



**Edmund Rice**  
FOUNDATION AUSTRALIA  
*Liberating Lives Through Education*

**EDMUND RICE FOUNDATION (AUSTRALIA)**

ABN 28 153 110 055

**Consolidated Annual Financial Report  
For the year ended 31 December 2022**

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

**Consolidated Annual Financial Report**  
**31 December 2022**

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**EDMUND RICE FOUNDATION (AUSTRALIA)**

ABN 28 153 110 055

**Directors' Report****For the year ended 31 December 2022**

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 2022

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

<u>Name</u>	<u>Qualification &amp; Experience</u>
Clem Barrett, cfc (Appointed 12/07/2021)	Bachelor of Science. M Ed
Anthony Leonard Coates (Appointed Director 05/12/2012)	B.Build (QS)
Geoffrey Doyle (Appointed 12/07/2021)	Bachelor of Commerce Director, Edmund Rice Community Services Ltd
Paul Gallagher (Appointed Director 16/05/17)	BCom, FCA, GAICD Partner, Audit and Assurance Services Division, BDO Director, BDO Australia Limited Director, QIC Limited Chair, Catholic Church Insurance Limited Chair, Archdiocese Ministries and Services Council – Brisbane Former Board Chair, St Joseph's College Gregory Terrace
Christina Longmire (Appointed Director 15/06/16)	BCom CPA GIA(Cert) Director Risk & Compliance, Edmund Rice Education Australia
Neil O'Hare (Appointed 12/07/2021)	Bachelor of Business - Accounting MBA in Business FASCPA FGIA Director of Finance and Infrastructure EREA Director Paradise Foods Limited
Anne Rebgetz (Appointed 20/07/2020)	M Ed Stud Grad Dip RE BA Dip Ed Principal St James College Brisbane Chair/Director Board Catholic Secondary Principals Australia President Qld Independent Secondary Schools Netball National Schools Strategy Committee Ruby Australia
Kate Walsh-Rose (Appointed 12/07/2021)	B Com, B Ed, M PM Member of Women's Disability Victoria Finance & Risk Committee Member of 500 Supports Group Committee Member of Building Pride Committee General Manager Ascot Group

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

**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:

	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Clem Barrett, cfc	8	8
Anthony Coates	8	8
Geoffrey Doyle	8	6
Paul Gallagher	8	8
Christina Longmire	8	7
Neil O'Hare	8	7
Ann Rebgetz	8	4
Kate Walsh-Rose	8	7

**EDMUND RICE FOUNDATION (AUSTRALIA)**

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**Directors' Report**

**For the year ended 31 December 2022**

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**3 Principal activity**

The Company was incorporated on 8 September 2011. It is a charity whose purposes are advancing social or public welfare by way of relief of those who are in poverty or distress through sickness, disability, destitution, suffering or helplessness, including refugees, indigenous community members and youth who are suffering underprivilege, disability or other disadvantage in low socio-economic groups both in Developing Countries and in Australia.

**4 Results of operations**

The deficit of the consolidated entity for the financial year 1 January to 31 December 2022 was \$451,982 (2021 surplus \$150,948).

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**

The operations of Edmund Rice Overseas Aid Fund and Edmund Rice Foundation (a Charitable Trust) ceased on 31 December 2022. All the assets and liabilities were transferred to Edmund Rice Foundation (Australia).

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

**6 Indemnifying Directors, Officers and Auditor**

During the financial year the Company has maintained insurance policies to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a criminal or wilful act or omission.

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

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

**7 Environmental issues**

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

**8 Short term objective**

Edmund Rice Foundation (Australia)'s short term objectives is to increase income and strengthen project quality and governance to ensure that programming can be grown and effectively continued both in developing countries and in Australia. Edmund Rice Foundation (Australia) is also focused on deepening our global and domestic Edmund Rice strategic alliances.

**9 Long term objectives**

Edmund Rice Foundation (Australia)'s long term objective is to deliver education projects, in partnership or otherwise, in under-resourced communities with free and full participation of community members. The aim of these projects is to enable the continuation of benefits beyond the life of the project which are relevant, owned by the community and are supported on an ongoing basis with locally available resources.

**10 Strategy for achieving the objectives**

Through partnerships and community consultation, Edmund Rice Foundation Australia (ERFA) works with under-resourced and vulnerable communities to provide access to education opportunities. ERFA's purpose is to support the education of the most vulnerable. This is achieved through development projects that are inclusive and empowering and that, over time, will result in sustainable local management and autonomy.

