

Edmund Rice Services Limited
(a company limited by guarantee)
ABN 20 067 072 726

Annual Financial Report

for the year ended 31 December 2018

Edmund Rice Services Limited
(a company limited by guarantee)

Annual Financial Report
Year ended 31 December 2018

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Edmund Rice Services Limited

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Directors' Report

For the year ended 31 December 2018

The Directors submit the financial statements of the Company for the year ended 31st December, 2018.

1 Directors

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

<u>Name</u>	<u>Qualification & Experience</u>
Peter Bernard Clinch, cfc Appointed 25 July 2014	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 Member of Congregation for 44 years Member of the Company
Lionel Edward Magee Appointed 25 July 2014	Dip Teach (CBTC – Sydney) B. Ed (QUT) 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 Deputy Province Leader & Province Bursar of Oceania Province of Congregation of Christian Brothers Member of Congregation for 57 years Member of the Company
Gerard Brady Appointed 25 July 2014	Dip T (CBTC Melbourne), B.A. (Melbourne), DTS (YTU), B Theol (MCD), MA (Loyola University Chicago), Grad Cert Dip Family Studies 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 Councillor Oceania Province of Congregation of Christian Brothers Member of Congregation for 46 years Member of the Company
Bernard Gartland Appointed 25 July 2014	MA (Religion Studies) ACU; B Teach (ACU) Grad Dip Educational Studies Computing (ACU); Dip Religious Education (MSM College Strathfield) 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 Councillor Oceania Province of Congregation of Christian Brothers Member of Congregation for 40 years Member of the Company

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Directors' Report

For the year ended 31 December 2018

John Webb
Appointed 25 July 2014

Dip Teach (SVC-ICE-CBTC Melbourne), B. Arts (Adelaide University), Diploma Counselling – Institute of Human Development (WA), Master of Social Science - Counselling (University of SA)
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
Councillor Oceania Province of Congregation of Christian Brothers
Member of Congregation for 54 years
Member MacKillop Family Services
Member of the Company

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2 Principal activity

The principal activity of the Company in the course of the financial year was the operation of a welfare agency with particular emphasis on the needs of homeless, impoverished, disadvantaged and helpless Australian Youth.

Fundraising activities continued during the period under review.

The company conducts

a) Edmund Rice Camps

Edmund Rice Camps is a movement which brings together young adult volunteers so as to provide holidays for children aged seven to fourteen, who would otherwise be unable to enjoy a holiday experience. All of the children are from situations of socio-economic disadvantage.

During the year the Company commenced conducting Edmund Rice Camps in South Australia which until 31 October 2018 had been operated by Edmund Rice Camps (SA) Inc

b) Edmund Rice Refugee Services

Edmund Rice Refugee Services provides educational and learning support to newly arrived refugees and other disadvantaged youth.

3 Results of operations

The net surplus of the Company for the year was \$447,343 (2017 : surplus \$3,176,092).

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

The Company is a Public Benevolent Institution and a Deductible Gift Recipient (DGR) in accordance with the provision of Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997.

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

4 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 period not otherwise disclosed in this report or the accounts.

5 Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial periods.

6 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.

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Directors' Report
For the year ended 31 December 2018

7 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.

8 Likely developments

There are no likely developments in the future operations of the Company and it is expected to continue solely in its activity as a welfare agency.

9 Directors' benefits

Since the end of the previous financial period, 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 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 year are:

	Number Eligible to Attend	Number Attended
Br. Peter Bernard Clinch	10	10
Br. Gerard Brady	10	8
Br. Bernard Gartland	10	8
Br. Lionel Edward Magee	10	9
Br. John Webb	10	10

Indemnifying Directors, Officers and Auditor

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

Auditor's Independence

The Auditor's independence declaration for the period ended 31 December, 2018 has been received and can be found on page 20 of the financial report.

Signed in accordance with a resolution of the Directors on

day of

2019.


