GST Rebate		763	3,178
		<u>12,210</u>	<u>22,124</u>
8 Financial Assets			
Available for Sale Financial Assets		1,344,086	1,286,728
		<u>1,344,086</u>	<u>1,286,728</u>
9 Plant and Equipment			
(a) Motor Vehicles		-	24,577
Accumulated Depreciation		-	(3,057)
		<u>-</u>	<u>21,520</u>
(b) Movements during year			
<i>Carrying amount as at 1 January</i>		21,520	19,286
Additions		23,616	24,577
Disposals		(40,909)	(18,000)
Depreciation charge for the period		(4,227)	(4,343)
<i>Carrying amount at 31 December</i>		<u>-</u>	<u>21,520</u>
10 Trade and other payables			
Trade Creditors		17,064	24,695
Sundry Creditors		31,154	148,121
Unearned Revenue		3,750	-
Annual Leave		21,601	45,318
		<u>73,569</u>	<u>218,134</u>
11 Provisions			
Current			
Long Service Leave		2,817	11,634
		<u>2,817</u>	<u>11,634</u>
Number of employees at end of year (full time equivalent)		3	3

Edmund Rice Foundation (Australia)
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Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

	Note	Consolidated	
		2016	2015
		\$	\$
12 Financial liabilities			
Current			
Trustees of Edmund Rice Education Australia		-	73,084
Borrowings		50,000	50,000
		50,000	123,084
Non-Current			
Borrowings		-	50,000
		-	50,000
The entity's remaining borrowing of \$50,000 as an interest free loan is repayable in 2017.			
13 Reserves			
Bequest			
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		1,180,788	1,205,588
Additions		3,000	7,484
		1,183,788	1,213,072
Adjustment to Opening Balance		-	(32,284)
Balance as at 31st December		1,183,788	1,180,788
Financial Assets Reserve			
The Financial Assets reserve records the unrealised market movements on available for sale investment assets.			
Balance as at 1 January		48,482	122,784
Unrealised Gains/(Losses)		57,003	(62,166)
		105,485	60,618
Adjustment to Opening Balance		-	(12,136)
Balance as at 31st December		105,485	48,482
Specified Purpose			
The Specified purpose reserve records donations and contributions made to Edmund Rice Overseas Aid Fund where the contributor or donor has designated the funds towards a specific appeal or purpose.			
General		743,472	401
Edmund Rice Camps			
Brisbane		270	360
New South Wales		-	90
South Australia		80	-
Tasmania		-	149
Victoria		2,501	411
Western Australia		1,076	-
Edmund Rice Refugee Services			
Edmund Rice Community & Refugee Services		-	90
Total Reserves		747,399	1,501

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Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

	Note	Consolidated	
		2016 \$	2015 \$
13 Reserves (cont.d)			
<i>Specified Purpose</i>			
Overseas Ministries			
General		59,118	481,646
Overseas Aid General		-	34,566
Oceania Ministries			
Oceania General		-	83,619
East Timor		-	12,243
Philippines General		3,226	16,191
Philippines Kabankalan		-	-
Philippines Maasin		-	-
Africa Ministries			
Africa General		429,060	440,296
East Africa General		193,503	408,627
Edmund Rice Camps Nairobi		-	3,245
Edmund Rice Secondary School Sinon		-	12,143
Eldoret		146,379	217,306
Embulbul		151,650	161,439
Mary Rice Centre Kenya		91,435	93,837
Ruben Centre, Kenya		378,872	386,000
South Africa		7,522	90
Yambio		36,760	102,310
Special Projects			
Baraka School - Kibera Slum Kenya		29,782	-
Ebola Crisis		21,602	21,602
Terrace Timor Network		13,556	24,972
Uganda		4	-
Nzara		(164,755)	(140,318)
		<u>1,397,714</u>	<u>2,359,814</u>
Total Reserves		<u>3,434,386</u>	<u>3,590,585</u>
14 Notes to the Cash Flow Statement			
(a) Reconciliation of Cash			
Cash at Bank		124,561	1,002,528
Cash At Call		2,314,596	1,282,570
CBA Short Term Investments		209,885	801,678
Petty Cash		882	500
		<u>2,649,924</u>	<u>3,087,276</u>
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Result			
Operating Result		(213,958)	(35,609)
Adjustments for Non-Cash Items			
Depreciation		4,227	4,484
Unrealised Loss/(Gain) on Investments		(57,003)	62,166
Adjustments for changes in Current Assets & Current Liabilities		(266,734)	31,041
Decrease / (Increase) in Debtors		(40,309)	10,248
(Increase)/Decrease in Prepayments		7,498	(15,676)
Increase in Creditors		(29,831)	9,216
Increase in Employee Provisions		(8,817)	9,830
Increase in Unearned Revenue		3,750	-
(Decrease)/Increase in GST Rebate Due at year end		2,882	(2,880)
Net Cash Inflows from Operating Activities		<u>(331,561)</u>	<u>41,779</u>

