



**EDMUND RICE FOUNDATION (AUSTRALIA)**

ABN 28 153 110 055

**Consolidated Annual Financial Report  
For the year ended 31 December 2017**

**Edmund Rice Foundation (Australia)**  
ABN 28 153 110 055

**Consolidated Annual Financial Report**  
**31 December 2017**

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**EDMUND RICE FOUNDATION (AUSTRALIA)**  
ABN 28 153 110 055

**Directors' Report**  
**For the year ended 31 December 2017**

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 2017.

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

<u>Name</u>	<u>Qualification &amp; Experience</u>
Peter Bernard Clinch, cfc (Appointed Director 19/10/16; Resigned 23/11/17)	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 Femon (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
Simon Lockyer (Appointed Director 30/04/2014; Resigned 16/05/17)	BSc Director Global Marketing, Everyday Hero Director, Together Consulting Director, CCIQ
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
Peter Anthony Murphy (Appointed Director 05/12/2012; Resigned 16/05/17)	BCom, FCA Director, Davidson Group Retired Chair, Mount Olivet Foundation
Marianne Roux (Appointed Director 15/06/2016; Resigned 01/12/17)	MA Org Psych and Human Resource Mgt Partner, Silverstone Edge Consulting
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.

## EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

## Directors' Report

For the year ended 31 December 2017

**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	5	3
Anthony Coates	5	4
Michael Feron	5	4
Paul Gallagher	3	3
Simon Lockyer	2	2
Christina Longmire	5	4
Peter Murphy	2	2
Edward Phelan	3	3
Marianne Roux	5	4
Mark Sawle	5	4
Alan Zammit, AM	5	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:

- 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.
- 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 2017 was \$207,835 (2016 Deficit: \$213,958).

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 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.

**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 2017**

**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 \$164,730 or 5.3% in 2017 as compared to 2016 whilst the surplus for the year was \$207,835 compared to a deficit in the prior year of \$213,958. The key factors of the result were

- An increase of \$282,923 (11.5%) in donations income and a decrease of \$249,021 (10.0%) in programs expenditure primarily due to:
  - ❖ A decrease in funds received from the public (a fall of \$85,552 or 6.1%). This was offset by an increase in Edmund Rice Colleges' Parent Support Scheme of \$368,475 (34.8%).
  - ❖ Decreased funding to
 

East Timor	\$	113,016
Edmund Rice Secondary School Sinon	\$	63,674
Edmund Rice Ministries, Maasin the Philippines	\$	56,590
Br Beausang Secondary School, Nairobi	\$	56,098
<i>Offset by increased funding</i>		
St Stephens School, Kibera Slum, Nairobi		47,365
	\$	242,013
- Fundraising income fell by \$116,709 (22.0%) largely due to the reduction in the number of functions.
- Fundraising costs increased by \$14,542 (3.8%).

**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 2017 the ratio was 8.4% (2016: 8.3%)

**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 2017 was 12.2% (2016: 12.4%).
- *Fundraising costs as a percentage of fundraising income (excluding grants)*  
Fundraising income, primarily from functions and events, represents 12.6% (2016: 17.0%) of the total annual revenue. The ratio in relation to all funds raised from fundraising events for 2017 was 96.9% (2016: 72.8%). 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 87.4% (2016: 83.0%) 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 2017 the collective liability of members was \$6,100 (2016: \$6,200).

**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, 2017 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

Dated at Brisbane this 9th day of April 2018

Edmund Rice Foundation (Australia)  
ABN 28 153 110 055

Consolidated Statement of Income and Expenditure  
for the year ended 31 December 2017