**11 How principal activities assisted in achieving the objectives**

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

- ◆ Collaboration on project design, budgets, monitoring & evaluation plans and risk mitigation
- ◆ Continued stakeholder and community awareness through donor engagement and communications
- ◆ Increased focus on strengthening policy, process and systems

Total revenue decreased by \$131,974 or 4.4% in 2022 as compared to 2021. The deficit for the year was \$451,982 compared to a surplus of \$150,948 in the prior year. The key factors of the result were

- ◆ Increase in program support by \$132,766 (29.7%)
- ◆ Increase in community education by \$69,300 (60.00%)
- ◆ An increase of \$50,000 (16.7%) in funding to domestic programs
- ◆ Fundraising income increased by \$29,535 (20.0%)
- ◆ Fundraising costs increased by \$128,021 (41.3%).

**EDMUND RICE FOUNDATION (AUSTRALIA)**  
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**Directors' Report**  
**For the year ended 31 December 2022**

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**12 Performance measures**

**a) Administration ratio**

A useful measure of the Consolidated Entity's administrative efficiency is its administration cost ratio. The ratio expresses administration costs (including depreciation) as a percentage of total expenditure. For 2022 the ratio was 18.6% (2021: 12.2%)

**b) Fundraising cost ratio**

Another ratio often given attention is the fundraising cost ratio. There are different definitions of this ratio used throughout the not-for-profit sector. In order to assess the organisation's performance accurately and to provide a comparison with other non-government organisations, the following two fundraising cost ratios have been used:

- ◆ *Fundraising costs as a percentage of total revenue*  
The ratio in relation to total revenue for 2022 was 15.3% (2021: 10.3%).
- ◆ *Fundraising costs as a percentage of fundraising income (excluding grants)*  
Fundraising income, primarily from functions and events, represents 6.2% (2021: 4.9%) of the total annual revenue. The ratio in relation to all funds raised from fundraising events for 2022 was 246.9% (2021: 209.7%). 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 93.8% (2021: 95.1%) of annual revenue.

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

It is therefore necessary to be cautious when comparing the fundraising cost ratio over time and with the corresponding ratio of other charities that may have quite different ways of funding their activities and reporting their results.

**13 Directors' benefits**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts, or the fixed salary of a full time employee of the Company or a related corporation, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a firm in which the Director has a substantial financial interest.

**14 Members' guarantee**

Edmund Rice Foundation (Australia) is a Company limited by guarantee. In the event of, and for the purpose of, the winding up of the Consolidated Entity, the amount capable of being called up from each member and any person or association who has ceased to be a member in the year prior to the winding up, is limited to \$100 for all members subject to the provisions of the Company's constitution. For 2022 the collective liability of members was \$5,500 (2021: \$5,600).

**15 Proceedings on behalf of Company**

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

**16 Auditor's independence**

The Auditor's independence declaration for the year ended 31 December, 2022 has been received and can be found following on page 23 of the financial report.

**17 Events subsequent to reporting date**

There has been no matter or circumstance, which has arisen since 31 December 2022 which has significantly affected or which may significantly affect:

- (a) the operations of the consolidated entity;
- (b) the results of those operations; or
- (c) the state of affairs of the consolidated entity, in subsequent financial years.

Signed in accordance with a resolution of Board of Directors:



Director

Dated at Brisbane this 19th day of June 2023

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

**Consolidated Statement of Profit or Loss**  
**for the year ended 31 December 2022**

	Note	Consolidated	
		2022	2021
		\$	\$
<b>REVENUE</b>			
Donations and gifts			
Monetary		2,452,681	2,471,030
Fundraising income		177,491	147,956
Grants - Department of Foreign Affairs and Trade		150,000	-
Investment and interest income		168,577	155,235
Net change in fair value of financial assets classified as fair value through profit or loss		(75,311)	203,286
Other income		83	27,988
<b>TOTAL REVENUE</b>	2	<u>2,873,521</u>	<u>3,005,495</u>
<b>EXPENDITURE</b>			
International aid and development programs expenditure			
Funds to international programs		1,267,820	1,330,502
Grant expenditure		84,327	-
Program support costs		580,334	447,568
Community education		184,810	115,510
Fundraising costs (international and domestic)			
Public		438,299	310,278
Accountability and administration		412,790	348,176
<b>Total international aid and development programs expenditure</b>		<u>2,968,380</u>	<u>2,552,034</u>
International political or religious adherence promotion programs expenditure		-	-
Domestic program expenditure		350,000	300,000
<b>TOTAL EXPENDITURE</b>		<u>3,318,380</u>	<u>2,852,034</u>
<b>(EXCESS OF EXPENDITURE OVER REVENUE) / EXCESS OF REVENUE OVER EXPENDITURE</b>	2	<u>(444,859)</u>	<u>153,461</u>

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

Edmund Rice Foundation (Australia)  
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Consolidated Statement of Comprehensive Income  
for the year ended 31 December 2022