Edmund Rice Foundation (Australia)
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Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

	Note	Consolidated	
		2016	2015
		\$	\$
15 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 2016 the number of members was 62.			
16 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.			
17 Related parties			
(a) Transactions with related parties			
The following transactions occurred with related parties:			
Amounts received from related parties			
Contributions by Edmund Rice Schools		1,343,293	1,511,977
Contributions by Edmund Rice Ministries		-	-
Contribution by Trustees of the Christian Brothers		91,947	50,000
Contribution by Christian Brothers Communities		-	45,190
		1,435,240	1,607,167
Amounts paid to related parties			
Disbursement of Funds to Edmund Rice ministries in Australia		393,000	326,854
Disbursement of Funds to Edmund Rice Education Australia Flexible Learning Centres		30,000	70,000
Disbursement of Funds to Edmund Rice ministries in Developing Nations		1,954,171	572,689
Repayment of loan from Edmund Rice Education Australia		73,084	-
		2,450,255	969,543
(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		72,627	153,958
Financial Assets held with Trustees of the Christian Brothers		1,338,867	1,288,212
Trade Payables to Trustees of the Christian Brothers		5,920	6,569
Financial Liabilities owed to Trustees of Edmund Rice Education Australia		-	73,084
(c) Key Management Personnel			
The aggregate compensation made to key management personnel of the consolidated entity is set out below:			
Aggregate Compensation		209,616	179,540

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.

Trustees of Edmund Rice Education Australia has provided an interest free loan to the Company.

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

	Note	Consolidated	
		2016	2015
		\$	\$
18 Responsible Entities			
Name and Position held of Edmund Rice Foundation (Australia) Responsible Entities in office at any time during the financial year are:			
Key Governance Officials			
Mr Peter Murphy	Chair		
Mr Michael Fernon	Deputy Chair		
Mr Anthony Coates	Director		
Mr Peter Hogan	Treasurer	(resigned 29/02/2016)	
Mr Simon Lockyer	Director		
Ms Christina Longmire	Treasurer	(appointed 15/06/2016)	
Br Christopher John Meehl	Director	(resigned 30/09/2016)	
Ms Marianne Roux	Director	(appointed 15/06/2016)	
Mr Mark Sawle	Director		
Mr Alan Zammit	Director		
The Responsible Entities do not receive any compensation for their roles at Edmund Rice Foundation (Australia).			
19 Financial Instruments			
Edmund Rice Foundation (Australia)'s financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables and long term financial assets.			
The totals for each category of financial instrument, measured in accordance with AASB 139, are as follows:			
Financial Assets			
<i>Current Assets</i>			
Cash and cash equivalents		2,440,039	2,285,598
Term Deposit - Held to Maturity		209,885	801,678
Trade and other receivables		94,063	173,060
	<i>Total Current Financial Assets</i>	<u>2,743,987</u>	<u>3,260,336</u>
<i>Non - Current Assets</i>			
Available for Sale Financial Assets		1,344,086	1,286,728
	<i>Total Non Current Financial Assets</i>	<u>1,344,086</u>	<u>1,286,728</u>
	<i>Total Financial Assets</i>	<u>4,088,073</u>	<u>4,547,064</u>
Financial Liabilities			
<i>Current Liabilities</i>			
Trade and other payables		73,569	218,134
Provisions		2,817	11,634
Financial Liabilities		50,000	-
	<i>Total Current Financial Liabilities</i>	<u>126,386</u>	<u>229,768</u>
<i>Non- Current Liabilities</i>			
Financial Liabilities		-	50,000
	<i>Total Non Current Financial Liabilities</i>	<u>-</u>	<u>50,000</u>
	<i>Total Financial Liabilities</i>	<u>126,386</u>	<u>279,768</u>

The carrying amount of financial assets and liabilities represents fair value.