	Note	Consolidated	
		2017	2016
		\$	\$
<b>REVENUE</b>			
Donations and gifts			
Monetary			
Non-monetary	2	2,743,814	2,460,891
Bequests and Legacies		605	-
Fundraising Income		-	3,000
Grants		412,927	529,636
Investment and Interest Income		-	-
Other income		121,141	119,805
Revenue for International Political or Religious Adherence Promotion Programs		-	425
<b>TOTAL REVENUE</b>		<b>3,278,487</b>	<b>3,113,757</b>
<b>EXPENDITURE</b>			
International Aid and Development Programs Expenditure			
Funds to international programs		1,882,932	2,073,603
Non-Monetary Expenditure		605	-
Program support costs		156,786	93,901
Domestic Aid and Development Programs Expenditure			
Funds to domestic programs		-	-
Program support costs		364,650	423,000
Community education		-	-
Fundraising costs (International and Domestic)		70,875	124,146
Public		-	-
Government, multilateral and private		399,946	385,404
Accountability and Administration		-	-
<b>Total International Aid and Development Programs Expenditure</b>		<b>2,65,973</b>	<b>284,664</b>
International Political or Religious Adherence Promotion Programs Expenditure		3,141,767	3,384,718
<b>TOTAL EXPENDITURE</b>		<b>3,141,767</b>	<b>3,384,718</b>
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>		<b>136,720</b>	<b>(270,961)</b>

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

Edmund Rice Foundation (Australia)  
ABN 28 153 110 055

Consolidated Statement of Comprehensive Income  
for the year ended 31 December 2017

	Consolidated	
	2017	2016
	\$	\$
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	136,720	(270,961)
<i>Other Comprehensive Income</i>		
<i>Items that may be reclassified subsequently to Income and Expenditure</i>		
Gain on revaluation of financial assets	71,115	57,003
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>71,115</u>	<u>57,003</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<u>207,835</u>	<u>(213,958)</u>

The accompanying notes on pages 9 to 22  
form part of these financial statements

## Edmund Rice Foundation (Australia)

ABN 20 067 072 726

## Consolidated Statement of Financial Position

As at 31 December 2017

	Note	Consolidated	
		2017 \$	2016 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	2,755,606	2,649,925
Trade and Other Receivables	6	114,752	94,063
Other	7	7,633	12,210
<b>Total Current Assets</b>		<u>2,877,991</u>	<u>2,756,198</u>
<b>Non-current assets</b>			
Financial Assets	8	1,417,469	1,344,086
<b>Total Non-current Assets</b>		<u>1,417,469</u>	<u>1,344,086</u>
<b>Total Assets</b>		<u>4,295,460</u>	<u>4,100,284</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and Other Payables	10	109,101	73,569
Provisions	11	4,626	2,817
Interest Bearing Liabilities	12	-	50,000
<b>Total Current Liabilities</b>		<u>113,727</u>	<u>126,386</u>
<b>Total Liabilities</b>		<u>113,727</u>	<u>126,386</u>
<b>Net Assets</b>		<u>4,181,733</u>	<u>3,973,898</u>
<b>Equity</b>			
Settlement		100	100
Retained Surplus		269,602	539,412
Reserves	13	3,912,031	3,434,386
<b>Total Equity</b>		<u>4,181,733</u>	<u>3,973,898</u>



**Edmund Rice Foundation (Australia)**  
ABN 28 153 110 055

**Consolidated Statement of Changes in Equity**  
for the year ended 31 December 2017

Consolidated	Note	Settlement Funds	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
<b>Balance 31 December 2015</b>		100	597,171	1,180,788	48,482	2,361,315	4,187,856
Deficit attributable to Edmund Rice Foundation (Australia)		-	(270,961)	-	-	-	(270,961)
Other Comprehensive Income for the year		-	-	-	57,003	-	57,003
Transfers to Reserves							
Bequest Reserve	13	-	(3,000)	3,000	-	-	-
Specified Purpose Reserves	13	-	216,202	-	-	(216,202)	-
<b>Balance 31 December 2016</b>		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	13	-	-	-	-	-	-
Specified Purpose Reserves	13	-	(406,530)	-	-	406,530	-
Distributions from Reserves		-	-	-	-	-	-
<b>Balance 31 December 2017</b>		100	269,602	1,183,788	176,600	2,551,643	4,181,733