	Consolidated	
	2022	2021
	\$	\$
<b><i>(EXCESS OF EXPENDITURE OVER REVENUE) / EXCESS OF REVENUE OVER EXPENDITURE</i></b>		
	(444,859)	153,461
<b><i>Other comprehensive income</i></b>		
<b><i>Items that may be reclassified subsequently to Profit or Loss</i></b>		
Foreign currency loss	(7,123)	(2,513)
<b><i>TOTAL OTHER COMPREHENSIVE LOSS FOR THE YEAR</i></b>	<u>(7,123)</u>	<u>(2,513)</u>
<b><i>TOTAL COMPREHENSIVE (DEFICIT) / SURPLUS FOR THE YEAR</i></b>	<u>(451,982)</u>	<u>150,948</u>

## Edmund Rice Foundation (Australia)

ABN 28 153 110 055

### Consolidated Statement of Financial Position As at 31 December 2022

		Consolidated	
Note	2022	2021	
	\$	\$	
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,939,517	3,265,429
Trade and other receivables	6	197,968	185,466
Other	7	81,350	36,083
<b>Total current assets</b>		<b>3,218,835</b>	<b>3,486,978</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	8	1,769,702	1,845,212
Plant and equipment	9	25,361	35,388
Leasehold improvements	10	5,159	8,836
Lease asset	10	58,892	93,113
<b>Total non-current assets</b>		<b>1,859,114</b>	<b>1,982,549</b>
<b>Total assets</b>		<b>5,077,949</b>	<b>5,469,527</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	238,870	162,422
Lease liability	13	39,077	35,267
Provisions	12	13,810	11,415
<b>Total current liabilities</b>		<b>291,757</b>	<b>209,104</b>
<b>Non-current liabilities</b>			
Provisions	12	32,590	15,760
Lease liability	13	30,556	69,635
<b>Total non-current liabilities</b>		<b>63,146</b>	<b>85,395</b>
<b>Total liabilities</b>		<b>354,903</b>	<b>294,499</b>
<b>Net assets</b>		<b>4,723,046</b>	<b>5,175,028</b>
<b>Equity</b>			
Settlement		-	100
Retained surplus / (deficit)		28,983	(499,020)
Reserves	14	4,694,063	5,673,948
<b>Total equity</b>		<b>4,723,046</b>	<b>5,175,028</b>



**Edmund Rice Foundation (Australia)**  
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**Consolidated Statement of Changes in Equity**  
**for the year ended 31 December 2022**

Consolidated	Settlement Funds	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Foreign Exchange Reserve	Specified Purpose Reserves	Total
<b>Balance 31 December 2020</b>	100	(96,617)	1,662,892	258,914	(10,688)	3,209,479	5,024,080
Surplus for the year ended 31 December 2021	-	153,461	-	-	-	-	153,461
Other comprehensive loss for the year	-	-	-	-	(2,513)	-	(2,513)
Transfers to reserves							
Specified purpose reserves	-	(352,578)	-	-	-	352,578	-
Changes in fair value of investments through profit or loss	-	(203,286)	-	203,286	-	-	-
<b>Balance 31 December 2021</b>	100	(499,020)	1,662,892	462,200	(13,201)	3,562,057	5,175,028
Deficit for the year ended 31 December 2022	-	(444,859)	-	-	-	-	(444,859)
Other comprehensive loss for the year	-	-	-	-	(7,123)	-	(7,123)
Transfers to reserves							
Transfers	(100)	100	-	-	-	-	-
Specified purpose reserves	-	868,468	-	-	-	(868,468)	-
Changes in fair value of investments through profit or loss	-	75,311	-	(75,311)	-	-	-
<b>Balance 31 December 2022</b>	-	-	1,662,892	386,889	(20,324)	2,693,589	4,723,046

## Edmund Rice Foundation (Australia)

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### Consolidated Statement of Cash Flows for the year ended 31 December 2022

	Note	Consolidated	
		2022	2021
		\$	\$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		2,846,945	2,636,499
Cash payments in the course of operations		(3,298,219)	(2,812,999)
Interest received		7,602	2,529
Investment Income		161,058	152,794
<b>Net cash (used in) by operating activities</b>		(282,614)	(21,177)
<b>Cash flows from investing activities</b>			
Investment of bequest income		198	(1,669)
Purchase of plant and equipment		(7,625)	(8,705)
<b>Net cash (used in) investing activities</b>		(7,427)	(10,374)
<b>Cash flows from financing activities</b>			
Principal element of lease payments		(35,871)	(34,493)
<b>Net cash (used in) financing activities</b>		(35,871)	(34,493)
<b>Net (decrease) in cash held</b>		(325,912)	(66,044)
<b>Cash and cash equivalents at the beginning of the year</b>		3,265,429	3,331,473
<b>Cash and cash equivalents at end of the year</b>	5	2,939,517	3,265,429

The accompanying notes on pages 9 to 21 form part of these financial statements

## Edmund Rice Foundation (Australia)

ABN 28 153 110 055

### Notes to the Consolidated Financial Statements For the year ended 31 December 2022

#### 1 Summary of significant accounting policies

##### Basis of preparation

The consolidated financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For Profit and Not-for Profit Tier 2 Entities*.

