



EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

Consolidated Annual Financial Report For the year ended 31 December 2018

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Consolidated Annual Financial Report
31 December 2018

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EDMUND RICE FOUNDATION (AUSTRALIA)

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Directors' Report

For the year ended 31 December 2018

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 2018.

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

<u>Name</u>	<u>Qualification & Experience</u>
Anthony Leonard Coates (Appointed Director 05/12/2012)	B.Build (QS)
Michael Fernon (Appointed Director 08/09/2011)	LL.B(Hons), B.A. Principal, Macpherson Kelly
Paul Gallagher (Appointed Director 16/05/17)	BCom, FCA, GAICD Partner, Audit and Assurance Services Division, BDO Director, BDO Australia Limited Director, QIC Limited Chair, Catholic Church Insurance Limited Chair, Archdiocese Ministries and Services Council – Brisbane
Joel Egan (appointed 29/10/2018)	Bachelor of Business (Marketing - Applied) – RMIT University Member of Australian Institution of Company Directors
Christina Longmire (Appointed Director 15/06/16)	BCom CPA GIA(Cert) Director Risk & Compliance, Edmund Rice Education Australia
Edward Phelan (Appointed Director 16/05/17)	Chairman, CV Services Group Pty Ltd Director, CVSG Construction Pty Ltd Director, CVSG Signage Solutions Pty Ltd Director, CVSG Asset Services Pty Ltd Director, CV Energy Pty Ltd Director, CV Media & Design Pty Ltd Director, CV Property Pty Ltd Director, CV Marine Pty Ltd Practical Business Consultants Pty Ltd BNE Enterprise Pty Ltd
Martin Sanderson,cfc (appointed 1/01/2018)	BEd, DipT, DipRE, ATCL (Speech & Drama), Trinity College
Jodie Sangster (appointed 29/10/2018)	BLaw, M Law (University of London) Director, Amaysim Pty Ltd
Mark Sawle (Appointed Director 29/04/2013; Resigned 05/03/2018)	B.PE, Dip.Ed, M.Ed Principal, Great Southern Grammar
Alan Zammit, AM (Appointed Director 30/04/2014)	BBus, ALGA, FCPA, FAICD, FWSU Chair, Norwest Association Limited Managing Director, UPDM Pty Limited Director, Affordable Community Housing Limited Director, Affordable Community Housing Alliance Tasmania Pty Limited Director, Wentwest Limited Former Director, Edmund Rice Education Australia Former Chair, St Gabriel's School for Hearing Impaired Children

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

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Directors' Report

For the year ended 31 December 2018

2 Directors' meetings

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

	Number Eligible to Attend	Number Attended
Anthony Coates	7	7
Michael Fernon	7	6
Paul Gallagher	7	6
Mr Joel Egan appointed 29/10/2018	2	2
Christina Longmire	7	6
Edward Phelan	7	7
Martin Sanderson, cfc, appointed 1/01/2018	7	7
Ms Jodie Sangster, appointed 29/10/2018	2	1
Mark Sawle, resigned 5/03/18	-	-
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 surplus of the consolidated entity for the financial year 1 January to 31 December 2018 was \$254,325 (2017 Surplus \$207,835).

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

During the year the Company opened a branch office in Nairobi, Kenya. The principal function of the office is to support ministries in the East Africa District.

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

6 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 financial support from in country and international sources. We also aim to work with our alliance projects by assisting them in developing internal processes which may enhance the sustainability of their programs.

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Directors' Report

For the year ended 31 December 2018

11 Strategy for achieving the objectives

To achieve these objectives:

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

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

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

12 How principal activities assisted in achieving the objectives

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

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

Total revenue increased by \$559,230 or 17.1% in 2018 as compared to 2017 whilst the surplus for the year was \$254,325 compared to a surplus in the prior year of \$207,835. The key factors of the result were

- An increase of \$497,896 (17.1%) in donations income
- An increase of \$40,000 in bequests received
- An increase of \$169,434 (9.0%) in funding to international programs
- A decrease of \$98,650 (27.1%) in funding to domestic programs
- An increase of \$172,465 (110.0%) in the costs of program support activities
- Fundraising income rose by \$10,567 (2.6%)
- Fundraising costs increased by \$123,465 (30.9%).

