

# **EDMUND RICE FOUNDATION (AUSTRALIA)**

**ABN 28 153 110 055**



## **Annual Financial Report**

**For the year ended 31 December 2016**

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

**Annual Financial Report**

**31 December 2016**

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# EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

## Directors' Report For the year ended 31 December 2016

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

### Name

Peter Bernard Clinch, cfc  
(Appointed 19/10/16)

Anthony Leonard Coates  
(Appointed Director 05/12/2012)

Michael Fernon  
(Appointed Director 08/09/2011)

Peter Hogan  
(Appointed Director 08/09/2011)  
(Resigned 29/02/16)

Simon Lockyer  
(Appointed Director 30/04/2014)

Christina Longmire  
(Appointed Director 15/06/16)

Christopher John Meehl cfc  
(Re-Appointed Director 25/07/2014)  
(Resigned 30/09/16)

Peter Anthony Murphy  
(Appointed Director 05/12/2012)

Marianne Roux  
(Appointed Director 15/06/2016)

Mark Sawle  
(Appointed Director 29/04/2013)

### Qualification & Experience

B. Arts, B. Theology, Grad Dip Religious Education, Diploma of Teaching  
Director Christian Brothers Vic Property Ltd  
Director Edmund Rice Services Ltd.  
Director The Christian Brothers Incorporated  
Trustee Trustees of the Christian Brothers (Queensland)  
Trustee Trustees of the Christian Brothers in Western Australia Inc  
Trustee The Trustees of the Christian Brothers New Zealand  
Trustee Trustees of the Christian Brothers  
Province Leader of Oceania Province of Congregation of Christian Brothers

B.Build (QS)

LL.B(Hons), B.A.  
Principal, M+K Lawyers

BBus, ACA  
Director, Carbon Energy Limited  
Director, Fabchem China Limited  
Vice President, Villa Maria Society  
Retired Partner, PricewaterhouseCoopers

BSc  
Director Global Marketing, Everyday Hero  
Director, Together Consulting  
Director, CCIQ

BCom CPA  
Director Risk & Compliance, Edmund Rice Education Australia

Dip Teach (SVC-ICE-CBTC Melbourne), B. Arts (LaTrobe), Grad Dip R.E.  
(YTU), B.Theol (MCD), M. Ed. (ACU)  
Councillor, Oceania Province of Congregation of Christian Brothers  
Director, Christian Brothers Vic Property Ltd.  
Director, Edmund Rice Foundation Ltd.  
Director, The Christian Brothers Incorporated  
Trustee, Brothers of the Christian Schools of Ireland  
Trustee, The Trustees of the Christian Brothers New Zealand  
Trustee, Trustees of the Christian Brothers  
Trustee, Trustees of the Christian Brothers (Queensland)  
Trustee, Trustees of the Christian Brothers in Western Australia Inc

BCom, FCA  
Director, Davidson Group  
Retired Chair, Mount Olivet Foundation

MA Org Psych and Human Resource Mgt  
Partner, Silverstone Edge Consulting

B.P.E, Dip.Ed, M.Ed  
Headmaster, Aquinas College Perth

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

**Directors' Report**  
**For the year ended 31 December 2016**

Alan Zammit, AM  
(Appointed Director 30/04/2014)

BBus, ALGA, FCPA, FAICD, LREA  
Chairman, Mulpha Norwest Pty Limited  
Chairman, Mulpha Norwest Real Estate Pty Limited  
Chairman, Norwest Association Limited  
Managing Director, UPDM Pty Limited  
Director, Affordable Community Housing Limited  
Director, Affordable Community Housing Alliance Tasmania Pty Limited  
Director, Wentwest Limited  
Former Director, Edmund Rice Education Australia  
Former Chairman, St Gabriel's School for Hearing Impaired Children

Your directors present their report on the Company for the financial year ended 31 December 2016.

**Principal activity**

The Company was incorporated on 8 September 2011 to act as trustee of a Relief Fund, a Charitable Fund and an Ancillary Fund and as such trustee and also in its own right to raise and collect donations and gifts and distribute funds to:

- (a) Community development programs in Developing Countries by means of a comprehensive economic, social, cultural and political process projects of constant improvement which aim at the wellbeing of peoples resident in Developing Countries with the peoples of Developing Countries freely and meaningfully participating in such projects with there being a fair distribution of the benefits that result from the projects.
- (b) to assist and promote charitable works within Australia in particular for the relief of poverty, distress, sickness and helplessness of people in necessitous circumstances and the advancement of education for Australian youth who suffer underprivilege, disability, remoteness and other disadvantage or any charitable work conducted managed or promoted by the Religious Institute.