Director


Director

Edmund Rice Services Limited
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Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue	2	2,345,483	4,588,465
		<u>2,345,483</u>	<u>4,588,465</u>
Expenses			
Administration and other expenses		165,125	90,876
Camp expenses		310,295	182,334
Depreciation and amortisation	2	32,351	28,010
Donations to Public Benevolent Institutions		310,921	353,500
Fundraising expenses		27,512	10,791
Merchandising		4,940	-
Program costs		220,251	73,589
Rental costs		13,311	10,014
Rental Property expenses		35,919	9,887
Salaries and associated employee costs	2	760,426	645,999
Volunteer & staff training		17,089	7,373
		<u>1,898,140</u>	<u>1,412,373</u>
Net Surplus for the year		<u>447,343</u>	<u>3,176,092</u>
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		<u>447,343</u>	<u>3,176,092</u>

Edmund Rice Services Limited
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Statement of Financial Position
As at 31 December 2018

		2018 \$	2017 \$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	4	1,484,293	1,051,495
Trade and other receivables	5	116,243	166,209
Other	6	55,366	45,376
Total current assets		<u>1,655,902</u>	<u>1,263,080</u>
<i>Non-current assets</i>			
Investment Property	7	3,300,000	3,300,000
Investments	8	350,000	-
Property, plant and equipment	9	110,605	144,700
Total non-current assets		<u>3,760,605</u>	<u>3,444,700</u>
Total assets		<u>5,416,507</u>	<u>4,707,780</u>
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	10	677,640	420,259
Total current liabilities		<u>677,640</u>	<u>420,259</u>
<i>Non Current Liabilities</i>			
Provisions	11	11,877	7,874
Total non current liabilities		<u>11,877</u>	<u>7,874</u>
Total liabilities		<u>689,517</u>	<u>428,133</u>
Net assets		<u>4,726,990</u>	<u>4,279,647</u>
Equity			
Retained surplus		337,826	66,227
Reserves	13	4,389,164	4,213,420
Total equity		<u>4,726,990</u>	<u>4,279,647</u>

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Statement of Cash Flows
for the year ended 31 December 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Cash receipts in the course of operations	2,152,155	1,396,356
Cash payments in the course of operations	(1,738,363)	(1,349,996)
Interest and Distributions received	13,846	5,290
Net cash provided by operating activities	427,638	51,650
	12 (b)	
Cash flows from investing activities		
Receipt for sale of property, plant and equipment	52,787	76,273
Payment for purchase of property, plant and equipment	(47,627)	(172,571)
Net cash provided by/(used in) investing activities	5,160	(96,298)
Cash flows from financing activities		
Net cash (used in) financing activities	-	-
Net Increase/(Decrease) in cash held	432,798	(44,648)
Cash and cash equivalent at the beginning of the year	1,051,495	1,096,143
Cash and cash equivalent at end of the year	1,484,293	1,051,495
	12 (a)	

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Statement of Changes in Equity
for the year ended 31 December 2018

	Note	Retained Earnings	Specified Purpose Reserves										Special Reserve	Total		
			Edmund Rice Camps					Edmund Rice Refugee Services			Edmund Rice Services Mt Atkinson					
			Brisbane	Central Queensland	New South Wales	South Australia	Tasmania	New South Wales	Victoria							
Balance as at 1 January 2017		464,529	135,119	(3,335)	100,005	-	-	5,235	-	-	369,291	43,182	-	-	-	1,103,555
Deficit for the period ended 31 December 2017		3,176,092	-	-	-	-	-	-	-	-	-	-	-	-	-	3,176,092
Transfers to Specified Purpose Reserves	12	(3,574,394)	(18,680)	2,975	(20,414)	-	-	1,819	-	-	153,042	(28,605)	-	184,257	3,300,000	-
Balance as at 31 December 2017		56,227	116,439	(361)	79,592	-	-	(3,417)	-	-	522,333	14,577	-	184,257	3,300,000	4,279,647
Surplus for the year ended 31 December 2018		447,343	-	-	-	-	-	-	-	-	-	-	-	-	-	447,343
Transfer Opening Reserve to Ministry		(429)	-	-	-	429	-	-	-	-	-	-	-	-	-	-
Transfers to Specified Purpose Reserves	12	(175,315)	(47,258)	(4,285)	(15,812)	25,929	1,426	1,426	-	-	(22,817)	(47,929)	286,061	-	-	-
Balance as at 31 December 2018		337,826	59,181	(4,645)	63,780	25,358	-	(1,991)	-	-	499,516	(33,352)	470,318	3,300,000	4,726,990	