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 2018 the ratio was 6.9% (2017: 8.4%)

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 2018 was 13.6% (2017: 12.2%).

- *Fundraising costs as a percentage of fundraising income (excluding grants)*

Fundraising income, primarily from functions and events, represents 11.0% (2017: 12.6%) of the total annual revenue.

The ratio in relation to all funds raised from fundraising events for 2018 was 123.6% (2017: 96.9%). 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 89.0% (2017: 87.4%) 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.

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Directors' Report
For the year ended 31 December 2018

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 2018 the collective liability of members was \$6,200 (2017: \$6,100).

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, 2018 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 9 day of May 2019

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**Consolidated Statement of Income and Expenditure
for the year ended 31 December 2018**

	Note	Consolidated 2018 \$	2017 \$
REVENUE			
Donations and gifts			
Monetary	2	3,241,710	2,743,814
Non-monetary		-	605
Bequests and Legacies		40,000	-
Fundraising Income		423,494	412,927
Grants		-	-
Investment and Interest Income		132,512	121,141
Other income		1	-
Revenue for International Political or Religious Adherence Promotion Programs		-	-
TOTAL REVENUE		<u>3,837,717</u>	<u>3,278,487</u>
EXPENDITURE			
International Aid and Development Programs Expenditure			
Funds to international programs		2,052,971	1,882,932
Non-Monetary Expenditure		-	605
Program support costs		329,251	156,786
Domestic Aid and Development Programs Expenditure		-	-
Funds to domestic programs		266,000	364,650
Program support costs		-	-
Community education		52,181	70,875
Fundraising costs (International and Domestic)			
Public		523,411	399,946
Government, multilateral and private		-	-
Accountability and Administration		240,067	265,973
Total International Aid and Development Programs Expenditure		<u>3,463,881</u>	<u>3,141,767</u>
International Political or Religious Adherence Promotion Programs Expenditure		-	-
TOTAL EXPENDITURE		<u>3,463,881</u>	<u>3,141,767</u>
EXCESS OF REVENUE OVER EXPENDITURE		<u>373,836</u>	<u>136,720</u>

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 2018

	Consolidated	
	2018	2017
	\$	\$
EXCESS OF REVENUE OVER EXPENDITURE	373,836	136,720
<i>Other Comprehensive Income</i>		
<i>Items that may not be reclassified subsequently to Income and Expenditure</i>		
(Loss) / Gain on revaluation of financial assets	(119,511)	71,115
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(119,511)	71,115
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>254,325</u>	<u>207,835</u>

Edmund Rice Foundation (Australia)

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**Consolidated Statement of Financial Position
As at 31 December 2018**

	Note	Consolidated 2018 \$	2017 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	2,995,315	2,755,606
Trade and Other Receivables	6	168,406	114,752
Other	7	35,011	7,633
Total Current Assets		3,198,732	2,877,991
Non-current assets			
Financial Assets	8	1,337,777	1,417,469
Plant and Equipment	9	33,427	-
Total Non-current Assets		1,371,204	1,417,469
Total Assets		4,569,936	4,295,460
Liabilities			
Current liabilities			
Trade and Other Payables	10	125,732	109,101
Provisions	11	8,146	4,626
Total Current Liabilities		133,878	113,727
Total Liabilities		133,878	113,727
Net Assets		4,436,058	4,181,733
Equity			
Settlement		100	100
Retained Surplus		335,880	269,602
Reserves	13	4,100,078	3,912,031
Total Equity		4,436,058	4,181,733

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**Consolidated Statement of Changes in Equity
for the year ended 31 December 2018**