**Results of operations**

The surplus of the Company for the financial year ended 31 December 2016 was \$275,146 (2015 deficit: \$(13,610)).

The Company 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.

**State of affairs**

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

**Events subsequent to balance date**

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

**Environmental issues**

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

**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.

**Likely developments**

The Directors intend to continue the expansion of the Company's fundraising activities within Australia and to search for new opportunities to support community development projects and improving the wellbeing of people resident in developing nations and to relieve poverty, distress, sickness and helplessness of people in necessitous circumstances in Australia.

Other than matters discussed in the annual report there are no likely developments.

## EDMUND RICE FOUNDATION (AUSTRALIA)

ABN 28 153 110 055

**Directors' Report**  
**For the year ended 31 December 2016**

**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.

**Directors' meetings**

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

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

**Indemnifying Directors, Officers and Auditor**

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

**Auditor's Independence**

The Auditor's independence declaration for the year ended 31 December, 2016 has been received and can be found following on page 23 of the financial report.

Signed in accordance with a resolution of Board of Directors:

  
 Director

  
 Director

Dated at Melbourne this 27<sup>th</sup> day of MARCH 2017

# Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

	Note	2016 \$	2015 \$
<b>REVENUE</b>			
Donations and gifts			
Monetary	2	1,165,385	1,157,329
Non-monetary		-	-
Bequests and Legacies		3,000	7,484
Fundraising Income		529,636	574,218
Grants			
Department of Foreign Affairs and Trade		-	-
Other Australian		-	50,000
Other overseas		-	-
Investment income		94,103	110,748
Other income		425	-
Revenue for International Political or Religious Adherence Promotion Programs			
<b>TOTAL REVENUE</b>		<b>1,792,549</b>	<b>1,899,779</b>
<b>EXPENDITURE</b>			
<b>International Aid and Development Programs Expenditure</b>			
International programs			
Funds to international programs		468,588	774,246
Program support costs		34,481	-
Community education		74,384	14,257
Fundraising costs			
Public		340,577	463,882
Government, multilateral and private		-	-
Accountability and Administration		238,948	196,655
Non-Monetary Expenditure		-	-
<b>Total International Aid and Development Programs Expenditure</b>		<b>1,156,978</b>	<b>1,449,040</b>
International Political or Religious Adherence Promotion Programs Expenditure		-	-
Domestic Programs Expenditure		412,834	406,927
<b>TOTAL EXPENDITURE</b>		<b>1,569,812</b>	<b>1,855,967</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>		<b>222,737</b>	<b>43,812</b>

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

No single appeal generated 10% or more of the total income for the year ended 31 December 2016 (nor in 2015).

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

# **Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

## **Statement of Comprehensive Income for the year ended 31 December 2016**

	2016 \$	2015 \$
<i>EXCESS OF REVENUE OVER EXPENDITURE</i>	222,737	43,812
<i>Other Comprehensive Income</i>		
Gain/(Loss) on revaluation of financial assets	52,409	(57,422)
<i>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</i>	<u>52,409</u>	<u>(57,422)</u>
<i>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</i>	<u>275,146</u>	<u>(13,610)</u>

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

## Edmund Rice Foundation (Australia)

ABN 20 067 072 726

Statement of Financial Position  
As at 31 December 2016

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,638,102	1,614,999
Trade and other receivables	5	191,433	168,174
Inventories		-	-
Assets held for Sale		-	-
Other	6	12,132	21,121
<b>Total current assets</b>		<b>1,841,667</b>	<b>1,804,294</b>
<b>Non-current assets</b>			
Trade and Other Receivables		-	-
Other Financial Assets	7	1,236,767	1,184,003
Property, Plant and Equipment	8	-	21,520
Investment Property		-	-
Intangibles		-	-
Other Non Current Assets		-	-
<b>Total non-current assets</b>		<b>1,236,767</b>	<b>1,205,523</b>
<b>Total assets</b>		<b>3,078,434</b>	<b>3,009,817</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and Other Payables	9	101,773	176,401
Borrowings	11	-	-
Current Tax Liabilities		-	-
Other Financial Liabilities		50,000	123,084
Provisions	10	2,817	11,634
Other		-	-
<b>Total current liabilities</b>		<b>154,590</b>	<b>311,119</b>
<b>Non current liabilities</b>			
Borrowings		-	-
Other Financial Liabilities	11	-	50,000
Provisions		-	-
Other		-	-
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>50,000</b>
<b>Total liabilities</b>		<b>154,590</b>	<b>361,119</b>
<b>Net assets</b>		<b>2,923,844</b>	<b>2,648,698</b>
<b>Equity</b>			
Reserves	12	2,384,470	2,051,545
Retained surplus		539,374	597,153
<b>Total equity</b>		<b>2,923,844</b>	<b>2,648,698</b>