Edmund Rice Services Limited
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Notes to the Financial Statements
for the year ended 31 December 2018

1 Summary of Significant Accounting Policies

Basis of Preparation

The responsible persons have prepared the financial statements on the basis that the Company is a non-reporting Company because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit Company for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods 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 unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The report was authorised by the Responsible Persons on 16th day of April 2019.

Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised at fair value on the date as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Participants and Leaders fees are recognised as revenue at the time invoices are raised.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Donations are recognised as revenue when received.

Rental income from investment properties is accounted for on an accrual basis over the term of the lease.

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 property, plant and equipment, excluding investment properties, as follows:

- Motor vehicles - over 6 years
- Computer equipment - over 3 years
- Office equipment - over 4 years

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

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Notes to the Financial Statements
for the year ended 31 December 2018

1 Statement of Accounting Policies (cont.d)

Investment Property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is measured at fair value.

The fair value of an investment property is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Independent valuations of investment properties are obtained from time to time from suitably qualified valuers. Fair values are determined by the valuer using market information, including discounted net future cash flows and prices for similar properties in comparable locations. The directors determine the carrying value of each investment property at reporting date to ensure that carrying values do not materially differ from fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

Changes to fair values of investment properties are recognised through the Profit and Loss statement in the period in which they occur.

Impairment

At each reporting date the company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the company makes 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.

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.

Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability.

Cash on Hand

Cash on hand includes cash on hand and deposits held at-call with banks.

Loans and Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration payable under the loan instrument at balance date.

Segment reporting

A business segment is a group of assets and operations engaged in providing services. The Company has adopted AASB 8 Operating Segments from 1 July 2011 whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes. In identifying its operating segments, management generally follows the Company's project activities. Each of these activities is managed separately.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company 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.

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Notes to the Financial Statements
for the year ended 31 December 2018

Statement of Accounting Policies (cont.d)

Financial Instruments (cont.d)

Classification and subsequent measurement (cont.d)

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.

- (a) 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.
- (b) **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.
- (c) **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 Company'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.
- (d) **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 Company 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 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 Company 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 Company 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.

Income Tax

The company has been constituted to provide services as a Public Benevolent Institution. As a charity registered with the Australian Charities and Not-for-profit Commission, 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.

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Notes to the Financial Statements
for the year ended 31 December 2018

1 Statement of Accounting Policies (cont.d)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably. The amount recognised is the best estimate of the consideration required to settle the present obligation at balance date, taking into account the risks and uncertainties surrounding the obligation.

Employee Benefits

(a) 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.

(b) 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.

Comparatives

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Rounding Off

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

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.

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Notes to the Financial Statements
for the year ended 31 December 2018