Consolidated	Note	Settlement Funds	Accumulate d Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
Balance 31 December 2016		100	539,412	1,183,788	105,485	2,145,113	3,973,898
Surplus attributable to Edmund Rice Foundation (Australia)		-	136,720	-	-	-	136,720
Other Comprehensive Income for the year		-	-	-	71,115	-	71,115
Transfers to Reserves							
Bequest Reserve	12	-	-	-	-	-	-
Specified Purpose Reserves	12	-	(406,530)	-	-	406,530	-
Balance 31 December 2017		100	269,602	1,183,788	176,600	2,551,643	4,181,733
Surplus attributable to Edmund Rice Foundation (Australia)		-	373,836	-	-	-	373,836
Other Comprehensive Loss for the year		-	-	-	(119,511)	-	(119,511)
Transfers to Reserves							
Bequest Reserve	12	-	(40,000)	40,000	-	-	-
Specified Purpose Reserves	12	-	(267,558)	-	-	267,558	-
Distributions from Reserves		-	-	-	-	-	-
Balance 31 December 2018		100	335,880	1,223,788	57,089	2,819,201	4,436,058

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Consolidated Statement of Cash Flows for the year ended 31 December 2018

		Consolidated	
	Note	2018 \$	2017 \$
Cash flows from operating activities	13		
Cash receipts in the course of operations		3,553,457	3,271,674
Cash payments in the course of operations		(3,373,015)	(3,237,133)
Interest received		16,618	15,117
Investment Income		115,895	106,024
Net cash provided by operating activities	(b)	312,955	155,682
Cash flows from investing activities			
Investment of Bequest Income		(39,821)	-
Purchase of Plant and Equipment		(33,425)	-
Net cash (used in) investing activities		(73,246)	-
Cash flows from financing activities			
Repayment of borrowings		-	(50,000)
Net cash used in financing activities		-	(50,000)
Net increase in cash held		239,709	105,682
Cash and cash equivalents at the beginning of the year		2,755,606	2,649,924
Cash and cash equivalents at end of the year	(a)	2,995,315	2,755,606

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Notes to the Consolidated Financial Statements For the year ended 31 December 2018

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 9th May 2019.

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

New or amended Accounting Standards and Interpretations adopted

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

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

The following Accounting Standard and Interpretation is the most relevant to the company:

AASB 9 Financial Instruments

The company has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. The financial assets of the company are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

(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).

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Notes to the Consolidated Financial Statements For the year ended 31 December 2018

1 Summary of Significant Accounting Policies (Cont.d)

(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.

(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 3 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 item's 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) 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.

(i) 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.

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Notes to the Consolidated Financial Statements For the year ended 31 December 2018

1 Summary of Significant Accounting Policies (Cont.d)

(j) **Other Taxes**

Goods and Services Tax (GST)

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

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

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

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

(k) **Trade and Other Payables**

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

(l) **Reserves**

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

(m) **Accumulated Funds Available for Future Use**

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

(n) **Comparatives**

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

(o) **Rounding Off**

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

(p) **Critical Accounting Estimates and Judgments**

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

Estimation of useful lives of assets

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

Impairment of non-financial assets

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

Employee benefits provision

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

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Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

	Note	Consolidated 2018 \$	2017 \$
2 Revenue and expenses			
(a) Operating revenue			
Donations		3,241,710	2,743,814
Donations in kind		-	605
Bequests		40,000	-
Fundraising		423,494	412,927
Interest		16,618	15,117
Income from bequest investments		115,895	106,024
Total Revenue		3,837,717	3,278,487
(b) Other Comprehensive Income			
Unrealised Gain on Financial Assets		(119,511)	71,115
(c) Expenses			
Disbursements to Domestic Projects		266,000	364,650
Disbursements to Overseas Projects		2,052,971	1,882,932
Disbursements in Kind to Overseas Projects		-	605
Costs of Fundraising Events		201,441	207,049
Employee Benefits	2 (d)	616,621	464,813
Administration Expenses		133,334	135,035
Community Education		73,130	21,604
Project Management		87,967	39,654
Auditor's Remuneration	3	32,417	25,425
		3,463,881	3,141,767
(d) Employee expenses			
Wages and salaries		562,706	422,951
Superannuation costs		50,898	37,672
Fringe benefits		-	125
Workers compensation		3,017	4,065
		616,621	464,813
3 Auditors remuneration			
Audit Services - Current year		32,417	25,425