**Edmund Rice Foundation (Australia)**

ABN 20 067 072 726

**Consolidated Statement of Cash Flows  
for the year ended 31 December 2017**

	Note	Consolidated 2017 \$	2016 \$
<b>Cash flows from operating activities</b>	<b>14</b>		
Cash receipts in the course of operations		3,271,674	2,957,394
Cash payments in the course of operations		(3,237,133)	(3,408,760)
Interest received		15,117	38,493
Investment Income		106,024	81,312
<b>Net cash provided by/(used in) operating activities</b>	<b>(b)</b>	<u>155,682</u>	<u>(331,561)</u>
<b>Cash flows from investing activities</b>			
Investment of Bequest Income		-	-
Sale of Motor Vehicle		-	40,909
Purchase of Motor Vehicle		-	(23,616)
<b>Net cash provided by investing activities</b>		<u>-</u>	<u>17,293</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(50,000)	(123,084)
<b>Net cash used in financing activities</b>		<u>(50,000)</u>	<u>(123,084)</u>
<b>Net increase/(decrease) in cash held</b>		105,682	(437,352)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>2,649,924</u>	<u>3,087,276</u>
<b>Cash and cash equivalents at end of the year</b>	<b>(a)</b>	<u>2,755,606</u>	<u>2,649,924</u>

**Edmund Rice Foundation (Australia)**  
ABN 28 153 110 055

**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2017**

**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](http://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 day of April 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 2017**

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**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 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 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.

**(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.

## Edmund Rice Foundation (Australia)

ABN 28 153 110 055

### Notes to the Consolidated Financial Statements For the year ended 31 December 2017

#### 1 Summary of Significant Accounting Policies (Cont.d)

##### (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 2017

#### 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 2017**

	Note	Consolidated	
		2017 \$	2016 \$
<b>2 Revenue and expenses</b>			
<b>(a) Operating revenue</b>			
Donations		2,743,814	2,460,891
Donations in kind		605	-
Bequests		-	3,000
Fundraising		412,927	529,636
Interest		15,117	38,493
Income from bequest investments		106,024	81,312
Other income		-	425
<b>Total Revenue</b>		<b>3,278,487</b>	<b>3,113,757</b>
<b>(b) Other Comprehensive Income</b>			
Unrealised Gain on Financial Assets		71,115	57,003
<b>(c) Expenses</b>			
Disbursements to Domestic Projects		364,650	423,000
Disbursements to Overseas Projects		1,882,932	2,073,603
Disbursements in Kind to Overseas Projects		605	-
Costs of Fundraising Events		207,049	261,269
Employee Benefits	2 (d)	464,813	374,359
Administration Expenses		151,815	95,405
Community Education		21,604	77,550
Project Management		39,654	47,305
Auditor's Remuneration	3	25,425	28,000
Depreciation		-	4,227
		<b>3,158,547</b>	<b>3,384,718</b>
<b>(d) Employee expenses</b>			
Wages and salaries		422,951	343,067
Superannuation costs		37,672	30,565
Fringe benefits		125	2,186
Workers compensation		4,065	2,341
		<b>464,813</b>	<b>378,159</b>
Write Back Long Service Leave Provision		-	(3,800)
		<b>464,813</b>	<b>374,359</b>
<b>3 Auditors remuneration</b>			
Audit Services - Current year		25,425	28,000



## Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Notes to the Consolidated Financial Statements  
For the year ended 31 December 2017

## 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](http://www.acfid.asn.au)

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	932,489	-	10,640	-	(484,355)	(197,028)	743,390
Oceania General	83,619	75,992	-	10,942	-	(155,354)	(15,199)	-
<b>Edmund Rice Domestic Ministries</b>								
Domestic General	382	9,366	-	7,957	-	(15,750)	(1,873)	82
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	-	-
<b>Edmund Rice Overseas Ministries</b>								
Overseas General	34,566	244,691	-	-	25,701	(198,422)	(47,418)	59,118
<b>Oceania Ministries</b>								
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)	-
<b>Africa Ministries</b>								
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
<b>Ruben Centre, Kenya</b>	<b>386,001</b>	<b>352,940</b>	<b>(376,244)</b>	<b>75,510</b>	<b>-</b>	<b>-</b>	<b>(59,335)</b>	<b>378,872</b>
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	-	-
<b>Special Projects</b>								
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	12474	-	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)
<b>Total Funds for Designated Purposes</b>	<b>2,361,295</b>	<b>2,460,893</b>	<b>(2,496,604)</b>	<b>162,488</b>	<b>99,400</b>	<b>-</b>	<b>(442,359)</b>	<b>2,145,113</b>
Total for other purposes	725,981	498,650	(719,820)	-	-	-	-	504,811
<b>Total funds available</b>	<b>3,087,276</b>	<b>2,959,543</b>	<b>(3,216,424)</b>	<b>162,488</b>	<b>99,400</b>	<b>-</b>	<b>(442,359)</b>	<b>2,649,924</b>

