

Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

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

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

One appeal generating more than 10% of the signatory organisation's international aid and development revenue for a designated purpose for the financial year has been highlighted: Ruben Centre (Kenya) 15.0% (2015: Ruben Centre (Kenya) 14.5%)

Edmund Rice Foundation (Australia)
ABN 28 153 110 055

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

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

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

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

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

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

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

	Note	Consolidated	
		2016	2015
		\$	\$
15	Liabilities of members		
	The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. As at 31 December 2016 the number of members was 62.		
16	Directors remuneration		
	No income was due or receivable, for the financial year, by any Director of the Company, directly or indirectly, from the Company or from any related body corporate.		
17	Related parties		
	(a) Transactions with related parties		
	The following transactions occurred with related parties:		
	Amounts received from related parties		
	Contributions by Edmund Rice Schools	179,753	228,006
	Contributions by Edmund Rice Ministries	-	-
	Contribution by Trustees of the Christian Brothers	91,947	50,000
	Contribution by Christian Brothers Communities	-	45,190
		271,700	323,196
	Amounts paid to related parties		
	Disbursement of Funds to Edmund Rice ministries in Australia	393,000	326,854
	Disbursement of Funds to Edmund Rice Education Australia Flexible Learning Centres	30,000	70,000
	Disbursement of Funds to Edmund Rice ministries in Developing Nations	1,954,171	572,689
	Repayment of loan from Edmund Rice Education Australia	73,084	-
		2,450,255	969,543
	(b) Receivables from and payable to related parties		
	The following balances are outstanding at the reporting date in relation to transactions with related parties:		
	Trade Receivable from Trustees of the Christian Brothers	72,627	153,958
	Financial Assets held with Trustees of the Christian Brothers	1,338,867	1,288,212
	Trade Payables to Trustees of the Christian Brothers	5,920	6,569
	Financial Liabilities owed to Trustees of Edmund Rice Education Australia	-	73,084
	(c) Key Management Personnel		
	The aggregate compensation made to key management personnel of the consolidated entity is set out below:		
	Aggregate Compensation	209,616	179,540

Terms and Conditions

All related party financial assets and liabilities are due within 12 months.

Financial Assets are held with Trustees of the Christian Brothers on a long term basis. Trustees of the Christian Brothers distributes all realised income and gains to the entity annually.

Trustees of the Christian Brothers provided accounting and other administrative services to the Company. No fees were paid or are payable for these services.

Trustees of the Christian Brothers has met all the establishment costs of the Company to date.

Trustees of the Christian Brothers provides ongoing financial, administrative and other support to the Company.

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

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

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

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

Maturity Analysis

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

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

Edmund Rice Foundation (Australia)

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

19 Financial Instruments (cont.d)

Sensitivity Analysis

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

Fair Value Estimation

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

Financial Risk Management Policies

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

Specific Financial Risk Exposures and Management

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

(a) **Interest Rate Risk**

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

(b) **Liquidity Risk**

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

(c) **Credit Risk**

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

(d) **Foreign Currency Risk**

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

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

(e) **Price Risk**

The consolidated entity is not exposed to commodity price risk.

20 Information provided under the ACFID Code of Conduct

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

Table of Cash Movements for Designated Purposes

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

Edmund Rice Foundation (Australia)

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**Notes to the Consolidated Financial Statements
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21 Project Funding Commitments

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

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

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.

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For the year ended 31 December 2016
Responsible Entities' Declaration

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

- (i) The consolidated financial statements and notes as set out on pages 5 to 22, are in accordance with the Australian Charities and Not-For-Profits Commission Act (2012) and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure requirements (including Australian Accounting Interpretations) as applicable; and
 - (b) give a true and fair view of the financial position as at 31 December 2016 and of the performance of the Trust for the year then ended on that date.
 - (c) comply with the requirements set out in the ACFID Code of Conduct
- (ii) In the Trustee's opinion there are reasonable grounds to believe that the Edmund Rice Foundation Trust will be able to pay its debts as and when they become due and payable.

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

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


 Director


 Director

Dated at BRISBANE this 27th day of MARCH 2017

**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 2016, 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.



J GAVLJAK
Partner

PITCHER PARTNERS
Sydney

27 March 2017

**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 2016, the consolidated statement of income and expenditure, consolidated statement of other 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 entities' 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 2016 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 Edmund Rice Foundation (Australia). The Edmund Rice Foundation (Australia) has determined that it is impracticable to establish control over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded donations of Edmund Rice Foundation (Australia) are complete.

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

**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 Company's annual report for the year ended 31 December 2016, 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 Entities' Responsibility for the Financial Report

The responsible entities of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the responsible 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Edmund Rice Foundation (Australia) for the year ended 31 December 2016 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.



J GAVLJAK
Partner



PITCHER PARTNERS
Sydney

27 March 2017