

**Edmund Rice Foundation (Australia)
as Trustee for**

**EDMUND RICE OVERSEAS AID FUND
ABN 85 413 988 107**



**Financial Statements
for the year ended 31 December 2016**

**Edmund Rice Foundation (Australia)
as Trustee for**

**EDMUND RICE OVERSEAS AID FUND
ABN 85 413 988 107**

**Annual Financial Report
31st December 2016**

Contents

	<u>Page</u>
Trustee's Report	1
Statement of Income and Expenditure	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 15
Responsible Entities' Declaration	16
Auditor's Independence Declaration	17
Independent Auditor's Report	18 - 19

**Edmund Rice Foundation (Australia)
as Trustee for**

**Edmund Rice Overseas Aid Fund
ABN 85 413 988 107**

**Trustee's Report
For the year ended 31 December 2016**

Principal activity

The Edmund Rice Overseas Aid Fund exists to raise and distribute funds for the provision of relief to persons in approved developing countries. This includes working with Congregational and other local community partners to provide sustainable community development projects in the areas of health, education, environment, and vocational and community development.

Results of operations

The deficit of the Fund for the year ended 31 December 2016 was \$491,631 (2015 financial year Deficit: \$21,847).

The Fund is exempt from Income Tax under subdivision 50-B of the *Income Tax Assessment Act 1997*.


The Fund is endorsed to access charity tax concessions. The Trustee for the Fund is endorsed as a Deductible Gift Recipient (DGR) under Item 2 of the table in section 30-15 of the *Income Tax Assessment Act 1997*. It is an Overseas Aid Fund.

The Fund is precluded from distributing its surpluses and property as dividends to its members.

State of affairs

In the opinion of the Trustee, there were no significant changes in the state of affairs of the Fund during the financial period not otherwise disclosed in this report or the accounts.

Signed for and on behalf of the Trustees


Director, Edmund Rice Foundation (Australia)


Director, Edmund Rice Foundation (Australia)

Dated at Brisbane this 27th day of MARCH 2017

**Edmund Rice Foundation (Australia)
as Trustee for
Edmund Rice Overseas Aid Fund**

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

	Note	2016 \$	2015 \$
REVENUE			
Donations and gifts			
Monetary	2	1,279,641	1,669,443
Non-monetary		-	-
Bequests and Legacies		-	-
Fundraising Income		-	-
Grants			
Department of Foreign Affairs and Trade		-	-
Other Australian		-	3,000
Other overseas		-	-
Investment income		25,701	32,656
Other income		-	-
Revenue for International Political or Religious Adherence Promotion Programs		-	-
TOTAL REVENUE		1,305,342	1,705,099
EXPENDITURE			
International Aid and Development Programs Expenditure			
International programs			
Funds to international programs	3	1,605,015	1,601,929
Program support costs		59,420	10,683
Community education		49,762	5,101
Fundraising costs			
Public		44,827	79,482
Government, multilateral and private		-	-
Accountability and Administration		42,543	25,007
Non-Monetary Expenditure		-	-
Total International Aid and Development Programs Expenditure		1,801,567	1,722,202
International Political or Religious Adherence Promotion Programs Expenditure		-	-
Domestic Programs Expenditure		-	-
TOTAL EXPENDITURE		1,801,567	1,722,202
(SHORTFALL) OF REVENUE OVER EXPENDITURE		(496,225)	(17,103)

During the financial year, Edmund Rice Overseas Aid Fund received no income for international political or religious proselytisation programs.
One appeal generated 10% or more of the total income for the year ended 31 December 2016: Ruben Centre (Kenya) 25.7% (2015: Ruben Centre (Kenya) 20.5%, and, Star Support Program (South Sudan) 10.3%).

Edmund Rice Foundation (Australia)
as Trustee for
Edmund Rice Overseas Aid Fund

Statement of Comprehensive Income
for the year ended 31 December 2016

	2016 \$	2015 \$
<i>(SHORTFALL) OF REVENUE OVER EXPENDITURE</i>	(496,225)	(17,103)
<i>Other Comprehensive Income</i>		
Gain/(Loss) on revaluation of financial assets	4,594	(4,744)
<i>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</i>	<u>4,594</u>	<u>(4,744)</u>
<i>TOTAL COMPREHENSIVE (DEFICIT) FOR THE YEAR</i>	<u>(491,631)</u>	<u>(21,847)</u>