The prior year consolidated financial report was prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected the reported financial position, financial performance and cash flows.

These general purpose financial statements have been prepared to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Charitable Fundraising (NSW) Act 1991 and the Australian Council for International Development (ACFID) Code of Conduct. For further information of the Code of Conduct, please refer to the ACFID Code of Conduct Guidance available at [www.acfid.asm.au](http://www.acfid.asm.au). The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The report was authorised by the Responsible Entities on the 19th day of June 2023

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

##### Accounting policies

##### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Edmund Rice Foundation (Australia) Limited ('Company' or 'parent entity') and its Trusts as at 31 December 2022 and their results for the year then ended. Edmund Rice Foundation (Australia) Limited and its Trusts together are referred to in these financial statements as the 'group'

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

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

##### (a) Revenue recognition

The group recognises revenue as follows:

##### *Revenue from contracts with customers*

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

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

##### *Grants*

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

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

##### *Donations*

Donations are recognised at the time the pledge is made.

##### *Bequests*

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

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

## Edmund Rice Foundation (Australia)

ABN 28 153 110 055

### Notes to the Consolidated Financial Statements For the year ended 31 December 2022

#### 1 Summary of significant accounting policies (cont.d)

##### *Fundraising appeals*

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

##### *Interest*

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

##### *Other revenue*

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

##### *Volunteer services*

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

##### *Investment revenue*

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

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

#### (b) Current and non-current classification

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

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

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

#### (c) Fair value measurement

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

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

#### (d) Investments and other financial assets

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

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

##### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss. Unrealised gains / losses of such financial assets are transferred to the financial asset reserve in the statement of changes in equity.

##### *Impairment of financial assets*

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

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

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

**Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022**

**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**

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

**(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:

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.

**(h) 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.

**(l) Employee benefits**

**(i) Short term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

**(j) Leases**

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

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

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

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

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

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

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

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

**(k) Income tax**

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

**Edmund Rice Foundation (Australia)**

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**Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022**

**1 Summary of significant accounting policies (cont.d)**

**(l) 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.

**(m) Trade and other payables**

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

**(n) Reserves**

Reserves represent funds held for the specific purpose for which they were raised or in the case of general donations, to support Board approved development projects or associated activities. It has been determined by the Trustee that these reserves can only be drawn against for these specified purposes or commitments.

**(o) 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.

**(p) Comparatives**

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

**(q) Rounding off**

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

**(r) Critical accounting estimates and judgments**

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

*Estimation of useful lives of assets*

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

*Impairment of non-financial assets*

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

*Impairment of assets*

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

*Employee benefits provision*

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

*Key estimates - incremental borrowing rate*

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

*Key judgement - lease term*

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

**Edmund Rice Foundation (Australia)**  
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**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2022**

	Note	Consolidated	
		2022 \$	2021 \$
<b>2 Revenue and expenses</b>			
(a) <b>Revenue from contracts with customers</b>			
Grant income		150,000	-
		<u>150,000</u>	<u>-</u>
(b) <b>Interest and investment income</b>			
Income from investments		161,058	152,794
Interest		7,602	2,529
		<u>168,660</u>	<u>155,323</u>
(c) <b>Other revenue</b>			
Donations		2,452,681	2,471,030
Fundraising		177,491	147,956
Other income - Govt COVID 19 support		-	27,900
		<u>2,630,172</u>	<u>2,646,886</u>
(d) <b>Net change in fair value of financial assets classified as fair value through profit or loss</b>		<u>(75,311)</u>	<u>203,286</u>
<b>Total operating revenue</b>		<u>2,873,521</u>	<u>3,005,495</u>
(e) <b>Other comprehensive income</b>			
Foreign exchange (loss)		(7,123)	(2,153)
(f) <b>Expenses</b>			
Disbursements to domestic projects		350,000	300,000
Disbursements to overseas projects		1,155,054	1,330,502
Costs of fundraising events		118,598	54,022
Employee benefits	2 (g)	1,011,079	844,576
Grant expenditure		84,327	-
Administration expenses		276,780	162,643
Community education		72,546	44,669
Project management		193,908	64,681
Depreciation		21,911	21,654
Amortisation		30,324	23,885
Lease interest		3,853	5,402
		<u>3,318,380</u>	<u>2,852,034</u>
(g) <b>Employee expenses</b>			
Wages and salaries		935,148	782,082
Superannuation costs		69,356	58,200
Fringe benefits		940	348
Workers compensation		5,635	3,946
		<u>1,011,079</u>	<u>844,576</u>
<b>3 Auditors remuneration</b>			
Audit services Australia - Pitcher Partners		32,500	37,250
Audit services Overseas - Bon & Drew Associates		50,827	7,018
		<u>83,327</u>	<u>44,268</u>