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



Edmund Rice Foundation (Australia)

ABN 28 153 110 055

Statement of Changes in Equity  
for the year ended 31 December 2016

	Note	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
		\$	\$	\$	\$	\$
<b>Balance 1 January 2015</b>		662,370	1,113,378	112,204	770,789	2,658,741
Adjustments or changes in Equity						
Adjustment to Opening Balance of Bequest and Financial Asset Reserves		46,141	(30,200)	(12,374)		3,567
Items of Other Comprehensive Income		(57,422)				(57,422)
Excess of Revenue over Expenses for the year ended 31 December 2015		43,812				43,812
Other amounts transferred (to) or from reserves						
Bequest Reserve	12	(7,484)	7,484			
Financial Assets Reserve	12	57,422		(57,422)		
Specified Purpose Reserves	12	(147,686)			147,686	
<b>Balance 31 December 2015</b>		597,153	1,090,662	42,408	918,475	2,648,698
Adjustments or changes in Equity						
Items of Other Comprehensive Income		52,409				52,409
Excess of Revenue over Expenses for the year ended 31 December 2016		222,737				222,737
Other amounts transferred (to) or from reserves						
Bequest Reserve	12	(3,000)	3,000			
Financial Assets Reserve	12	(52,409)		52,409		
Specified Purpose Reserves	12	(277,516)			277,516	
<b>Balance 31 December 2016</b>		539,374	1,093,662	94,817	1,195,991	2,923,844

**Edmund Rice Foundation (Australia)**

ABN 20 067 072 726

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

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		1,678,937	1,812,003
Cash payments in the course of operations		(1,644,146)	(1,771,487)
Interest received		19,027	25,680
Investment income		75,076	85,068
<b>Net cash provided by operating activities</b>	13 (b)	<u>128,894</u>	<u>151,264</u>
<b>Cash flows from investing activities</b>			
Investment of bequest income		-	-
Sale of motor vehicle		40,909	17,877
Purchase of motor vehicle		(23,616)	(24,577)
<b>Net cash provided by/(used in) investing activities</b>		<u>17,293</u>	<u>(6,700)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	360,000
Repayment of borrowings		(123,084)	(186,916)
<b>Net cash (used in)/provided by financing activities</b>		<u>(123,084)</u>	<u>173,084</u>
<b>Net increase in cash held</b>		23,103	317,648
<b>Cash and cash equivalents at the beginning of the year</b>		<u>1,614,999</u>	<u>1,297,351</u>
<b>Cash and cash equivalents at end of the year</b>	13 (a)	<u><u>1,638,102</u></u>	<u><u>1,614,999</u></u>

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 Financial Statements For the year ended 31 December 2016

#### 1 Summary of Significant Accounting Policies

##### Basis of Preparation

Edmund Rice Foundation (Australia) applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2011-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These general purpose financial statements have been prepared to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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.asn.au](http://www.acfid.asn.au). The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The report was authorised by the Responsible Entities on 27th day of March 2017.

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

##### Accounting Policies

##### (a) Revenue

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

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

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

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

##### (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) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with bank and other short-term highly liquid investments with original maturities of 12 months or less.

##### (e) Trade and Other Receivables

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

## Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

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

##### (f) Plant and Equipment

All plant and equipment is stated at cost, representing the fair value of the consideration given in exchange, less accumulated depreciation and any impairment amounts.

Depreciation is calculated on a straight line basis over the estimated useful life of all plant and equipment, as follows:

- Motor vehicles - over 4 years
- Computer equipment - over 3 years
- Office equipment - over 5 years

Purchases of items for \$2,000 or less are expensed in the year of purchase. Once an item's written down value reaches \$750 it is fully depreciated.

##### (g) Impairment

At each reporting date the Directors assess whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Directors make a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying value is written down to its recoverable amount.