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)

ABN 28 153 110 055

Notes to the Consolidated Financial Statements  
For the year ended 31 December 2017

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

2017 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	743,390	1,217,656	(10,000)	27,290	27,738	(710,441)	(179,484)	1,116,149
<b>Edmund Rice Domestic Ministries</b>								
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	-	-
<b>Edmund Rice Overseas Ministries</b>								
Overseas General	59,118	208,414	-	-	13,666	(125,636)	(28,920)	126,642
<b>Oceania Ministries</b>								
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	-	-
<b>Africa Ministries</b>								
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	-	-	(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 Sinon	-	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
<b>Ruben Centre, Kenya</b>	<b>378,872</b>	<b>511,084</b>	<b>(386,000)</b>	<b>95,050</b>	<b>-</b>	<b>-</b>	<b>(52,412)</b>	<b>546,594</b>
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	-	-
<b>Special Projects</b>								
Baraka School, Kibera Slum, Kenya	29,782	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)
<b>Total Funds for Designated Purposes</b>	<b>2,145,113</b>	<b>2,744,420</b>	<b>(2,247,582)</b>	<b>146,045</b>	<b>111,555</b>	<b>-</b>	<b>(347,908)</b>	<b>2,551,643</b>
Total for other purposes	504,811	634,330	(1,025,486)	(146,045)	(111,555)	-	347,908	203,963
<b>Total funds available</b>	<b>2,649,924</b>	<b>3,378,750</b>	<b>(3,273,068)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,755,606</b>

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 2017

	Note	Consolidated	
		2017 \$	2016 \$
<b>5 Cash and Cash Equivalents</b>			
Cash at Bank		103,298	124,561
Cash at Call		2,441,400	2,314,596
Short-term Bank Deposits		<u>210,619</u>	<u>209,885</u>
		2,755,317	2,649,042
Cash on Hand		<u>289</u>	<u>882</u>
		<u>2,755,606</u>	<u>2,649,924</u>
The effective interest rate on short term bank deposits was 0.56%; these deposits have been available at call.			
<b>6 Trade and Other Receivables</b>			
<b>Current</b>			
Trade Debtors		8,300	18,980
Sundry Debtors		<u>106,452</u>	<u>75,083</u>
		<u>114,752</u>	<u>94,063</u>
<b>7 Other Assets</b>			
<b>Current</b>			
Prepayments		2,678	11,447
GST Rebate		<u>4,955</u>	<u>763</u>
		<u>7,633</u>	<u>12,210</u>
<b>8 Financial Assets</b>			
Available for Sale Financial Assets		<u>1,417,469</u>	<u>1,344,086</u>
		<u>1,417,469</u>	<u>1,344,086</u>
<b>9 Plant and Equipment</b>			
(a) Motor Vehicles		-	-
Accumulated Depreciation		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
(b) <b>Movements during year</b>			
<i>Carrying amount as at 1 January</i>		-	21,520
Additions		-	23,616
Disposals		-	(40,909)
Depreciation charge for the period		-	(4,227)
<i>Carrying amount at 31 December</i>		<u>-</u>	<u>-</u>
<b>10 Trade and Other Payables</b>			
Trade Creditors		43,051	17,064
Sundry Creditors		22,790	31,154
Unearned Revenue		-	3,750
Annual Leave		<u>43,260</u>	<u>21,601</u>
		<u>109,101</u>	<u>73,569</u>
<b>11 Provisions</b>			
<b>Current</b>			
Long Service Leave		<u>4,626</u>	<u>2,817</u>
		<u>4,626</u>	<u>2,817</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 2017