**Edmund Rice Foundation (Australia)**  
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**Notes to the Consolidated Financial Statements**  
For the year ended 31 December 2022

**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)

2021 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	2,681,493	1,105,908	-	5,956	49,837	(943,170)	(276,077)	2,623,947
<b>Edmund Rice Domestic Ministries</b>								
Domestic General	1,404	46,076	-	-	1	(10,000)	(11,519)	25,962
Edmund Rice Ministries Oceania	-	-	(300,000)	-	78,395	221,605	-	-
<b>Edmund Rice Overseas Ministries</b>								
Overseas General	31,659	239,369	-	-	10,650	(97,188)	(59,821)	124,669
<b>Oceania Ministries</b>								
Oceania General	-	-	-	-	-	-	-	-
East Timor	976	22,040	(69,500)	-	-	51,994	(5,510)	-
Papua New Guinea	14,403	10,000	-	-	4,301	-	(2,500)	26,204
Philippines General	4,000	-	-	-	-	-	-	4,000
Philippines Maasin	-	-	(10,000)	-	-	10,000	-	-
<b>Africa Ministries</b>								
Africa General	82,750	12,313	-	-	-	-	(3,078)	91,985
Development Office	(42,370)	100,000	(169,711)	-	-	-	2,751	(109,330)
East Africa General	7,029	-	-	-	9,698	-	-	16,727
Eldoret	72,788	-	(3,063)	-	-	-	-	69,725
Embulbul	1,200	121,776	(263,063)	-	-	170,531	(30,444)	-
Edmund Rice Advocacy Network	-	-	(8,563)	-	-	8,563	-	-
Growing Strong	166,745	150,000	(81,600)	-	-	-	-	235,145
Edmund Rice Camps Nairobi	-	-	(115,562)	-	-	115,562	-	-
Mary Rice Centre Kenya	-	7,765	(8,563)	-	-	2,351	(1,941)	(388)
Ruben Centre, Kenya	347,918	580,415	(571,123)	87,978	-	-	(48,042)	397,146
Ruben Special Projects	3,176	-	-	-	-	-	-	3,176
South Africa	9,000	-	(112,000)	-	-	112,000	-	9,000
Yambio	-	10,488	-	-	-	-	(2,622)	7,866
Zambia	-	-	(13,500)	-	-	13,500	-	-
<b>Special Projects</b>								
Congregational Mission Support	-	-	(50,000)	-	-	50,000	-	-
Emergency Relief Fund	25,064	54,879	(30,000)	-	-	-	(13,720)	36,223
EREBB	-	-	(46,903)	-	-	46,903	-	-
Mirror of Hope Nairobi Kenya	108	10,000	(57,093)	-	-	49,485	(2,500)	-
Nzara	(197,864)	-	-	-	-	197,864	-	-
<b>Total Funds for Designated Purposes</b>	3,209,479	2,471,029	(1,910,244)	93,934	152,882	-	(455,023)	3,562,057
Total for other purposes	121,994	277,568	(904,397)	(93,934)	(152,882)	-	455,023	(296,628)
<b>Total funds available</b>	3,331,473	2,748,597	(2,814,641)	-	-	-	-	3,265,429

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) 24.6% (2020: Ruben Centre (Kenya) 22.7%).



**Edmund Rice Foundation (Australia)**  
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**Notes to the Consolidated Financial Statements**  
For the year ended 31 December 2022