	2018 \$	2017 \$
2 Revenue and Expenses		
Operating Revenue		
Bank Interest	7,495	5,290
Camps Fees	82,397	50,573
Donations	1,365,116	4,046,521
Fundraising	30,418	19,762
Grants DFAT	180,215	21,760
Grants	172,657	56,565
Income from Bequests	70,482	161,658
Income from Investments	6,351	-
Support from Related Parties	142,250	159,000
In Kind Support from Related Parties	62,199	-
Merchandising Income	5,222	-
Other	2,741	14,144
Program Income	56,280	12,325
Rental Income	158,244	39,357
Profit on Sale of Assets	3,416	1,510
	<u>2,345,483</u>	<u>4,588,465</u>
Operating Expenses		
Employee expenses		
Wages and Salaries	686,707	582,940
Superannuation Costs	60,660	53,118
Workers' Compensation Costs	13,269	12,036
	<u>760,636</u>	<u>648,094</u>
Less: Salary Reimbursements	(210)	(2,095)
	<u>760,426</u>	<u>645,999</u>
Depreciation and amortisation		
Depreciation	32,780	28,010
	<u>32,780</u>	<u>28,010</u>
Administration and other expenses		
Bad Debts	5,080	3,900
	<u>5,080</u>	<u>3,900</u>
3 Auditors remuneration		
Audit Services: Current year	18,130	11,253
	<u>18,130</u>	<u>11,253</u>
4 Cash and cash equivalents		
(a) Cash at Bank		
Operating Accounts	94,108	299,031
At Call Accounts	1,389,262	751,444
	<u>1,483,370</u>	<u>1,050,475</u>
(b) Cash on hand		
Petty Cash	923	1,020
	<u>923</u>	<u>1,020</u>
Total Cash and cash equivalents	<u>1,484,293</u>	<u>1,051,495</u>

The effective interest rate on Cash at Call deposits was 0.39%; these deposits have been available at call.

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Notes to the Financial Statements
for the year ended 31 December 2018

	2018	2017
	\$	\$
5 Trade and other receivables		
Current		
Trade debtors		
Receivables	97,554	16,346
Provision for doubtful debts	-	(950)
Sundry debtors	18,689	150,813
	<u>116,243</u>	<u>166,209</u>
6 Other assets		
Current		
Inventory	6,499	-
Prepayments	48,666	45,376
GST Paid	201	-
	<u>55,366</u>	<u>45,376</u>
7 Investment Property		
Land	2,030,000	2,030,000
Buildings	1,270,000	1,270,000
	<u>3,300,000</u>	<u>3,300,000</u>
Movements during year		
Investment Property - at Independent Valuation 31 Dec 2017		
Carrying amount at the beginning of the year	3,300,000	-
Additions	-	3,300,000
Carrying amount at the end of the year	<u>3,300,000</u>	<u>3,300,000</u>
8 Investments		
Non Current		
Managed Funds (at redemption value)	350,000	-
	<u>350,000</u>	<u>-</u>
9 Property, Plant and equipment		
Motor vehicles - at cost	165,121	200,202
Less: Accumulated depreciation	(82,445)	(91,236)
	<u>82,676</u>	<u>108,966</u>
Computer Equipment - at cost	18,546	16,792
Less: Accumulated depreciation	(14,695)	(13,235)
	<u>3,851</u>	<u>3,556</u>
Plant & Equipment - at cost	37,036	37,036
Less: Accumulated depreciation	(12,958)	(4,858)
	<u>24,078</u>	<u>32,178</u>
Total Property, Plant and equipment	<u>110,605</u>	<u>144,700</u>
Movements during year		
Motor vehicles - at cost		
Carrying amount at the beginning of the year	108,966	70,991
Additions	45,874	136,510
Depreciation written back	31,237	12,042
Disposals/transfers	(80,955)	(86,133)
Depreciation charge for the year	(22,446)	(24,444)
Carrying amount at the end of the year	<u>82,676</u>	<u>108,966</u>

Edmund Rice Services Limited

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Notes to the Financial Statements
for the year ended 31 December 2018