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Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

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

2017 Donations & Fund-Raising for Designated Purposes	Cash available at the beginning of the financial year	Cash Received	Cash Disbursed during year	Share of Fund Raising Profits (net of administration)	Specific Bequest Income Received	Transfers between Funds	Share of Operating Costs	Cash available at the end of the financial year
Unspecified	743,390	1,217,656	(10,000)	27,290	27,738.00	(710,441)	(179,484)	1,116,149
Edmund Rice Domestic Ministries								
Domestic General	82	6,132	-	-	-	(2,367)	(912)	2,935
Amberley Food Van	-	-	(30,000)	-	-	30,000	-	-
Build the Bridge Projects	-	-	(25,650)	-	-	25,650	-	-
Edmund Rice Camps								
- Brisbane	270	332	(35,000)	-	-	34,448	(50)	-
- Central Queensland	-	-	(4,000)	-	-	4,000	-	-
- New South Wales	-	500	(30,000)	-	-	29,575	(75)	-
- South Australia	80	200	(30,000)	-	-	29,750	(30)	-
- Tasmania	-	-	(30,000)	-	-	30,000	-	-
- Victoria	2,501	5,395	(30,000)	-	21,121	1,462	(359)	120
- Western Australia	1,076	500	(30,000)	-	-	28,499	(75)	-
Edmund Rice Centre for Justice & Community Ed	-	8,000	-	-	-	-	-	8,000
Edmund Rice Centre Mirrabooka	-	-	(20,000)	-	-	20,000	-	-
Edmund Rice Refugee Services	-	2,000	(60,000)	-	49,030	8,970	-	-
Edmund Rice Overseas Ministries								
Overseas General	59,118	208,414	-	-	13,666	(125,636)	(28,920)	126,642
Oceania Ministries								
Oceania General	-	18,220	-	-	-	(16,392)	(1,828)	-
East Timor	-	26,151	(101,541)	-	-	79,225	(3,835)	-
Papua New Guinea	-	21,613	(126,000)	-	-	106,637	(2,250)	-
Philippines General	3,226	30,200	-	-	-	(28,896)	(4,530)	-
Philippines Kabankalan	-	17,160	(125,000)	-	-	110,414	(2,574)	-
Philippines Maasin	-	-	(158,000)	-	-	158,481	(481)	-
Philippines Palo	-	-	(19,000)	-	-	19,000	-	-
Africa Ministries								
Africa General	429,060	77,182	-	-	-	(86,017)	(10,442)	409,783
East Africa General	193,503	56,500	-	-	-	(103,919)	(4,569)	141,515
Eldoret	146,379	80,394	(125,687)	5,595.00	-	-	(4,484)	102,197
Embulbul	151,650	120,098	(226,853)	-	-	(28,452)	(16,443)	-
Edmund Rice Advocacy Network	-	-	(36,100)	-	-	36,100	-	-
Edmund Rice Camps Nairobi	-	100	(32,360)	-	-	32,275	(15)	-
Edmund Rice Secondary School Simon	-	9,135	(21,150)	-	-	70,497	(849)	57,633
Mary Rice Centre Kenya	91,435	128,958	(91,000)	12,515	-	-	(10,235)	131,673
Ruben Centre, Kenya	378,872	511,084	(386,000)	95,050	-	-	(52,412)	546,594
South Africa	7,522	4,000	(20,000)	-	-	9,078	(600)	-
Yambio	36,760	16,009	(80,000)	5,595	-	24,944	(2,391)	917
Zambia	-	-	(40,000)	-	-	40,000	-	-
Congregational Mission Support	-	-	(41,134)	-	-	41,134	-	-
Special Projects								
Baraka School, Kibera Slum, Kenya	29,782.00	40,200	(37,001)	-	-	-	(6,780)	26,201
Ebola Crisis	21,602	-	-	-	-	-	-	21,602
EREA - St James College	-	-	(40,000)	-	-	40,000	-	-
Mirror of Hope Nairobi Kenya	-	-	(5,500)	-	-	5,500	-	-
St Stephens School Kibera Slum Kenya	-	47,310	(47,365)	-	-	7,152	(7,097)	-
Terrace Timor Network	13,556	8,763	(39,477)	-	-	18,472	(1,314)	-
Uganda	4	34,561	(33,763)	-	-	199	(1,001)	-
Nzara	(164,755)	47,653	(80,001)	-	-	60,658	(3,873)	(140,318)
Total Funds for Designated Purposes	2,145,113	2,744,420	(2,247,582)	146,045	111,555	-	(347,908)	2,551,643
Total for other purposes	504,811	634,330	(1,025,486)	(146,045)	(111,555)	-	347,908	203,963
Total funds available	2,649,924	3,378,750	(3,273,068)	-	-	-	-	2,755,606