##### (h) Financial Instruments

###### *Recognition and initial measurement*

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

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

###### *Classification and subsequent measurement*

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

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

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

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

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

###### (ii) *Loans and receivables*

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

###### (iii) *Held-to-maturity investments*

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

## Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

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

##### (h) Financial Instruments (cont.d)

###### (iv) *Available-for-sale investments*

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

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

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

###### (v) *Financial liabilities*

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

##### **Impairment**

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

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

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

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

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

##### **Derecognition**

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

##### (i) Employee Benefits

###### (i) *Short term employee benefits*

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

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

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

##### (j) Income Tax

The Company 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 Company is also exempt from capital gains tax.

# Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

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

#### (k) Other taxes

##### *Goods and Services Tax (GST)*

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

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

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

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

#### (l) Trade and Other Payables

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

#### (m) Reserves

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

#### (n) Accumulated Funds Available for Future Use

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

#### (o) Comparatives

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

#### (p) Rounding Off

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

#### (q) Critical Accounting Estimates and Judgments

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

##### *Estimation of useful lives of assets*

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

##### *Impairment of non-financial assets*

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

##### *Employee benefits provision*

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



# Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

	Note	2016 \$	2015 \$
<b>2 Revenue and expenses</b>			
(a) <b>Operating revenue</b>			
Grants received - Christian Brothers Oceania Province		-	50,000
Donations		1,165,385	1,157,329
Donations in Kind		-	-
Bequests		3,000	7,484
Fundraising		529,636	574,218
Interest		19,027	25,680
Income from Bequest Investments		75,076	85,068
Other income		425	-
<b>Total Revenue</b>		<b>1,792,549</b>	<b>1,899,779</b>
(b) <b>Other Comprehensive Income</b>			
Unrealised (Loss)/Gain on Financial Assets		52,409	(57,422)
(c) <b>Expenses</b>			
Disbursements to Domestic Projects		412,834	406,927
Disbursements to Overseas Projects		468,588	774,246
Disbursements in Kind to Overseas Projects		-	-
Costs of Fundraising Events		261,269	308,747
Employee Benefits	2 d)	275,853	226,562
Administration Expenses		86,338	105,561
Community Education		39,903	14,257
Project Management		-	-
Auditor's Remuneration		20,800	15,200
Depreciation		4,227	4,467
		<b>1,569,812</b>	<b>1,855,967</b>
(d) <b>Employee expenses</b>			
Wages and salaries		343,067	304,984
Superannuation costs		30,565	25,568
Fringe Benefits		2,186	1,257
Workers compensation		2,341	1,702
		<b>378,159</b>	<b>333,511</b>
Write Back Long Service Leave Provision		(3,801)	-
Salary Reimbursements		(98,505)	(106,949)
		<b>275,853</b>	<b>226,562</b>
(e) <b>Auditors remuneration</b>			
Audit Services		20,800	15,200