	2018 \$	2017 \$
9 Property, Plant and equipment (cont.d)		
Movements during year (cont.d)		
Computer Equipment		
Carrying amount at the beginning of the year		2,961
Additions	3,556	
Disposals/transfers	1,753	3,940
Depreciation charge for the year	-	-
Carrying amount at the end of the year	<u>3,851</u>	<u>(3,345)</u>
Plant & Equipment		
Carrying amount at the beginning of the year		-
Additions	32,178	
Disposals/transfers	-	32,400
Depreciation charge for the year	(8,100)	(222)
Carrying amount at the end of the year	<u>24,078</u>	<u>32,178</u>
Total Property, Plant and equipment	<u>110,605</u>	<u>144,700</u>
10 Trade and other payables		
Trade creditors	96,318	84,041
Employee leave entitlements	100,362	55,861
Other creditors and accruals	387,837	28,481
Unearned income	14,200	22,861
Grants In Advance	78,923	229,015
	<u>677,640</u>	<u>420,259</u>
11 Provisions - Non Current		
Provision for Long Service Leave	11,877	7,874
12 Notes to statements of cash flows		
(a) Reconciliation of Cash and Cash Equivalents		
For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash and cash equivalents as at the end of the financial year as shown on the Statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at bank and on hand	<u>1,484,293</u>	<u>1,051,495</u>
(b) Reconciliation of Operating Result to net cash used in operating activities		
Surplus/(Deficit)	447,343	3,176,092
Plus/less non-cash items		
Depreciation / Amortisation on Property, Plant & Equipment	32,780	28,010
Bad Debts	-	(3,900)
Bad Debts recovered	-	2,950
Donation in Kind	(429)	(3,300,000)
Net Profit on Sale of Assets	(3,416)	(1,510)
Net cash provided by/(used in) operating activities before change in assets and liabilities	<u>476,278</u>	<u>(98,358)</u>
Change in assets and liabilities during the financial year:		
(Increase) in trade and other receivables	49,966	(118,221)
(Increase)/Decrease in prepayments	(3,290)	(24,706)
(Increase) in Inventory	(6,499)	-
Increase/(Decrease) in payables and other creditors	21,633	55,359
Increase in Annual Leave Accruals	44,501	1,033
Increase in Long Service Leave Accruals	4,003	2,641
Increase/(Decrease) in Unearned Revenue	(8,651)	4,877
Increase in Grants In Advance	(150,092)	229,015
(Decrease) in GST Paid	(201)	-
Net cash provided by/(used in) operating activities	<u>427,638</u>	<u>51,650</u>

Edmund Rice Services Limited

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Notes to the Financial Statements
for the year ended 31 December 2018

	2018 \$	2017 \$
13 Reserves		
The Specified Purpose Reserves were put in place to provide a recurrent capital base to fund future expenditure.		
Specified Purpose Reserves - Edmund Rice Ministries		
Edmund Rice Camps Queensland		
Opening Balance		
Transfers (Out) from operations	116,439	135,119
Closing Balance	<u>(47,258)</u>	<u>(18,680)</u>
	69,181	116,439
Edmund Rice Camps Central Queensland		
Opening Balance		
Transfers In from operations	(361)	(3,336)
Closing Balance	<u>(4,285)</u>	<u>2,975</u>
	(4,646)	(361)
Edmund Rice Camps NSW		
Opening Balance		
Transfers (Out) from operations	79,592	100,006
Closing Balance	<u>(15,812)</u>	<u>(20,414)</u>
	63,780	79,592
Edmund Rice Camps South Australia		
Opening Balance		
Transfers (Out) from operations		
Closing Balance	<u>26,358</u>	<u>-</u>
	26,358	-
Edmund Rice Camps Tasmania		
Opening Balance		
Transfers In from operations	(3,417)	(5,236)
Closing Balance	<u>1,426</u>	<u>1,819</u>
	(1,991)	(3,417)
Edmund Rice Centre Services NSW		
Opening Balance		
Transfers (Out) from operations	522,333	369,291
Closing Balance	<u>(22,817)</u>	<u>153,042</u>
	499,516	522,333
Edmund Rice Refugee Services Victoria		
Opening Balance		
Transfers (Out) from operations	14,577	43,182
Closing Balance	<u>(47,929)</u>	<u>(28,605)</u>
	(33,352)	14,577
Edmund Rice Services Mt Atkinson		
Opening Balance		
Transfers In from operations	184,257	-
Closing Balance	<u>286,051</u>	<u>184,257</u>
	470,318	184,257
Specified Purpose Reserves - Edmund Rice Ministries	<u>1,089,164</u>	<u>913,420</u>
Special Reserve		
Opening Balance		
Transfers In from operations	3,300,000	-
Closing Balance	<u>-</u>	<u>3,300,000</u>
	3,300,000	3,300,000
Total Reserves	<u>4,389,164</u>	<u>4,213,420</u>