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) 20.0% (2016: Ruben Centre (Kenya) 15.0%).

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

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

2018 Donations & Fund-Raising for Designated Purposes	Cash available at the beginning of the financial year	Cash Received	Cash Disbursed during year	Share of Fund Raising Profits (net of administration)	Specific Bequest Income Received	Transfers between Funds	Share of Operating Costs	Cash available at the end of the financial year
Unspecified	1,116,149	1,437,407	-	6,694	41,309	(430,688)	(361,940)	1,808,931
Edmund Rice Domestic Ministries								
Domestic General	2,935	14,326	-	-	1	(13,681)	(3,581)	-
Amberley Food Van	-	-	(20,000)	-	-	20,000	-	-
Edmund Rice Camps								
- Brisbane	-	630	(28,000)	-	-	27,527	(157)	-
- Central Queensland	-	-	(8,000)	-	-	8,000	-	-
- New South Wales	-	827	(25,000)	-	-	24,380	(207)	-
- South Australia	-	160	(25,000)	-	-	24,880	(40)	-
- Tasmania	-	-	(25,000)	-	881	24,119	-	-
- Victoria	120	50	(25,000)	-	18,750	6,093	(13)	-
- Western Australia	-	75	(25,000)	-	-	24,944	(19)	-
Edmund Rice Centre for Justice & Community Ed	8,000	-	(20,000)	-	-	12,000	-	-
Edmund Rice Centre Mirrabooka	-	-	(15,000)	-	-	15,000	-	-
Edmund Rice Refugee Services	-	3,000	(50,000)	-	45,350	2,400	(750)	-
Edmund Rice Overseas Ministries								
Overseas General	126,642	59,651	-	-	16,447	(144,358)	(14,912)	43,470
Oceania Ministries								
Oceania General	-	11,708	-	-	-	(8,781)	(2,927)	-
East Timor	-	25,880	(52,500)	-	-	48,090	(6,470)	15,000
Papua New Guinea	-	55,076	-	-	-	-	(13,769)	41,307
Philippines General	-	4,815	(7,250)	452.00	-	3,187	(1,204)	-
Philippines Kabankalan	-	15,000	(106,000)	-	-	94,750	(3,750)	-
Philippines Maasin	-	-	(180,000)	-	-	180,000	-	-
Philippines Secretariat	-	-	(21,750)	-	-	21,750	-	-
Africa Ministries								
Africa General	409,783	16,524	-	(1,261)	-	(97,567)	(4,131)	323,348
Development Office	-	183,000	-	-	-	-	(123,355)	59,645
East Africa General	141,515	194,708	-	-	-	(220,562)	(48,676)	66,985
Eldoret	102,197	70,783	(119,000)	3,607	-	-	(17,695)	39,892
Embulbul	-	145,284	(269,000)	-	-	160,037	(36,321)	-
Edmund Rice Advocacy Network	-	-	(35,000)	-	-	35,000	-	-
Edmund Rice Camps Nairobi	-	2,300	(27,250)	-	-	25,525	(575)	-
Edmund Rice Secondary School Sinon	57,633	-	-	-	-	-	-	57,633
Mary Rice Centre Kenya	131,673	108,621	(140,000)	9,889	-	1,634	(27,155)	84,662
Ruben Centre, Kenya	546,594	450,378	(607,360)	95,736	-	-	(139,845)	345,503
South Africa	-	-	(25,000)	-	-	25,000	-	-
West Africa	-	12,000	-	-	-	-	(3,000)	9,000
Yambio	917	2,735	(70,000)	3,155	-	63,877	(684)	-
Zambia	-	-	(56,000)	-	-	56,000	-	-
Special Projects								
Baraka School, Kibera Slum, Kenya	26,201	50	(2,245)	-	-	24,006.00	-	-
Ebola Crisis	21,602	-	-	-	-	-	-	21,602
Mirror of Hope Nairobi Kenya	-	59,791	(64,184)	-	-	34,378	(5,979)	24,006
St Stephens School Kibera Slum Kenya	-	-	-	-	-	-	-	-
Terrace Timor Network	-	33,225	(30,975)	-	-	1,072.00	(3,322)	-
Uganda	-	34,284	(33,258)	-	-	-	(857)	169
Nzara	(140,318)	299,422	(206,199)	-	-	-	(74,857)	(121,952)
Total Funds for Designated Purposes	2,551,643	3,241,710	(2,318,971)	118,272	122,738	-	(896,191)	2,819,201
Total for other purposes	203,963	444,260	(1,127,290)	(118,272)	(122,738)	-	896,191	176,114
Total funds available	2,755,606	3,685,970	(3,446,261)	-	-	-	-	2,995,315