Edmund Rice Foundation (Australia)  
ABN 28 153 110 055

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

### 3 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).

2015 Donations & Fund-Raising	Cash available at the beginning of the financial year	Cash Received (net of administration)	Cash Disbursed during year	Share of Fund Raising Profits (net of administration)	Specific Bequest Income Received	Transfers between Funds	Share of Operating Costs	Cash available at the end of the financial year
Unspecified	-	816,159	-	(20,267)	-	(232,493)	(81,754)	481,645
Oceania General	292,930	96,300	-	47,874	-	(343,955)	(9,530)	83,619
<b>Domestic Ministries</b>								
Build the Bridge Projects	-	-	(30,000)	-	-	30,000	-	-
Edmund Rice Camps	-	-	-	-	15,789	(15,789)	-	-
- Camps General	-	-	-	-	-	-	-	-
- Brisbane	-	-	(25,623)	18,000	-	7,623	-	-
- New South Wales	-	-	(26,100)	-	-	26,100	-	-
- Tasmania	-	-	(27,000)	-	-	27,000	-	-
- South Australia	-	-	(25,410)	-	-	25,410	-	-
- Victoria	-	-	(25,817)	-	-	25,817	-	-
- Western Australia	-	2,003	(21,977)	-	-	20,094	(120)	-
Edmund Rice Centre for Justice & Community Ed	-	-	(75,000)	-	-	75,000	-	-
Edmund Rice Centre Mirrabooka	-	2,000	(32,000)	-	-	30,100	(100)	-
Edmund Rice Refugee Services	-	-	(48,000)	-	-	48,000	-	-
<b>Overseas Ministries</b>								
<b>Oceania Ministries</b>								
East Timor	24,640	56,142	(84,776)	21,761	-	-	(5,524)	12,243
Papua New Guinea	-	4,200	(31,250)	-	-	27,070	(20)	-
Philippines General	67,666	34,753	-	-	-	(100,681)	(1,738)	-
Philippines Kabankalan	18,738	-	(56,249)	-	-	37,511	-	-
Philippines Maasin	1,300	-	(82,000)	-	-	80,700	-	-
<b>Africa Ministries</b>								
Africa General	-	3,000	-	-	-	-	-	3,000
East Africa General	48,695	4,000	(20,934)	-	-	-	(421)	31,340
Eldoret	2,068	-	-	9,425	-	-	-	11,493
Embulbul	60,529	97,792	-	-	-	-	(5,991)	152,330
Mary Rice Centre Kenya	68,184	-	-	12,480	-	-	-	80,664
Ruben Centre, Kenya	148,630	35,110	(102,708)	83,459	-	-	(2,961)	161,530
Yambio	5,898	-	-	9,424	-	-	-	15,322
<b>Special Projects</b>								
Congregational TST	-	5,870	(200,000)	-	-	194,130	-	-
Ebola Crisis	25,897	-	(9,795)	-	-	-	-	16,102
Manila Homeless Project	-	-	(5,000)	-	-	5,000	-	-
Nzara	5,614	-	(181,535)	45,108	-	-	-	(130,813)
St Joseph's Flexible Learning Centre	-	-	(70,000)	-	36,637	33,363	-	-
	770,789	1,157,329	(1,181,174)	227,264	52,426	-	(108,159)	918,475
Total for other purposes	526,562	971,768	(801,806)	-	-	-	-	696,524
	1,297,351	2,129,097	(1,982,980)	227,264	52,426	-	(108,159)	1,614,999

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the signatory organisation's international aid and development revenue for the financial year. The appeals generating more than 10% of the signatory organisation's international aid and development revenue for the previous financial year have been highlighted.



Edmund Rice Foundation (Australia)  
ABN 28 153 110 055

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

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

2016 Donations & Fund-Raising	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	481,645	932,489	-	10,640	-	(484,355)	(197,028)	743,391
Oceania General	83,619	75,992	-	10,942	-	(155,354)	(15,199)	-
<b>Domestic Ministries</b>								
Domestic General	-	-	-	7,957	-	(7,957)	-	-
Amberley Food Van	-	-	(30,000)	-	-	30,000	-	-
Build the Bridge	-	-	(25,000)	-	-	25,000	-	-
<i>Edmund Rice Camps</i>								
- Brisbane	-	-	(32,550)	-	-	32,550	-	-
- Central Queensland	-	-	(11,250)	-	-	11,250	-	-
- New South Wales	-	-	(28,500)	-	-	28,500	-	-
- South Australia	-	-	(34,000)	-	-	34,000	-	-
- Tasmania	-	-	(32,450)	-	-	32,450	-	-
- Victoria	-	-	(32,210)	-	22,189	10,021	-	-
- Western Australia	-	-	(30,964)	-	-	30,964	-	-
Edmund Rice Centre for Justice & Community Ed	-	-	(30,000)	-	-	30,000	-	-
Edmund Rice Centre Mirrabooka	-	-	(36,000)	-	-	36,000	-	-
Edmund Rice Refugee Services	-	-	(59,910)	-	51,510	8,400	-	-
<b>Overseas Ministries</b>								
<b>Oceania Ministries</b>								
East Timor	12,243	76,696	(131,650)	2,433	-	55,751	(15,473)	-
Papua New Guinea	-	918	(35,976)	-	-	35,242	(184)	-
Philippines General	-	2,615	-	-	-	-	(523)	2,092
Philippines Kabankalan	-	-	(77,195)	-	-	77,195	-	-
Philippines Maasin	-	-	(92,005)	-	-	92,005	-	-
<b>Africa Ministries</b>								
Africa General	3,000	46,700	-	19,965	-	(30,081)	(9,340)	30,244
East Africa General	31,340	-	(28,278)	-	-	-	-	3,062
Eldoret	11,493	10,000	-	-	-	-	(2,000)	19,493
Embulbul	152,330	5,400	(5,000)	-	-	-	(1,080)	151,650
Edmund Rice Advocacy Network	-	-	-	-	-	-	-	-
Mary Rice Centre Kenya	80,664	-	-	10,771	-	-	-	91,435
Ruben Centre, Kenya	161,530	4,230	(15,380)	75,510	-	-	(733)	225,157
South Africa Justice	-	-	(34,500)	4,419	-	30,081	-	-
Yambio	15,322	-	-	-	-	-	-	15,322
Zambia	-	-	(38,338)	-	-	38,338	-	-
<b>Special Projects</b>								
Baraka School, Kibera Slum, Kenya	-	7,415	-	349	-	-	(574)	7,190
Ebola Crisis	16,102	-	-	-	-	-	-	16,102
EREA - St James College	-	-	(30,000)	-	-	30,000	-	-
East Timor - TTN	-	430	-	240	-	-	-	670
Manila Homeless Project	-	-	(10,000)	-	-	10,000	-	-
Nzara	(130,813)	2,500	(266)	19,262	-	-	(500)	(109,817)
	918,475	1,165,385	(881,422)	162,488	73,699	-	(242,634)	1,195,991
Total for other purposes	696,524	513,552	(767,965)	-	-	-	-	442,111
	1,614,999	1,678,937	(1,649,387)	162,488	73,699	-	(242,634)	1,638,102