Edmund Rice Foundation (Australia)
as Trustee for

Edmund Rice Overseas Aid Fund

Statement of Financial Position
as at 31 December 2016

	Note	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,006,199	1,471,246
Trade and other receivables	5	42,595	23,931
Inventories		-	-
Assets held for Sale		-	-
Other	6	67	999
Total current assets		1,048,861	1,496,176
Non-current assets			
Trade and Other Receivables			
Other Financial Assets	7	107,319	102,725
Property, Plant and Equipment		-	-
Investment Property		-	-
Intangibles		-	-
Other Non Current Assets		-	-
Total non-current assets		107,319	102,725
Total assets		1,156,180	1,598,901
Liabilities			
Current liabilities			
Trade and Other Payables	8	110,273	61,363
Borrowings		-	-
Current Tax Liabilities		-	-
Other Financial Liabilities		-	-
Provisions		-	-
Other		-	-
Total current liabilities		110,273	61,363
Non Current liabilities			
Borrowings		-	-
Other Financial Liabilities		-	-
Provisions		-	-
Other		-	-
Total Non Current Liabilities		-	-
Total liabilities		110,273	61,363
Net assets		1,045,907	1,537,538
Equity			
Reserves	10	1,045,907	1,537,538
Retained surplus		-	-
Total Equity		1,045,907	1,537,538

The accompanying notes on page 7 to 15 form part of these financial statements

Edmund Rice Foundation (Australia)
as Trustee for

Edmund Rice Overseas Aid Fund

Statement of Changes in Equity
for year ended 31 December 2016

	Note	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
		\$	\$	\$	\$	\$
Balance at 31 December 2014		-	92,210	10,580	1,456,595	1,559,385
Adjustments or changes in Equity						
Restatement of Bequest Reserve balance			(2,084)	238	1,846	-
Items of Other Comprehensive Income		(4,744)	-	-	-	(4,744)
Excess of Expenses over Revenue for the year ended 31 December 2015		(17,103)	-	-	-	(17,103)
Other amounts transferred (to) or from reserves	10					
Financial Assets Reserve		4,744	-	(4,744)	-	-
Specified Purpose Reserves		17,103	-	-	(17,103)	-
Balance at 31 December 2015		-	90,126	6,074	1,441,338	1,537,538
Adjustments or changes in Equity		-	-	-	-	-
Items of Other Comprehensive Income		4,594	-	-	-	4,594
Excess of Expenses over Revenue for the year ended 31 December 2016		(496,225)	-	-	-	(496,225)
Other amounts transferred (to) or from reserves	10					
Financial Assets Reserve		491,631	-	4,594	(496,225)	-
Specified Purpose Reserves		-	-	-	-	-
Balance at 31 December 2016		-	90,126	10,668	945,113	1,045,907

Edmund Rice Foundation (Australia)
as Trustee for

EDMUND RICE OVERSEAS AID FUND

Statement of Cash Flows
for the year ended 31 December 2016

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Receipts from Customers, Donors & Ministries		1,260,977	1,660,412
Payments for projects and to Suppliers and Employees		(1,751,725)	(1,801,742)
Interest Received		19,465	25,608
Investment Income		6,236	7,048
Net Cash Flows (used in)/provided by Operating Activities	11 (b)	<u>(465,047)</u>	<u>(108,674)</u>
Cash Flows from Investing Activities			
Payments for Available for Sale Investments		<u>-</u>	<u>(5,000)</u>
Net Cash Flows used in Investing Activities		<u>-</u>	<u>(5,000)</u>
Net (Decrease)/Increase in cash held		(465,047)	(113,674)
Cash at beginning of year		<u>1,471,246</u>	<u>1,584,920</u>
Cash at end of year	11 (a)	<u>1,006,199</u>	<u>1,471,246</u>

**Edmund Rice Foundation (Australia)
as Trustee for**

EDMUND RICE OVERSEAS AID

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

1 Summary of Significant Accounting Policies

Basis of Preparation

Edmund Rice Foundation Overseas Aid Fund 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. 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

Donations, gifts in kind and contributions are accounted for on a cash basis and recognised when received at their fair value.

Interest revenue is recognised as it accrues.

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

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

(b) Current and Non-Current Classification

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

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

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

(c) Fair Value Measurement

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

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

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables in the statement of financial position are shown inclusive of GST.

(e) Income Tax

No income tax is payable by Edmund Rice Overseas Aid Fund as it is an exempt entity for income tax purposes under subdivision 50-B of the Income Tax Assessment Act 1997.

(f) 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.

(g) 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)
as Trustee for**

EDMUND RICE OVERSEAS AID

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

1 Summary of Significant Accounting Policies (cont.d)

(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.

(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.

**Edmund Rice Foundation (Australia)
as Trustee for**

EDMUND RICE OVERSEAS AID

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

1 Summary of Significant Accounting Policies (cont.d)

(i) 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.

(j) Trade and Other Payables

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

(k) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in the present for the current financial year.

(l) Reserves

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

(m) Accumulated Funds Available for Future Use

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

(n) Rounding

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

(o) 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.

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.