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) 15.7% (2017: Ruben Centre (Kenya) 20.0%).

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

	Note	Consolidated 2018 \$	2017 \$
5 Cash and Cash Equivalents			
Cash at Bank		42,076	103,298
Cash at Call		2,741,088	2,441,400
Short-term Bank Deposits		211,651	210,619
		2,994,815	2,755,317
Cash on Hand		500	289
		2,995,315	2,755,606
The effective interest rate on short term bank deposits was 0.56%; these deposits have been available at call.			
6 Trade and Other Receivables			
Current			
Trade Debtors		71,798	8,300
Sundry Debtors		96,608	106,452
		168,406	114,752
7 Other Assets			
Current			
Prepayments		23,718	2,678
Rental and Security Bonds		10,696	-
GST Rebate		597	4,955
		35,011	7,633
8 Financial Assets			
Investments		1,337,777	1,417,469
		1,337,777	1,417,469
9 Plant and Equipment			
(a) Office Furniture and Fittings		15,762	-
Accumulated Depreciation		-	-
		15,762	-
(b) Leasehold Improvements		17,665	-
Accumulated Depreciation		-	-
		17,665	-
(c) Movements during year			
<i>Office Furniture and Fittings</i>			
Carrying amount as at 1 January		-	-
Additions		15,762	-
Disposals		-	-
Depreciation charge for the period		-	-
<i>Carrying amount at 31 December</i>		15,762	-
<i>Leasehold Improvements</i>			
Carrying amount as at 1 January		-	-
Additions		17,665	-
Disposals		-	-
Depreciation charge for the period		-	-
<i>Carrying amount at 31 December</i>		17,665	-