No single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of the signatory organisation's international aid and development revenue for the financial year or the previous financial year.

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

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

	Note	2016 \$	2015 \$
<b>4 Cash and Cash Equivalents</b>			
Cash at Bank		49,305	121,687
Cash at Call		1,378,030	1,282,570
Short-term Bank Deposits		209,885	210,242
		<u>1,637,220</u>	<u>1,614,499</u>
Cash on Hand		882	500
		<u>1,638,102</u>	<u>1,614,999</u>
The effective interest rate on short term bank deposits was 2.84%, these deposits have been available at call.			
<b>5 Trade and other receivables</b>			
<b>Current</b>			
Trade Debtors		19,468	24,928
Sundry Debtors		171,965	143,246
		<u>191,433</u>	<u>168,174</u>
<b>6 Other assets</b>			
<b>Current</b>			
Prepayments		11,448	18,946
GST Rebate		684	2,175
		<u>12,132</u>	<u>21,121</u>
<b>7 Financial Assets</b>			
Available for Sale Financial Assets		1,236,767	1,184,003
		<u>1,236,767</u>	<u>1,184,003</u>
<b>8 Plant and Equipment</b>			
(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>
<b>9 Trade and other payables</b>			
Trade Creditors		18,909	25,262
Sundry Creditors		57,513	88,814
Unearned Revenue		3,750	-
Annual Leave		21,601	62,325
		<u>101,773</u>	<u>176,401</u>
<b>10 Provisions</b>			
<b>Current</b>			
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)

ABN 28 153 110 055

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

	Note	2016 \$	2015 \$
<b>11 Non - Interest bearing liabilities</b>			
<b>Current</b>			
Trustees of Edmund Rice Education Australia		-	73,084
Borrowings		50,000	50,000
		<u>50,000</u>	<u>123,084</u>
<b>Non-Current</b>			
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.			
<b>12 Reserves</b>			
<b>Bequest</b>			
The Bequest Reserve was put in place to provide a capital base from which the annual income derived be used to fund expenditure.			
Balance as at 1 January		1,090,662	1,113,378
Additions		3,000	7,484
		<u>1,093,662</u>	<u>1,120,862</u>
Adjustment to Opening Balance		-	(30,200)
Distribution to Operating Account		-	-
Balance as at 31st December		<u>1,093,662</u>	<u>1,090,662</u>
<b>Financial Assets Reserve</b>			
The Financial Assets reserve records the unrealised market movements on available for sale investment assets.			
Balance as at 1 January		42,408	112,204
Unrealised (Losses)/Gains		52,409	(57,422)
		<u>94,817</u>	<u>54,782</u>
Adjustment to Opening Balance		-	(12,374)
Distribution to Operating Account		-	-
Balance as at 31st December		<u>94,817</u>	<u>42,408</u>
<b>Specified Purpose</b>			
The Specified purpose reserve records donations and contributions made to Edmund Rice Foundation (Australia) where the contributor or donor has designated the funds towards a specific appeal or purpose.			
<b>General</b>		743,391	481,645
<b>Overseas Ministries</b>			
<b>Oceania Ministries</b>			
Oceania General		-	83,619
East Timor		-	12,243
Philippines General		2,092	-
<b>Africa Ministries</b>			
Africa General		30,244	3,000
East Africa General		3,062	31,340
Eldoret		19,493	11,493
Embulbul		151,650	152,330
Mary Rice Centre Kenya		91,435	80,664
Ruben Centre, Kenya		225,157	161,530
Yambio		15,322	15,322
<b>Special Projects</b>			
Baraka School, Kibera Slum, Kenya		7,190	-
Ebola Crisis		16,102	16,102
East Timor - TTN		670	-
Nzara		(109,817)	(130,813)
		<u>1,195,991</u>	<u>918,475</u>
<b>Total Reserves</b>		<u>2,384,470</u>	<u>2,051,545</u>