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

2022 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
General - DA	-	1,141,907	-	(15,618)	52,506	(285,577)	(285,477)	607,741
General - Non DA	2,623,947	29,192	(56,000)	-	-	(249,393)	(1,037,279)	1,310,467
<b>Edmund Rice Domestic Ministries</b>								
Domestic General	25,962	-	(25,964)	-	2	-	-	-
Edmund Rice Ministries Oceania	-	8,566	(322,687)	-	82,595	233,667	(2,141)	-
<b>Edmund Rice Overseas Ministries</b>								
Overseas General	132,535	-	(5,000)	-	11,289	(138,824)	-	-
<b>Oceania Ministries</b>								
East Timor	-	35,820	(46,300)	-	-	19,435	(8,955)	-
Timor Leste	-	3,000	(28,600)	-	-	26,350	(750)	-
Papua New Guinea	26,204	-	-	-	4,531	-	-	30,735
Philippines General	4,000	-	(30,000)	-	-	26,000	-	-
<b>Africa Ministries</b>								
Africa General	117,712	78,960	(7,200)	-	10,218	(179,950)	(19,740)	-
Development Office	(109,330)	150,000	(244,591)	-	-	-	(32,714)	(236,635)
EFL - DA	69,725	-	(3,075)	-	-	-	-	66,650
ERC Nairobi - DA	-	13,525	(93,824)	-	-	83,680	(3,381)	-
ERC Nairobi - Non DA	(388)	-	(8,000)	-	-	8,388	-	-
ERCEC - Non DA	-	-	(21,000)	-	-	21,000	-	-
ERCEC - DA	-	129,907	(303,716)	-	-	80,913	(32,477)	(125,373)
Growing Strong	235,145	150,000	(283,786)	-	-	200,000	-	301,359
EREPEP - DA	-	-	(38,508)	-	-	38,508	-	-
Ruben Centre - DA	400,322	593,962	(167,466)	-	-	-	(49,396)	777,422
Ruben Centre - Non DA	-	-	(99,082)	74,511	-	24,571	-	-
<b>Special Projects</b>								
MCDP - DA	-	-	(20,000)	-	-	20,000	-	-
Emergency Relief Fund	36,223	-	-	-	-	-	-	36,223
Mirror of Hope Nairobi Kenya	-	-	(55,869)	-	-	55,869	-	-
Justice Desk	-	-	(90,363)	-	-	15,363	-	(75,000)
<b>Total Funds for Designated Purposes</b>	3,562,057	2,334,839	(1,951,031)	58,893	161,141	-	(1,472,310)	2,693,589
Total for other purposes	(296,628)	680,964	(1,390,684)	(58,893)	(161,141)	-	1,472,310	245,928
<b>Total funds available</b>	3,265,429	3,015,803	(3,341,715)	-	-	-	-	2,939,517

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) 23.2% (2021: Ruben Centre (Kenya) 24.6%).

**Edmund Rice Foundation (Australia)**  
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**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2022**

	Note	Consolidated	
		2022 \$	2021 \$
<b>5 Cash and cash equivalents</b>			
Cash at bank		366,144	860,835
Cash at call		2,362,042	2,194,073
Short-term bank deposits		209,647	209,370
		2,937,833	3,264,278
Cash on hand		1,684	1,151
		2,939,517	3,265,429
<b>6 Trade and other receivables</b>			
<b>Current</b>			
Trade debtors		162,479	184,794
Sundry debtors		35,489	672
Trade debtors are non-interest bearing and are generally due for payment within 30 days of the invoice date.		197,968	185,466
<b>7 Other assets</b>			
<b>Current</b>			
Prepayments		70,634	23,631
Rental and security bonds		10,696	10,696
GST rebate		20	1,756
		81,350	36,083
<b>8 Financial assets at fair value through profit or loss</b>			
Investments		1,769,702	1,845,212
		1,769,702	1,845,212
<b>9 Plant and equipment</b>			
(a) Office furniture and fittings		7,965	21,596
Accumulated depreciation		-	(10,850)
		7,965	10,746
(b) Info & communication technology		44,683	47,194
Accumulated depreciation		(27,287)	(22,552)
		17,396	24,642
<b>Total plant and equipment</b>		25,361	35,388
<b>Movements during year</b>			
(c) <i>Office furniture and fittings</i>			
Carrying amount as at 1 January		10,746	15,190
Depreciation charge for the period		(2,781)	(4,444)
<b>Carrying amount at 31 December</b>		7,965	10,746
(d) <i>Info &amp; communication technology</i>			
Carrying amount as at 1 January		24,642	30,204
Additions		7,625	8,705
Depreciation charge for the period		(14,871)	(14,267)
<b>Carrying amount at 31 December</b>		17,396	24,642

**Edmund Rice Foundation (Australia)**  
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**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2022**

	Note	Consolidated	
		2022 \$	2021 \$
<b>10 Lease assets</b>			
(a) ROU lease asset		67,979	188,708
Accumulated amortisation		(9,087)	(95,595)
		<u>58,892</u>	<u>93,113</u>
(b) Leasehold improvements		5,159	17,665
Accumulated amortisation		-	(8,829)
		<u>5,159</u>	<u>8,836</u>
<b>Movements during year</b>			
(c) <b>ROU asset</b>			
Carrying amount as at 1 January		93,113	127,333
Amortisation charge for the period		(34,221)	(34,220)
<b>Carrying amount at 31 December</b>		<u>58,892</u>	<u>93,113</u>
(d) <b>Leasehold improvements</b>			
Carrying amount as at 1 January		8,836	11,779
Amortisation charge for the period		(3,677)	(2,943)
<b>Carrying amount at 31 December</b>		<u>5,159</u>	<u>8,836</u>
<b>11 Trade and other payables</b>			
Trade creditors		48,145	41,803
Sundry creditors		94,037	43,771
GST payable		-	5,213
Annual leave		96,688	71,635
Trade creditors are non-interest bearing and are generally due for payment within 30 days of the invoice date.		<u>238,870</u>	<u>162,422</u>
<b>12 Provisions</b>			
Long service leave - current		13,810	11,415
Long service leave - non current		32,590	15,760
		<u>46,400</u>	<u>27,175</u>
Number of employees at end of year (full time equivalent)		6	6
<b>13 Lease liability</b>			
Current lease liability		39,077	35,267
Non current lease liability		30,556	69,635
		<u>69,633</u>	<u>104,902</u>
Total cash outflows for leases		<u>34,493</u>	<u>34,493</u>
<i>Maturity analysis on future lease payments</i>			
Less than one year		41,285	34,493
One to five years		31,101	72,386
More than five years		-	-
		<u>72,386</u>	<u>106,879</u>