	Note	Consolidated	
		2017 \$	2016 \$
<b>12 Financial Liabilities</b>			
<b>Current</b>			
Borrowings		-	50,000
		-	50,000
<b>13 Reserves</b>			
<b>Bequest</b>			
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	1,180,788
Additions		-	3,000
Balance as at 31st December		1,183,788	1,183,788
<b>Financial Assets Reserve</b>			
The Financial Assets reserve records the unrealised market movements on available for sale investment assets.			
Balance as at 1 January		105,485	48,482
Unrealised Gains/(Losses)		71,115	57,003
Balance as at 31st December		176,600	105,485
<b>Specified Purpose</b>			
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		1,119,084	743,472
<b>Edmund Rice Camps</b>			
Brisbane		-	270
South Australia		-	80
Victoria		120	2,501
Western Australia		-	1,076
<b>Edmund Rice Centre for Justice &amp; Community Education</b>		8,000	-
<b>Overseas Ministries</b>			
General		126,642	59,118
<b>Oceania Ministries</b>			
Philippines General		-	3,226
<b>Africa Ministries</b>			
Africa General		409,783	429,060
East Africa General		141,515	193,503
Eldoret		102,197	146,379
Embulbul		-	151,650
Edmund Rice Secondary School Sinon		57,633	-
Mary Rice Centre Kenya		131,673	91,435
Ruben Centre, Kenya		546,594	378,872
South Africa		-	7,522
Yambio		917	36,760
<b>Special Projects</b>			
Baraka School - Kibera Slum Kenya		26,201	29,782
Emergency Relief Fund		21,602	21,602
Terrace Timor Network		-	13,556
Uganda		-	4
Nzara		(140,318)	(164,755)
		2,551,643	2,145,113
<b>Total Reserves</b>		3,912,031	3,434,386

Edmund Rice Foundation (Australia)  
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**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2017**

	Note	Consolidated	
		2017 \$	2016 \$
<b>14 Notes to the Cash Flow Statement</b>			
(a) <b>Reconciliation of Cash</b>			
Cash at Bank		103,298	124,561
Cash At Call		2,441,400	2,314,596
CBA Short Term Investments		210,619	209,885
Petty Cash		289	882
		2,755,606	2,649,924
(b) <b>Reconciliation of Net Cash provided by Operating Activities to Operating Result</b>			
Operating Result		207,835	(213,958)
<b>Adjustments for Non-Cash Items</b>			
Depreciation		-	4,227
Unrealised Loss/(Gain) on Investments		(70,384)	(57,003)
<b>Adjustments for changes in Current Assets &amp; Current Liabilities</b>		137,451	(266,734)
Decrease / (Increase) in Debtors		117,952	(40,309)
Decrease in Prepayments		8,520	7,498
(Decrease) in Creditors		(124,017)	(29,831)
Increase/(Decrease) in Employee Provisions		23,468	(8,817)
(Decrease)/Increase in Unearned Revenue		(3,750)	3,750
(Decrease)/Increase in GST Rebate Due at year end		(3,942)	2,882
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>		155,682	(331,561)
<b>15 Liabilities of members</b>			
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 2017 the number of members was 61 (2016: 62).			
<b>16 Directors remuneration</b>			
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.			
<b>17 Related parties</b>			
(a) <b>Transactions with related parties</b>			
The following transactions occurred with related parties:			
<b>Amounts received from related parties</b>			
Contributions Received from Edmund Rice Education Australia		341,779	179,753
Contribution by Trustees of the Christian Brothers		109,713	91,947
Contribution by Christian Brothers Communities		21,550	-
		473,042	271,700
<b>Amounts paid to related parties</b>			
Disbursement of Funds to Edmund Rice ministries in Australia		324,650	393,000
Disbursement of Funds to Edmund Rice Education Australia Flexible Learning Centres		-	30,000
Disbursement of Funds to Edmund Rice ministries in Developing Nations		1,649,825	1,986,538
Payments to Edmund Rice Ministries in Developing Nations for Operational Costs		1,947	-
Payments to Trustees of the Christian Brothers for Operational Costs		56,677	103,537
Repayment of loan from Edmund Rice Education Australia		-	73,084
		2,033,099	2,586,159