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

	Note	Consolidated 2018 \$	2017 \$
10 Trade and Other Payables			
Trade Creditors		49,270	43,051
Sundry Creditors		15,254	22,790
Annual Leave		61,207	43,260
		<u>125,731</u>	<u>109,101</u>
11 Provisions			
Current			
Long Service Leave		8,146	4,626
		<u>8,146</u>	<u>4,626</u>
Number of employees at end of year (full time equivalent)		4	3
12 Reserves			
<i>Financial Assets Reserve</i>			
The Financial Assets reserve records the unrealised market movements on available for sale investment assets.			
Balance as at 1 January		176,600	105,485
Unrealised Gains/(Losses)		(119,511)	71,115
Balance as at 31st December		<u>57,089</u>	<u>176,600</u>
<i>Specified Purpose</i>			
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		1,808,932	1,119,084
Edmund Rice Camps			
Victoria		-	120
Edmund Rice Centre for Justice & Community Education		-	8,000
Overseas Ministries			
General		43,470	126,642
<i>Oceania Ministries</i>			
East Timor		15,000	-
Papua New Guinea		41,307	-
<i>Africa Ministries</i>			
Africa General		323,348	409,783
Development Office		59,645	-
East Africa General		66,984	141,515
Eldoret		39,892	102,197
Edmund Rice Secondary School Sinon		57,633	57,633
Mary Rice Centre Kenya		84,662	131,673
Ruben Centre, Kenya		345,503	546,594
West Africa		9,000	-
Yambio		-	917
<i>Special Projects</i>			
Baraka School - Kibera Slum Kenya		-	26,201
Emergency Relief Fund		21,602	21,602
Mirror of Hope		24,006	-
Uganda		169	-
Nzara		(121,952)	(140,318)
		<u>2,819,201</u>	<u>2,551,643</u>

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

	Note	Consolidated 2018 \$	2017 \$
12 Reserves (cont.d)			
<i>Bequest</i>			
The Bequest Reserve was put in place to provide a capital base from which the annual income derived be used to fund expenditure.			
Balance as at 1 January		1,183,788	1,183,788
Additions		40,000	-
Balance as at 31st December		1,223,788	1,183,788
<i>Total Reserves</i>		4,100,078	3,912,031
13 Notes to the Cash Flow Statement			
(a) Reconciliation of Cash			
Cash at Bank		42,076	103,298
Cash At Call		2,741,088	2,441,400
CBA Short Term Investments		211,651	210,619
Petty Cash		500	289
		2,995,315	2,755,606
(b) Reconciliation of Net Cash provided by Operating Activities to Operating Result			
Operating Result		254,325	207,835
<i>Adjustments for Non-Cash Items</i>			
Unrealised Loss/(Gain) on Investments		119,511	(70,384)
<i>Adjustments for changes in Current Assets & Current Liabilities</i>			
(Increase) / Decrease in Debtors		(151,746)	117,952
(Increase) / Decrease in Prepayments		(27,378)	8,520
Increase / (Decrease) in Creditors		114,723	(124,017)
Increase in Employee Provisions		3,520	23,468
(Decrease) in Unearned Revenue		-	(3,750)
(Decrease) in GST Rebate Due at year end		-	(3,942)
<i>Net Cash Inflows from Operating Activities</i>		312,955	155,682
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 2018 the number of members was 62 (2017: 61).			
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:			
<i>Amounts received from related parties</i>			
Contributions Received from Edmund Rice Education Australia		-	341,779
Contribution by Trustees of the Christian Brothers		106,708	109,713
Contribution by Christian Brothers Communities		41,373	21,550
		148,081	473,042
<i>Amounts paid to related parties</i>			
Disbursement of Funds to Edmund Rice ministries in Australia		246,000	324,650
Disbursement of Funds to Edmund Rice ministries in Developing Nations		588,709	1,649,825
Payments to Edmund Rice Ministries in Developing Nations for Operational Costs		1,441,169	1,947
Disbursements of Funds to Trustees of the Christian Brothers		40,918	56,677
		2,316,796	2,033,099

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

	Note	Consolidated 2018 \$	2017 \$
16 Related parties (cont.d)			
(b) Receivables from and payable to related parties			
The following balances are outstanding at the reporting date in relation to transactions with related parties:			
Trade Receivable from Trustees of the Christian Brothers		115,045	105,811
Financial Assets held with Trustees of the Christian Brothers		1,337,777	1,411,345
Trade Payables to Trustees of the Christian Brothers		-	3,000
(c) Key Management Personnel			
The aggregate compensation made to key management personnel of the consolidated entity is set out below:			
Aggregate Compensation		260,321	239,800

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.