*The lease in place for premises in Nairobi, and has a term of 6 years.*

A lease is in place over the buildings used by Edmund Rice Foundation Nairobi Office. The first renewal term of this lease began on 1st August 2018, and expires on 31st July 2024. The Company has an option to extend this lease for a further six years after expiry. At balance date, it is not reasonably certain that the Company will exercise the option to extend the lease and therefore it has not been included in the measurement of lease liabilities.

**Edmund Rice Foundation (Australia)**  
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**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2022**

	Note	Consolidated	
		2022	2021
		\$	\$
<b>13 Lease liability (cont.d)</b>			
<i>The lease in place for the Brisbane office, and has a term of 5 years.</i>			
A lease is in place over the buildings used by Edmund Rice Foundation (Australia) Brisbane Office. The first renewal term of this lease began on 1st October 2020, and expires on 30th September 2025. The Company has an option to extend this lease for a further two years after expiry. At balance date, it is not reasonably certain that the Company will exercise the option to extend the lease and therefore it has not been included in the measurement of lease liabilities.			
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.			
<b>14 Reserves</b>			
<b>Financial assets reserve</b>			
The financial assets reserve records the unrealised market movements on investments held at fair value through profit or loss.			
Balance as at 1 January		462,200	258,914
Unrealised (loss) / gain		(75,311)	203,286
Balance as at 31st December		386,889	462,200
<b>Specified purpose</b>			
The Specified purpose reserve records donations and contributions made to Edmund Rice Foundation where the contributor or donor has designated the funds towards a specific appeal or purpose.			
Balance as at 1 January		3,562,057	3,209,479
Transfer from retained surplus		(868,468)	352,578
Balance as at 31st December		2,693,589	3,562,057
<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		1,662,892	1,662,892
Balance as at 31st December		1,662,892	1,662,892
<b>Foreign currency reserve</b>			
Balance as at 1 January		(13,201)	(10,688)
Unrealised (loss)		(7,123)	(2,513)
Balance as at 31st December		(20,324)	(13,201)
<b>Total reserves</b>		4,723,046	5,673,948
<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 2022 the number of members was 55 (2021: 56).			
<b>16 Directors remuneration</b>			
No income was due or receivable, for the financial year, by any Director of the group, directly or indirectly, from the group or from any related body corporate.			

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**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2022**

	Note	Consolidated	
		2022	2021
		\$	\$
<b>17 Related parties</b>			
<b>(a) Transactions with related parties</b>			
The following transactions occurred with related parties:			
<b>Amounts received from related parties</b>			
Investment return on financial assets held by Trustees of the Christian Brothers		161,508	357,706
Contribution for Trustees of the Christian Brothers		2,000	-
Contribution from Board members		6,254	5,099
Contribution from constitutional members		6,376	51,529
		176,138	357,706
<b>Amounts paid to related parties</b>			
Disbursement of Funds to Edmund Rice ministries in Australia		350,000	294,208
Disbursement to Edmund Rice ministries in developing nations for operational costs		774,226	1,525,841
Disbursements of funds to Trustees of the Christian Brothers		-	14,806
Contribution paid to Trustees of the Christian Brothers for operational costs		-	1,200
		1,124,226	1,836,055
<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		161,508	152,794
Financial assets held with Trustees of the Christian Brothers		1,769,702	1,845,212
Trade payables to Trustees of the Christian Brothers		4,283	3,000
Trade payables to Edmund Rice ministries		1,500	-
<b>Terms and conditions</b>			
All related party financial assets and liabilities are due within 12 months, with the exception of those financial assets that are held with Trustees of the Christian Brothers on a long term basis. Trustees of the Christian Brothers distributes all realised income and gains to the group annually.			
Trustees of the Christian Brothers provided accounting and other administrative services to the group. No fees were paid or are payable for these services.			
<b>18 Responsible persons</b>			
<b>Name and position held of Edmund Rice Foundation (Australia) responsible persons in office at any time during the financial year are:</b>			
<b>Key Governance Officials</b>			
Mr Paul Gallagher	Chair		
Mr Anthony Coates	Director		
Ms Christina Longmire	Director		
Ms Anne Rebgetz	Director		
Br Clem Barrett	Director		
Geoffrey Doyle	Director		
Neil O'Hare	Director		
Kate Walsh-Rose	Director		
The responsible persons do not receive any compensation for their roles at Edmund Rice Foundation (Australia).			
<b>19 Key management personnel remuneration</b>			
The aggregate compensation made to key management personnel of the company was.			
Aggregate compensation		278,074	269,712