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

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

	Note	2016 \$	2015 \$
<hr/>			
<b>13 Notes to the Cash Flow Statement</b>			
<b>(a) Reconciliation of Cash</b>			
Cash at Bank		49,305	121,687
Cash at Call		1,378,030	1,282,570
CBA Short Term Investments		209,885	210,242
Petty Cash		882	500
		<u>1,638,102</u>	<u>1,614,999</u>
<b>(b) Reconciliation of Net Cash provided by Operating Activities to Operating Result</b>			
Operating Result		275,146	(13,610)
<b>Adjustments for Non-Cash Items</b>			
Depreciation		4,227	4,467
Unrealised Gain/(Loss) on Investments		<u>(52,409)</u>	<u>57,422</u>
		226,964	48,279
<b>Adjustments for changes in Current Assets &amp; Current Liabilities</b>			
Decrease / (Increase) in Debtors		(23,259)	22,972
(Increase)/Decrease in Prepayments		7,498	(15,681)
(Decrease)/Increase in Creditors		(78,733)	87,852
Increase in Employee Provisions		(8,817)	9,830
Increase in Unearned Revenue		3,750	-
(Decrease)/Increase in GST Rebate Due at year end		<u>1,491</u>	<u>(1,988)</u>
<b>Net Cash Inflows from Operating Activities</b>		<u>128,894</u>	<u>151,264</u>
<hr/>			
<b>14 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 2016 the number of members was 62.			
<b>15 Directors remuneration</b>			
No income was due or receivable, for the financial year, by any Director of the Company, directly or indirectly, from the Company or from any related body corporate.			
<b>16 Related parties</b>			
<b>(a) Transactions with related parties</b>			
The following transactions occurred with related parties:			
<b>Amounts received from related parties</b>			
Contributions by Edmund Rice Schools		179,753	228,006
Contributions by Edmund Rice Ministries		-	-
Contribution received from Trusts re operational costs and salaries		142,343	120,273
Contributions by Trustees of the Christian Brothers		4,550	50,000
Contribution by Christian Brothers Communities		-	28,570
		<u>326,646</u>	<u>426,849</u>
<b>Amounts paid to related parties</b>			
Disbursement of Funds to Edmund Rice ministries in Australia		(382,834)	(336,927)
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		(458,322)	(759,452)
Repayment of loan from Edmund Rice Education Australia		<u>(73,084)</u>	<u>-</u>
		<u>(944,240)</u>	<u>(1,166,379)</u>

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

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

	Note	2016 \$	2015 \$
<b>16 Related parties (cont.d)</b>			
<b>(b) Receivables from and payable to related parties</b>			
The following balances are outstanding at the reporting date in relation to transactions with related parties:			
Trade Receivables from Trusts		103,273	9,025
Trade Receivable from Trustees of the Christian Brothers		66,780	142,292
Financial Assets held with Trustees of the Christian Brothers		1,236,767	1,184,003
Trade Payables to Trusts		1,845	11,634
Trade Payables to Trustees of the Christian Brothers		5,920	6,435
Financial Liabilities owed to held Trustees of Edmund Rice Education Australia		-	73,084
<b>(c) Key Management Personnel</b>			
The aggregate compensation made to key management personnel of the consolidated entity is set out below:			
Aggregate Compensation		209,616	179,540
Reimbursement by Trusts		(55,118)	(46,357)
		<u>154,498</u>	<u>133,183</u>

**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.

**17 Financial Instruments**

Edmund Rice Foundation'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**

*Current Assets*

Cash and cash equivalents	4	1,428,217	1,404,757
Term Deposit - Held to Maturity	4	209,885	210,242
Trade and other receivables	5	191,433	168,174
<b>Total Current Financial Assets</b>		<u>1,829,535</u>	<u>1,783,173</u>

*Non - Current Assets*

Available for Sale Financial Assets	7	1,236,767	1,184,003
<b>Total Non Current Financial Assets</b>		<u>1,236,767</u>	<u>1,184,003</u>
<b>Total Financial Assets</b>		<u>3,066,302</u>	<u>2,967,176</u>