Edmund Rice Services Limited

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**Notes to the Financial Statements
for the year ended 31 December 2018**

14 Segments Results

	Edmund Rice Camps						Edmund Rice Refugee Services Victoria	Edmund Rice Services Mt Atkinson	Unallocated Segments	Total
	Brisbane	Central Queensland	NSW	South Australia	Tasmania	NSW				
12 months to 31 December 2017										
External segment revenue	93,604	18,237	145,841	-	111,324	192,868	92,678	391,472	3,342,351	4,588,465
Costs of camps/programs	(53,213)	(21,406)	(80,081)	-	(42,182)	(21,760)	(28,948)	-	-	(247,590)
Other expenses	(144,161)	(28,856)	(191,174)	-	(213,323)	(7,526)	(207,335)	(5,234)	(367,174)	(1,164,783)
Segment surplus/(deficit)	(103,680)	(32,025)	(125,414)	-	(144,181)	163,582	(143,605)	386,238	3,176,177	3,176,092
Transfer from general donations	85,000	35,000	105,000	-	145,000	-	115,000	-	(486,000)	-
Transfer to general funds	(16,680)	-	-	-	-	(10,540)	-	(201,981)	-	-
Net Segment surplus/(deficit)	(16,680)	2,975	(20,414)	-	1,819	153,042	(28,605)	184,257	2,901,698	3,176,092
Segment assets	162,181	4,336	123,285	-	56,074	686,927	68,936	221,826	3,382,215	4,707,780
Segment liabilities	(45,742)	(4,697)	(43,693)	-	(59,491)	(156,594)	(54,359)	(37,558)	(15,988)	(428,133)
Segment Net Assets	116,439	(361)	79,592	-	(3,417)	522,333	14,577	184,257	3,366,227	4,279,647
12 months to 31 December 2018										
External segment revenue	125,912	11,076	227,479	18,692	154,082	391,501	146,076	698,787	570,918	2,345,483
Costs of camps/programs	(260,037)	(42,169)	(350,098)	(29,151)	(281,464)	(194,684)	(299,713)	(52,109)	-	(1,509,425)
Other expenses	(3,193)	(3,192)	(3,193)	(3,192)	(3,192)	(3,193)	(3,192)	(3,193)	(363,175)	(388,715)
Segment surplus/(deficit)	(137,258)	(34,285)	(125,812)	(13,651)	(130,574)	193,624	(155,929)	643,485	207,743	447,343
Transfer from general donations	90,000	30,000	110,000	39,580	132,000	-	108,000	-	(599,580)	-
Transfer to/from general funds	(47,258)	(4,285)	(15,812)	429	-	(215,441)	-	(341,822)	557,834	-
Net Segment surplus/(deficit)	(47,258)	(4,285)	(15,812)	26,358	1,426	(22,817)	(47,929)	301,663	255,997	447,343
Segment assets	117,178	357	122,722	65,176	88,592	526,655	49,598	487,265	3,956,964	5,416,507
Segment liabilities	(47,987)	(5,003)	(58,842)	(38,818)	(90,583)	(27,139)	(82,550)	(1,345)	(336,740)	(689,517)
Segment Net Assets	69,181	(4,646)	63,780	26,358	(1,991)	499,516	(33,352)	485,920	3,622,224	4,726,990

The Company has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes. In identifying its operating segments, management follows the Company's project activities. Each of these activities is managed separately.

The adoption of AASB 8 has not affected the identified operating segments compared to the recent annual financial statements of the Company.