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

**Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022**

	2022	2021
<b>19 Project funding commitments</b>		
Edmund Rice Foundation (Australia) has committed to project funding for 2022 as follows:	\$	\$
Domestic projects	525,000	350,000
International projects	2,136,500	1,811,201
<b>Total Funding Commitment</b>	<u>2,661,500</u>	<u>2,161,201</u>
<b>20 Contingent liabilities</b>		
There are no contingent liabilities to be disclosed in this report.		
<b>21 Commitments for capital expenditure</b>		
There are no commitments for capital expenditure to be disclosed in this report.		
<b>22 Events subsequent to reporting date</b>		
There has been no matter or circumstance, which has arisen since 31 December 2022 which has significantly affected or which may significantly affect:		
<ul style="list-style-type: none"> <li>(a) the operations of the consolidated entity;</li> <li>(b) the results of those operations; or</li> <li>(c) the state of affairs of the consolidated entity, in subsequent financial years.</li> </ul>		
<b>23 Right of indemnity</b>		
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.		
<b>24 Parent entity details</b>		
(a) Registered office		
2199 Sandgate Road		
Boondall QLD 4034		
(b) Principal place of business		
126 - 156 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:		
<ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> </ul>		

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

**Notes to the Consolidated Financial Statements  
For the year ended 31 December 2022**

**25 Information required under the Charitable Fundraising Act 1991**

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

	2022	2021
	\$	\$
(a) Gross proceeds from fundraising appeals	2,630,172	2,618,986
Less: direct costs for fundraising appeals	(438,299)	(310,278)
Net surplus from fundraising appeals	2,191,873	2,308,708
This fundraising surplus was applied against direct service and administration costs as detailed below		
(b) Direct service costs	2,191,873	2,308,708
Total cost of fundraising	438,299	310,278
Gross income from fundraising	2,630,172	2,618,986
	17%	12%
Net surplus from fundraising appeals	2,191,873	2,308,708
Gross income from fundraising	2,630,172	2,618,986
	83%	88%
Total cost of services	1,951,031	1,910,244
Total cost of expenditure	3,318,380	2,852,034
	59%	67%
Total cost of services	1,951,031	1,910,244
Total income received	2,873,521	3,005,495
	68%	64%

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

**For the year ended 31 December 2022  
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 4 to 21, are in accordance with the Australian Charities and Not-For-Profits Commission Act (2012) and:
    - (a) comply with Australian Accounting Standards - Simplified Disclosure requirements (including Australian Accounting Interpretations) as applicable; and
    - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance of the Company and its Trusts for the year then ended on that date.
    - (c) comply with the requirements set out in the ACFID Code of Conduct
  - (ii) In the Board of Directors' opinion there are reasonable grounds to believe that the Edmund Rice Foundation (Australia) and its Trusts will be able to pay its debts as and when they become due and payable.
- the provisions of the charitable Fundraising Act (NSW) 1991 and the NSW Charitable Fundraising Regulations 2015 and the conditions attached to the fundraising authority have been complied with by the Company.
- (iii)

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022*.

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



Director

Dated at Brisbane this 19th day of June 2023



**Pitcher Partners Sydney Partnership**

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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 2022, 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

19 June 2023

**Pitcher Partners Sydney Partnership**

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**Independent Auditor's Report  
To The Members of Edmund Rice Foundation (Australia)  
ABN 28 153 110 055****Report on the Financial Report****Qualified Opinion**

We have audited the accompanying financial report of Edmund Rice Foundation (Australia) ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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

- a) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the year then ended;
- b) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
- c) Complying with the Australian Council for International Development (ACFID) Code of Conduct.

**Basis for Qualified Opinion**

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

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

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

## **Other Information**

The responsible persons are responsible for the other information. The other information comprises the information included in the Director's report for the year ended 31 December 2022 but does not include the financial report and our auditor's report thereon.

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

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

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

## **Responsibilities of Responsible Persons for the Financial Report**

The responsible persons of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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 persons are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

#### **Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the financial report of Edmund Rice Foundation (Australia) and its controlled entities for the year ended 31 December 2022 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

19 June 2023