**Financial Liabilities**

*Current Liabilities*

Trade and other payables	9	101,773	176,401
Provisions	10	2,817	11,634
Financial Liabilities	11	50,000	123,084
<b>Total Current Financial Liabilities</b>		<u>154,590</u>	<u>311,119</u>

*Non Current Liabilities*

Financial Liabilities	11	-	50,000
<b>Total Non Current Financial Liabilities</b>		<u>-</u>	<u>50,000</u>
<b>Total Financial Liabilities</b>		<u>154,590</u>	<u>361,119</u>

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

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

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

**17 Financial Instruments cont.d**

**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.

**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 is not exposed to any material financial risk.

(a) **Interest Rate Risk**

At 31 December 2016 Edmund Rice Foundation did not hold any material interest bearing liability and was not exposed to fluctuations in interest rates.

(b) **Liquidity Risk**

At 31 December 2016 Edmund Rice Foundation 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**

Edmund Rice Foundation does not have any material credit risk exposure to any single receivable.

(d) **Foreign Currency Risk**

Edmund Rice Foundation (Australia) is exposed to fluctuations in foreign currencies arising from the payment of overseas and development funds in currencies other than its functional currency.

Edmund Rice Foundation (Australia) manages these fluctuations through appropriate budgeting of foreign currency expenditure.

(e) **Price Risk**

Edmund Rice Foundation is not exposed to commodity price risk.

**18 Project Funding Commitments**

Edmund Rice Foundation (Australia) has committed to project funding for 2017 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 Projects	304,350	30,000
<b>Total Funding Commitment</b>	<u>2,235,000</u>	<u>2,365,000</u>

**19 Contingent liabilities**

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

**20 Commitments for capital expenditure**

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

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

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

**21 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 Company;*
- (b) *the results of those operations; or*
- (c) *the state of affairs of the Company, in subsequent financial years.*

**22 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	Position
Mr Peter Murphy	Chair
Mr Michael Fernon	Deputy Chair
Mr Anthony Coates	Director
Mr Peter Hogan	Treasurer (resigned 29/02/2016)
Mr Simon Lockyer	Director
Ms Christina Longmire	Treasurer (appointed 15/06/2016)
Br Christopher John Meehl	Director (resigned 30/09/2016)
Ms Marianne Roux	Director (appointed 15/06/2016)
Mr Mark Sawle	Director
Mr Alan Zammit	Director

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

**23 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.

**24 Organisation details**

(a) *Registered office*

126 The Avenue  
Parkville Vic 3052

(b) *Principal place of business*

126 The Avenue  
Parkville Vic 3052

(c) *Legal form*

Public Company Limited by Guarantee

(d) *Nature of operations*

The Company exists to raise and collect donations and gifts and distribute funds to:

- (i) Community development programs in Developing Countries by means of a comprehensive economic, social, cultural and political process projects of constant improvement which aim at the wellbeing of peoples resident in Developing Countries with the peoples of Developing Countries freely and meaningfully participating in such projects with there being a fair distribution of the benefits that result from the projects.
- (ii) to assist and promote charitable works within Australia in particular for the relief of poverty, distress, sickness and helplessness of people in necessitous circumstances and the advancement of education for Australian youth who suffer underprivilege, disability, remoteness and other disadvantage or any charitable work conducted managed or promoted by the Religious Institute.



# Edmund Rice Foundation (Australia)

ABN 28 153 110 055

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

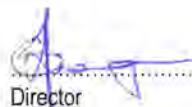
The Board of Edmund Rice Foundation (Australia), as the responsible entity, declares that in the responsible entity's opinion:-

- (i) The financial statements and notes as set out on pages 5 to 21, are in accordance with the *Australian Charities and Not-For-Profits Commission Act (2012)* and the *Corporations Act 2001* 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 (Australia) will be able to pay its debts as and when they become due and payable.

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

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)  
ABN: 28 153 110 055**

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.



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'), which comprises the statement of financial position as at 31 December 2016, the statement of income and expenditure, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory information including table of cash movements, and the responsible entities' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Company 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 Company'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) 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 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.

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

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

**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 Company 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 Company 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.

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:

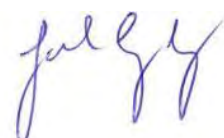
**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF EDMUND RICE FOUNDATION (AUSTRALIA)  
ABN: 28 153 110 055**

- 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