



## **Retained Earnings Policy**

**Approved by the EREA Board: 31 July 2015**

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<b>Rationale:</b>	There is a need for a Retained Earnings Policy to be in place to enable EREA to be sustainable in responding to growth, strategic initiatives, co-responsibility requirements and other unforeseen matters and risk mitigation.
<b>Principles:</b>	EREA operates within the context of the Charter which is underpinned by EREA core values. EREA is committed to good governance practice, stewardship and legislative requirements.
<b>Policy Statement:</b>	Retained earnings are the portion of net income, taken from the income statement that is retained by the Parent Entity. Retained earnings are cumulative. They represent past as well as present earnings that will be reinvested to ensure sustainability in the area of operations and growth.
<b>Applicable to:</b>	EREA Parent Entity.
<b>Key Responsibilities:</b>	The Executive Director has responsibility for the implementation of this policy and to oversee the development of procedures to ensure this policy is adhered to.
<b>Effective From:</b>	1 August 2015
<b>Review:</b>	Consideration will be given every year to determine if this policy requires review earlier than 2018.
<b>Related Information:</b>	Retained Earnings Policy Guidelines EREA budget procedures EREA Co-responsibility Policy EREA Growth Strategy EREA Strategic Directions 2015-2019