Maturity Analysis

All current financial assets and liabilities are due within 12 months.

Available for Sale Financial Assets are held on a long term basis. The entity holds units in a managed fund and at least 85% of the fund is held in liquid assets.

Edmund Rice Foundation (Australia)

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

19 Financial Instruments (cont.d)

Sensitivity Analysis

Any change in interest rates will not have a material impact on the financial report of the entity.

Fair Value Estimation

The booked values of assets and liabilities as presented in the statement of financial position are equal to their fair value.

Financial Risk Management Policies

Edmund Rice Foundation's Trustee analyses its exposure to financial risks and evaluates strategies in the content of the most recent economic and industry conditions and forecasts. Edmund Rice Foundation's overall risk management strategy seeks to assist Edmund Rice Foundation in meeting its financial targets whilst minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

Edmund Rice Foundation (Australia) is not exposed to any material financial risk.

(a) *Interest Rate Risk*

At 31 December 2016 the consolidated entity did not hold any material interest bearing liability and was not exposed to fluctuations in interest rates.

(b) *Liquidity Risk*

At 31 December 2016 the consolidated entity did not hold illiquid assets and was not exposed to the risks of encountering difficulties in settling its debts or otherwise meeting its obligations.

(c) *Credit Risk*

The consolidated entity does not have any material credit risk exposure to any single receivable.

(d) *Foreign Currency Risk*

The consolidated entity is exposed to fluctuations in foreign currencies arising from the payment of overseas and development funds in currencies other than its functional currency.

The consolidated entity manages these fluctuations through appropriate budgeting of foreign currency expenditure.

(e) *Price Risk*

The consolidated entity is not exposed to commodity price risk.

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
2015				
Donations received - Kenya - Ruben Centre, Health & Education	342,518	461,696	(418,213)	386,001
Total for other purposes	2,541,595	2,764,163	(2,604,483)	2,701,275
	<u>2,884,113</u>	<u>3,225,859</u>	<u>(3,022,696)</u>	<u>3,087,276</u>
No other single appeal represented more than 10% of the total cash raised.				
2016				
Donations received - Kenya - Ruben Centre, Health & Education	386,001	428,450	(435,579)	378,872
Total for other purposes	2,701,275	2,294,331	(2,724,554)	2,271,052
	<u>3,087,276</u>	<u>2,722,781</u>	<u>(3,160,133)</u>	<u>2,649,924</u>
No other single appeal represented more than 10% of the total cash raised.				

Edmund Rice Foundation (Australia)

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

21 Project Funding Commitments

Edmund Rice Foundation (Australia) has committed to project funding for 2016 as follows:

	2017	2016
Edmund Rice Oceania Domestic Ministries	324,650	554,000
Edmund Rice Oceania Ministries - Developing Nations	528,000	620,000
Edmund Rice Pan Africa Ministries	1,078,000	1,161,000
Other Ministries	304,350	30,000
Total Funding Commitment	2,235,000	2,365,000

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

No matters or circumstances have arisen since the end of the financial year, which have or 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.

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.

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

**For the year ended 31 December 2016
Responsible Entities' Declaration**

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

- (i) The consolidated financial statements and notes as set out on pages 5 to 22, 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 2016 and of the performance of the Trust for the year then ended on that date.
 - (c) comply with the requirements set out in the ACFID Code of Conduct
- (ii) In the Trustee's opinion there are reasonable grounds to believe that the Edmund Rice Foundation Trust will be able to pay its debts as and when they become due and payable.

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

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

.....
Director

.....
Director

Dated at this..... day of 2017