**Edmund Rice Foundation (Australia)**  
**ABN 28 153 110 055**

**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2017**

	Note	Consolidated	
		2017	2016
		\$	\$
<b>17 Related parties (cont.d)</b>			
(b) <b>Receivables from and payable to related parties</b>			
The following balances are outstanding at the reporting date in relation to transactions with related parties:			
Trade Receivable from Trustees of the Christian Brothers		105,811	72,627
Financial Assets held with Trustees of the Christian Brothers		1,411,345	1,338,867
Trade Payables to Trustees of the Christian Brothers		3,000	5,920
(c) <b>Key Management Personnel</b>			
The aggregate compensation made to key management personnel of the consolidated entity is set out below:			
Aggregate Compensation		239,800	209,616

**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.

**18 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 Fernon	Deputy Chair	
Mr Anthony Coates	Director	
Ms Christina Longmire	Director	
Mr Edward Phelan	Director	appointed 16 May 2017
Mr Mark Sawle	Director	resigned 5 March 2018
Mr Alan Zammit	Director	
Mr Peter Murphy	Chair	resigned 16 May 2017
Br Peter Clinch, cfc	Director	resigned 23 November 2017
Mr Simon Lockyer	Director	resigned 16 May 2017
Ms Marianne Roux	Director	resigned 1 December 2017

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 2017**

	Note	Consolidated	
		2017	2016
		\$	\$
<hr/>			
<b>19 Financial Instruments</b>			
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:			
<b>Financial Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents		2,544,987	2,440,039
Term Deposit - Held to Maturity		210,619	209,885
Trade and other receivables		114,752	94,063
		<u>2,870,358</u>	<u>2,743,987</u>
<i>Non - Current Assets</i>			
Available for Sale Financial Assets		1,417,469	1,344,086
		<u>1,417,469</u>	<u>1,344,086</u>
		<u>4,287,827</u>	<u>4,088,073</u>
<b>Financial Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables		109,101	73,569
Provisions		4,626	2,817
Financial Liabilities		-	50,000
		<u>113,727</u>	<u>126,386</u>
		<u>113,727</u>	<u>126,386</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)**  
ABN 28 153 110 055

**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2017**

**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 2017 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 2017 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](http://www.acfid.asn.au)

<b>Table of Cash Movements for Designated Purposes</b>	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
<b>2016</b>				
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.				
<b>2017</b>				
Donations received - Kenya - Ruben Centre, Health & Education	378,872	606,134	(438,412)	546,594
Total for other purposes	2,271,052	2,772,616	(2,834,656)	2,209,012
	<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.				

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

**Notes to the Consolidated Financial Statements  
For the year ended 31 December 2017**

**21 Project Funding Commitments**

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

	2018	2017
Edmund Rice Oceania Domestic Ministries	246,000	324,650
Edmund Rice Oceania Ministries - Developing Nations	385,000	528,000
Edmund Rice Pan Africa Ministries	1,080,000	1,078,000
Other Ministries	75,000	304,350
Conditional Funding	465,800	-
<b>Total Funding Commitment</b>	<b>2,251,800</b>	<b>2,235,000</b>

**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 2017**  
**Responsible Persons' Declaration**

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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 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 2017 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:



Director

Dated at Brisbane this 9th day of April 2018

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

In relation to the independent audit for the year ended 31 December 2017, to the best of my knowledge and belief there have been:

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

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



S WALLACE  
Partner

PITCHER PARTNERS  
Sydney

9 April 2018

**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 2017, 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 2017 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.

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

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 2017, 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* 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.



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

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 control.
- 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 control.
- 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.

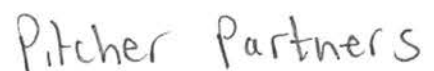
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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 2017 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 WALLACE  
Partner



PITCHER PARTNERS  
Sydney

9 April 2018