

2008



Financial Basics Foundation
making financial futures brighter

ABN 90 114 612 270

ANNUAL REPORT



The Foundation Dream

“Helping to ensure that all young Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so they can make informed decisions on their financial affairs”



Chairman's Report

Collection House created and launched the Financial Basics Foundation in February 2002 in recognition of its commitment to the principles of corporate social responsibility (CSR). At that time, the notion of financial literacy was a relatively new and innovative concept. Now, there is a plethora of resources and a range of organisations providing this information. The success of the Foundation's initiatives not only reflects the quality of our programs, but that there is still a gap that exists for suitable teaching resources in this subject area.

The Foundation dream is to ensure that all young Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so that they can make informed decisions on their financial affairs.

The foundation has secured a significant position in the education sector and is now poised to replicate this success by delivering its financial literacy programs to disadvantaged and 'at risk' communities.

Operation Financial Literacy, our 10 Module hardcopy teaching resource has now been distributed free of charge to over 1200 secondary schools across Australia. Work has commenced on the development of the 11th module on Scams and a review and update of all the existing content is being undertaken and due for release late in 2008.

ESSI Money, the online e-learning financial literacy game released earlier this year has exceeded all expectations. Feedback from students and teachers has been outstanding, with over 800 classes and 12,000 students registered within the first year.


There have been a number of changes to our Board of Directors with the resignations of John Pearce and Rhonda King. I would like to take this opportunity to acknowledge the important contribution they both made to the establishment and growth of the Foundation. Also a warm welcome to our new directors Sandra Kenman and Adrian McCullagh. Each director contributes their time and expertise voluntarily and the

enthusiasm and commitment of each person towards the better financial education of young Australians is significant.

And finally, our work would not be possible without the continued and ongoing support of our corporate partners - Collection House, Bank of Queensland and Big Sky Credit Union. More than goodwill, corporate community involvement is a genuine attempt by a company to build meaningful relationships between the corporate sector and the rest of society. These companies have a clear focus which includes balancing their business objectives while maintaining a positive social impact. The Foundation is grateful for your generous contribution to our work.

In 2009 the Foundation will focus on developing new commercial and international opportunities for our initiatives, as well as fostering connections with other charities and organisations to deliver our programs to disadvantaged communities within Australia.

We look forward to working with our corporate partners, educators and community groups in meeting our goals.

A handwritten signature in blue ink that reads "Barrie Adams". The signature is written in a cursive style and is positioned above the printed name.

Barrie Adams PSM FCPA.

F inancial Basics Foundation

There is no doubt that the lack of sound financial knowledge amongst young people continues to be a major concern for government and educators. The Financial Basics Foundation is proactively addressing this issue by continuing to develop and provide high quality financial literacy materials for secondary schools.

National personal debt levels and youth debt are major issues at this time. Financial literacy is a life skill that can have far reaching positive social implications. The Foundation is taking a proactive approach to addressing these issues by delivering financial education programs at a very practical level.

Statistics detailed in the 2006 Australian Financial Literacy Assessment showed that one third of students were unable to calculate how many hours they would need to work to meet their expenses. Half of year 9 and 10 students could not interpret mobile phone plans, despite over 80 per cent in that same age group now owning a mobile phone.

With an increase in the use of technologies such as the mobile phones and the internet, and an increase in products being targeted at younger age groups, young Australians are being faced with financial decisions at an earlier age. The Financial Basics Foundation is at the forefront in helping battle these worrying credit statistics. The Foundation does not provide financial advice, but rather, information that empowers young people to make their own informed financial decisions, or to know when they need to seek professional advice in order to make the right decision.

The Foundations programs are helping to create a new generation of financially-literate Australians who will be prepared for the myriad of financial decisions and situations that they will be faced with throughout their life.

Operation Financial Literacy

In response to feedback provided by the teacher review conducted in November 2006, the Foundation has been working on the development of material for a module about "scams". This will be the 11th module in the Operation Financial Literacy program and reflects our commitment to the ongoing development and renewal of this resource. Additionally, the Foundation has requested a review of the entire program by our corporate partners as part of an "industry" review of the content material. This ensures that Operation Financial Literacy remains relevant and current. The information provided by the 'industry' review will be combined with the work being undertaken by the education consultants at Business Educators Australasia to produce the third edition of Operation Financial Literacy.

