



## **EDMUND RICE FOUNDATION (AUSTRALIA)**

ABN 28 153 110 055

### **Concise Consolidated Annual Financial Report For the year ended 31 December 2018**

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## Concise Consolidated Annual Financial Report

For the year ended 31 December 2018

### Where the money came from and where it went

Total revenue increased by \$559,230 or 17.1% in 2018 as compared to 2017 whilst the surplus for the year was \$254,325 compared to a surplus in the prior year of \$207,835. The key factors of the result were

- An increase of \$497,896 (17.1%) in donations income and an increase of \$172,465 (110.0%) in programs expenditure primarily due to:

#### ❖ Increased funding to

Ruben Centre, Kenya	\$	221,360
Comboni Sisters' Hospital, Nzara	\$	126,198
Mirror of Hope Nairobi Kenya	\$	58,684
Mary Rice Centre Kenya	\$	49,000
Br Beausang Secondary School, Nairobi	\$	42,147
<i>Offset by decreased funding to</i>		
Papua New Guinea	\$	126,000
Domestic Ministries	\$	38,650
St Stephens School Kibera Slum Kenya	\$	47,365
East Timor	\$	49,041
Congregational Mission Support	\$	41,134
	<b>\$</b>	<b>195,199</b>

- Fundraising income rose by \$10,567 (2.6%)
- Fundraising costs increased by \$123,465 (30.9%).

### Financial Results

The surplus of the consolidated entity for the financial year 1 January to 31 December 2018 was \$254,325 (2017 Surplus: \$207,835).

### Performance Measures

#### Administration Ratio

A useful measure of the Consolidated Entity's administrative efficiency is its administration cost ratio. The ratio expresses administration costs (including depreciation) as a percentage of total expenditure. For 2018 the ratio was 6.9% (2017: 8.4%)

#### Fundraising cost ratio

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

- Fundraising costs as a percentage of total revenue  
The ratio in relation to total revenue for 2018 was 13.6% (2017: 12.2%).
- Fundraising costs as a percentage of fundraising income (excluding grants)  
Fundraising income, primarily from functions and events, represents 11.0% (2017: 12.6%) of the total annual revenue. The ratio in relation to all funds raised from fundraising events for 2018 was 123.6% (2017: 96.9%). Fundraising costs are comprised of facility hire, event management, catering and promotional activities for the specific events and hence account for a significant percentage of income. Donations generated from these activities are recorded separately in the accounts and are captured together with investment, bequest and grant income in the remaining 89.0% (2016: 87.4%) of annual revenue.  
  
It is therefore necessary to be cautious when comparing the fundraising cost ratio over time and with the corresponding ratio of other charities that may have quite different ways of funding their activities and reporting their results.

### Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial year, which have or may significantly affect:-

- the operations of the consolidated entity;
- the results of those operations; or
- the state of affairs of the consolidated entity, in subsequent financial years.

## Consolidated Statement of Income and Expenditure for the year ended 31 December 2018

	Consolidated	
	2018	2017
	\$	\$
<b>REVENUE</b>		
Donations and gifts		
Monetary	3,241,710	2,743,814
Non-monetary	-	605
Bequests and Legacies	40,000	-
Fundraising Income	423,494	412,927
Grants	-	-
Investment income	132,512	121,141
Other income	1	-
Revenue for International Political or Religious Adherence Promotion Programs	-	-
<b>TOTAL REVENUE</b>	<b>3,837,717</b>	<b>3,278,487</b>
<b>EXPENDITURE</b>		
International Aid and Development Programs Expenditure		
Funds to international programs	2,052,971	1,882,932
Non-Monetary Expenditure	-	605
Program support costs	329,251	156,786
Domestic Aid and Development Programs Expenditure		
Funds to domestic programs	266,000	364,650
Community education	52,181	70,875
Fundraising costs (International and Domestic)		
Public	523,411	399,946
Accountability and Administration	240,067	265,973
Total International Aid and Development Programs Expenditure	3,463,881	3,141,767
International Political or Religious Adherence Promotion Programs Expenditure	-	-
<b>TOTAL EXPENDITURE</b>	<b>3,463,881</b>	<b>3,141,767</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<b>373,836</b>	<b>136,720</b>