Description of segments

Edmund Rice Camps

This activity consists of relieving the needs of homeless, impoverished, disadvantaged and helpless-Australians particularly Australian Youth in New South Wales, Queensland, South Australia and Tasmania

Edmund Rice Refugee Services

This activity consists of relieving the needs of persons arriving in Australia who are asylum seekers or refugees particularly youth in Victoria and in New South Wales

Edmund Rice Services Mt Atkinson

This activity consists of relieving the needs of disadvantaged persons particularly youth in the outer western suburbs of Melbourne, Victoria

Edmund Rice Services Limited

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Notes to the Financial Statements
for the year ended 31 December 2018

	NOTE	2018 \$	2017 \$
15 Financial Instruments			
Edmund Rice Services Limited 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 are as follows:			
Financial Assets			
<i>Current Assets</i>			
Cash & Cash equivalents - Interest Bearing	4	1,484,293	1,051,495
Receivables - Non-interest Bearing	5	116,243	166,209
Total Current Financial Assets		<u>1,600,536</u>	<u>1,217,704</u>
Financial Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	8	677,640	420,259
Total Current Financial Liabilities		<u>677,640</u>	<u>420,259</u>
<i>Non Current Liabilities</i>			
Employee Entitlements	8	11,877	7,874
Total Non Current Financial Liabilities		<u>11,877</u>	<u>7,874</u>
Total Financial Liabilities		<u>689,517</u>	<u>428,133</u>

Maturity Analysis

All financial assets and liabilities are due within 12 months.

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

Specific Financial Risk Exposures and Management

Edmund Rice Services Limited is not exposed to any material financial risk.

(a) **Interest rate risk**

At 31 December 2018 Edmund Rice Services Limited did not hold any material interest bearing liability and was not exposed to fluctuations in interest rates.

(b) **Liquidity risk**

At 31 December 2018 Edmund Rice Services Limited 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 Services Limited did not have any material credit risk exposure to any single receivable.

(d) **Foreign Currency risk**

Edmund Rice Services Limited is not exposed to fluctuations in foreign currencies.

(e) **Price risk**

Edmund Rice Services Limited is not exposed to commodity price risk.

Edmund Rice Services Limited
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for the year ended 31 December 2018
Responsible Persons' Declaration

The Responsible Persons of Edmund Rice Services Limited declare that in the responsible persons opinion :-

- (1) there are reasonable grounds to believe that the registered Company is able to pay all of its debts, as and when they become due and payable; and

- (2) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and comply with the accounting policies set out in Note 1 to the financial statements.

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



Director



Director

Dated this 16th day of April 2019.

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE RESPONSIBLE ENTITIES OF EDMUND RICE SERVICES LIMITED
ABN: 20 067 072 726**

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.



SYLVIA WALLACE
Partner

PITCHER PARTNERS
Sydney

16 April 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EDMUND RICE SERVICES LIMITED
ABN 20 067 072 726**

Report on the Audit of the Financial Report

Qualified Auditor's Opinion

We have audited the financial report of Edmund Rice Services Limited "the Registered Entity", which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial report of Edmund Rice Services Limited 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 Registered Entity's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-For-Profits Commission Regulation 2013*.

Basis for Qualified Opinion

Donations are a significant source of fundraising revenue for Edmund Rice Services Limited. Edmund Rice Services Limited 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 Services Limited 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 Registered Entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 "ACNC Act" 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 SERVICES LIMITED
ABN 20 067 072 726**

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Responsible Entities of the Registered Entity are responsible for the other information. The other information comprises the information included in the Director's Report for the year ended 31 December 2018, 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 inconsistent 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.

Responsibility of Responsible Entities' for the Financial Report

The Responsible Entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of members. The Responsible Entities' responsibility also includes 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 Registered Entity's ability 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 Registered Entity or to cease operations, or has no realistic alternative but to do so.

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 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 the 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 SERVICES LIMITED
ABN 20 067 072 726**

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity'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 Registered Entity 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 Services Limited for the year ended 31 December 2018 included on Edmund Rice Camps website. The responsible entities are responsible for the integrity of Edmund Rice Camps website. We have not been engaged to report on the integrity of the Edmund Rice Camps 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.



SYLVIA WALLACE
Partner

Pitcher Partners
PITCHER PARTNERS
Sydney

16 April 2019