17 Responsible Persons

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

Key Governance Officials

Mr Paul Gallagher	Chair	appointed 16 May 2017
Mr Michael Femon	Deputy Chair	
Mr Anthony Coates	Director	
Mr Joel Egan	Director	appointed 29/10/2018
Ms Christina Longmire	Director	
Mr Edward Phelan	Director	appointed 16 May 2017
Martin Sanderson, cfc	Director	appointed 1/01/2018
Ms Jodie Sangster	Director	appointed 29/10/2018
Mr Mark Sawle	Director	resigned 5 March 2018
Mr Alan Zammit	Director	

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

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

19 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
2017				
Donations received - Kenya - Ruben Centre, Health & Education	378,872	606,134	(438,412)	546,594
Total for other purposes	<u>2,271,052</u>	<u>2,772,616</u>	<u>(2,834,656)</u>	<u>2,209,012</u>
	<u>2,649,924</u>	<u>3,378,750</u>	<u>(3,273,068)</u>	<u>2,755,606</u>

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

2018				
Donations received - Kenya - Ruben Centre, Health & Education	546,594	546,114	(747,205)	345,503
Total for other purposes	<u>2,209,012</u>	<u>3,139,856</u>	<u>(2,699,056)</u>	<u>2,649,812</u>
	<u>2,755,606</u>	<u>3,685,970</u>	<u>(3,446,261)</u>	<u>2,995,315</u>

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

20 Project Funding Commitments

Edmund Rice Foundation (Australia) has committed to project funding for 2018 as follows:

	2019	2018
Edmund Rice Oceania Domestic Ministries	317,000	246,000
Edmund Rice Oceania Ministries - Developing Nations	439,000	385,000
Edmund Rice Pan Africa Ministries	926,500	1,080,000
Other Ministries	73,000	75,000
Conditional Funding	<u>283,648</u>	<u>465,800</u>
Total Funding Commitment	<u><u>2,039,148</u></u>	<u><u>2,251,800</u></u>

21 Contingent liabilities

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

22 Commitments for capital expenditure

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

23 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.

24 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.

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

25 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)
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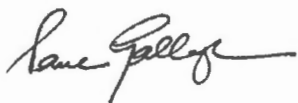
For the year ended 31 December 2018
Responsible Persons' Declaration

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

- (i) The consolidated financial statements and notes as set out on pages 5 to 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 2018 and of the performance of the Company and its Trusts for the year then ended on that date.
 - (c) comply with the requirements set out in the ACFID Code of Conduct
- (ii) In the Board of Directors' opinion there are reasonable grounds to believe that the Edmund Rice Foundation (Australia) 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 9 day of **May** 2019

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201 Sussex Street
Sydney NSW 2000

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

In relation to the independent audit for the year ended 31 December 2018, to the best of my knowledge and belief there have been:

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

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



S S WALLACE
Partner

PITCHER PARTNERS
Sydney

9 May 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EDMUND RICE FOUNDATION (AUSTRALIA)

ABN: 28 153 110 055

Report on the Financial Report

Qualified Opinion

We have audited the accompanying financial report of Edmund Rice Foundation (Australia) ('the Company') and its subsidiaries ('the Group'), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of income and expenditure, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information including consolidated table of cash movements, and the responsible persons' declaration of the consolidated entity comprising Edmund Rice Foundation (Australia) and the entities it controlled at the years end or from time to time during the financial year.

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

- a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- c) complies with the Australian Council for International Development (ACFID) Code of Conduct.

Basis for Qualified Opinion

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

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

Other Information

The responsible entities are responsible for the other information. The other information comprises the information included in the Director's report for the year ended 31 December 2018, 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 Entities' for the Financial Report

The responsible entities of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, the ACFID Code of Conduct and for such internal control as the responsible entities 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 entities are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

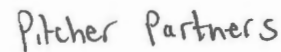
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Edmund Rice Foundation (Australia) and its controlled entities for the year ended 31 December 2018 included on Edmund Rice Foundation's website. The responsible entities 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 S WALLACE
Partner



PITCHER PARTNERS
Sydney

9 May 2019