## Statement of Comprehensive Income for the year ended 31 December 2018

<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<b>373,836</b>	<b>136,720</b>
<b>Other Comprehensive Income</b>		
<i>Items that may not be reclassified subsequently to Income and Expenditure</i>		
(Loss)/Gain on revaluation of financial assets	(119,511)	71,115
<b>TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>	<b>(119,511)</b>	<b>71,115</b>
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR</b>	<b>254,325</b>	<b>207,835</b>

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

## Consolidated Statement of Financial Position as at 31 December 2018

	Consolidated	
	2018	2017
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,995,315	2,755,606
Trade and other receivables	168,406	114,752
Other	35,011	7,633
<b>Total current assets</b>	<b>3,198,732</b>	<b>2,877,991</b>
<b>Non-current assets</b>		
Financial assets	1,337,777	1,417,469
Plant and Equipment	33,427	-
<b>Total non-current assets</b>	<b>1,371,204</b>	<b>1,417,469</b>
<b>Total assets</b>	<b>4,569,936</b>	<b>4,295,460</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	125,732	109,101
Provisions	8,146	4,626
<b>Total current liabilities</b>	<b>133,878</b>	<b>113,727</b>
<b>Total liabilities</b>	<b>133,878</b>	<b>113,727</b>
<b>Net assets</b>	<b>4,436,058</b>	<b>4,181,733</b>
<b>Equity</b>		
Settlement	100	100
Retained surplus	335,880	269,602
Reserves	4,100,078	3,912,031
<b>Total equity</b>	<b>4,436,058</b>	<b>4,181,733</b>

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

Consolidated	Settlement Funds	Accumulated Funds Available for Future Use	Bequest Reserve	Financial Assets Reserve	Specified Purpose Reserves	Total
	\$	\$	\$	\$	\$	\$
<b>Balance 1 January 2017</b>	100	539,412	1,183,788	105,485	2,145,113	3,973,898
Surplus attributable to Edmund Rice Foundation (Australia)	-	136,720	-	-	-	136,720
Other Comprehensive Income for the year	-	-	-	71,115	-	71,115
Transfers to Reserves						
Specified Purpose Reserves	-	(406,530)	-	-	406,530	-
<b>Balance 31 December 2017</b>	100	269,602	1,183,788	176,600	2,551,643	4,181,733
Surplus attributable to Edmund Rice Foundation (Australia)	-	373,836	-	-	-	373,836
Other Comprehensive Income for the year	-	-	-	(119,511)	-	(119,511)
Transfers to Reserves						
Bequest Reserve	-	(40,000)	40,000	-	-	-
Specified Purpose Reserves	-	(267,558)	-	-	267,558	-
<b>Balance 31 December 2018</b>	100	335,880	1,223,788	57,089	2,819,201	4,436,058

### Consolidated Statement of Cash Flows for the year ended 31 December 2018

	2018 \$	2017 \$
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	3,553,457	3,271,674
Cash payments in the course of operations	(3,373,015)	(3,237,133)
Interest received	16,618	15,117
Investment Income	115,895	106,024
<b>Net cash provided by operating activities</b>	<b>312,955</b>	<b>155,682</b>
<b>Cash flows from investing activities</b>		
Investment of Bequest Income	(39,821)	-
Purchase of Plant and Equipment	(33,425)	-
<b>Net cash (used in) investing activities</b>	<b>(73,246)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	-	(50,000)
<b>Net cash (used in) financing activities</b>	<b>-</b>	<b>(50,000)</b>
<b>Net increase in cash held</b>	<b>239,709</b>	<b>105,682</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,755,606</b>	<b>2,649,924</b>
<b>Cash and cash equivalents at end of the year</b>	<b>2,995,315</b>	<b>2,755,606</b>

### Consolidated table of cash movements for designated purposes for the year ended 31 December 2018

	Cash available at the beginning of the financial year	Cash Received	Cash Disbursed during year	Transfers between Funds	Cash available at the end of the financial year
	\$	\$	\$	\$	\$
<b>Funds Raised for</b>					
Edmund Rice Oceania Domestic Projects	11,055	84,050	(270,767)	175,662	-
Edmund Rice Oceania Developing Nations Projects	-	112,931	(395,620)	338,996	56,307
Edmund Rice African Developing Nations Projects					
Ruben Centre (Kenya)	546,594	546,114	(747,205)	-	345,503
Other African Projects	843,718	751,345	(1,002,842)	48,944	641,165
Total for other purposes	1,150,276	1,988,280	(798,728)	(563,602)	1,776,226
	<b>2,551,643</b>	<b>3,482,720</b>	<b>(3,215,162)</b>	<b>-</b>	<b>2,819,201</b>

The consolidated entity 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).

The only appeal which represented more than 10 percent of the total cash raised in 2018 was for the Ruben Centre.

The purpose of the table of cash movements is to ensure the accountability of cash raised for designated purposes. The table of cash movements is used to disclose the amount of cash that has been raised for a designated purpose, disbursed and remains unspent at the end of the year.

Cash raised refers to cash donations and other income actually received during the year. Cash disbursed refers to expenditure actually paid out during the year.

### Notes to the consolidated summary financial report for the year ended 31 December 2018

The concise financial report is an extract from Edmund Rice Foundation (Australia)'s consolidated full financial report for the year ended 31 December 2018.

The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report does not and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Edmund Rice Foundation (Australia) and its trusts as the full financial report.

**Edmund Rice Foundation (Australia)**

ABN 28 153 110 055

**For the year ended 31 December 2018  
Responsible Persons' Declaration**

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The responsible persons declare that in the responsible persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
- (c) comply with Australian Accounting Standards - Reduced Disclosure requirements (including Australian Accounting Interpretations)
- (d) comply with the requirements set out in the ACFID Code of Conduct
- (e) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year then ended on that date.

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:



**Paul Gallagher**

Director

Dated at Brisbane this 9th day of May 2019



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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE RESPONSIBLE ENTITIES OF EDMUND RICE FOUNDATION (AUSTRALIA)  
ABN: 28 153 110 055**

In relation to the independent audit for the year ended 31 December 2018, to the best of my knowledge and belief there have been:

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

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

**S S WALLACE**  
Partner

**PITCHER PARTNERS**  
Sydney

9 May 2019

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF EDMUND RICE FOUNDATION (AUSTRALIA)**

**ABN: 28 153 110 055**

#### ***Report on the Audit of the Summary Financial Report***

We have audited the summary financial report of Edmund Rice Foundation (Australia) ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of income and expenditure, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information including consolidated table of cash movements, are derived from the audited financial report of Edmund Rice Foundation (Australia) for the year ended 31 December 2018. We expressed a qualified audit opinion on this financial report dated 9 May 2019.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the summary financial report derived from the audited financial report of Edmund Rice Foundation (Australia) for the year ended 31 December 2018 is consistent, in all material respects, with the audited financial report, on the basis described in Note 1.

#### ***Summary Financial Report***

The summary financial report does not contain all the disclosures required by Australian Accounting Standards applied in preparation of the audited financial report of Edmund Rice Foundation (Australia). Reading the summary financial report, therefore, is not a substitute for reading the audited financial report of Edmund Rice Foundation (Australia) and the auditor's report thereon.

#### ***The Audited Financial Report and Our Report Thereon***

We expressed a qualified audit opinion on the audited financial report in our report dated 9 May 2019. The basis for our qualified opinion was in relation to the completeness of donations. 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.

#### ***Responsibilities of Responsible Entities' for the Summary Financial Report***

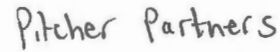
The responsible entities are responsible for the preparation of the summary financial report on the basis described in Note 1 to the audited financial report, to the extent applicable to the summary financial report.

***Auditor's Responsibility***

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard *ASA 810 Engagements to Report on Summary Financial Statements*.



**S S WALLACE**  
Partner



**PITCHER PARTNERS**  
Sydney

9 May 2019