91% of the respondents indicated that they would be using OFL again in 2007 and beyond. On average, each school is using Operation Financial Literacy with 51 students (approximately 2 class groups). Based on the statistics as at June 2008, some 57 000 students have used Operation Financial Literacy as part of their financial education.

Operation Financial Literacy Statistics as at June 2008

Total Number of Schools registered

with the Foundation

1232 Australia wide

Total National Secondary Schools

3260

State by State

11	ACT
203	NSW
15	NT
384	QLD
104	SA
53	TAS
309	VIC
146	WA

ESSI Money

The release of the our online e-learning game - ESSI Money was much of the focus of the work of the Foundation through 2007-2008. ESSI which stands for Earning, Saving, Spending and Investing, is a unique and engaging financial literacy teaching resource. The game, designed around the concept of a challenge or quest, uses educational scaffolding to create a valuable learning experience for both teachers and students.

Through a 'virtual reality' that simulates 6 months, students achieve an understanding of how decisions made throughout a time period can have both positive and negative impacts on their financial situation. For our corporate partners, the game provides an opportunity to be aligned with a truly innovative initiative that has broad community appeal and application.

ESSI Money gives teachers the ability to interact with their students using technologies that they are familiar with, such as the internet, e-mail and mobile phones. The online platform means that students can use the resource both in the classroom and at home, and the teacher can monitor the student's progress throughout the game.

Just like Operation Financial Literacy, ESSI Money is being made available for free to all secondary schools in Australia.

The game has significant educational and commercial application and will secure the Foundation's position as a leader in the provision of financial education resources for young Australians.

As at June 2008 the game has over 12,152 registered players.

The 'official' media launch of ESSI Money was conducted in the beautifully renovated "Reading Room" of the Fitzroy Town Hall on the 26th of September. Corporate guests, media and representatives from the education and finance sectors, along with students from Melbourne schools were invited to learn more about the Foundation's initiatives and to trial the game.



Barrie Adams Chairman of the Financial Basics Foundation with students from Ivanhoe Girls Grammar at the official launch of ESSI Money.

WEBSITE STATISTICS

This information is for the Financial Basics Foundation website - www.financialbasics.org.au

26,790 Total visits

12,984 Unique visitors

128,068 page views

This information is for the ESSI Money website - www.essimoney.com.au

The following statistics are for the eight months from July 2007-February 2008.

Due to technical issues, information for the period March 2008-June 2008 is not available.

10,320 Total visits

8,168 Unique visitors

31,821 page views

Media & Public Relations Coverage

2007-2008 Financial Year

A tailored and strategic public relations and media campaign through much of the 2007-2008 financial year resulted in some outstanding media activities being realised by the Financial Basics Foundation during that time. Working with consultants from Rowland Pinder, representatives from the Foundation appeared on several national news programs including Channel 9's "Mornings with Kerri-Anne"; Channel 10's "9.00AM with David and Kim" and Channel 31's locally produced education segments.

Radio and newspaper coverage throughout the year was also substantial.

DATE	OUTLET	TITLE
National		
25 January 2008	Financial Review	It's Cool to grow wealthy
22 June 2007	ABC News Online	<i>Online program addresses student debt</i>
20 June 2007	Triple J	
22 June 2007	Channel 9	Mornings with Kerri-Anne
12 July 2007	Network Ten	9AM with David & Kim
Magazines		
Throughout 2007-2008	Education Today	<i>Quarterly publication - ¼ page advert for OFL and ESSi Money</i>
August 2007	Schooldays for Parents	
September 2007	Readers Digest	<i>RD Money</i>
NSW		
13 July 2007	Radio 2NZ	
QLD		
19 March 2008	Mackay and Sarena News	Help offered to young mobile phone

		users
SA		
2 July 2007	Adelaide Advertiser	<i>Money Game</i>
TAS		
15 July 2007	Sunday Tasmanian	<i>Online game creates cash savvy teens</i>
VIC		
26 Sept 2007	Corporate launch of ESSI Money	
July 2007	Monash Leader	<i>It makes cents</i>
10 July 2007	Oakleigh Leader	<i>It makes cents</i>

10 July 2007	Waverley Leader	<i>It makes cents</i>
14 July 2007	Saturday Herald Sun	<i>Money for jam</i>
24 July 2007	Herald Sun - Learn	<i>Making Cents</i>
July 2007	3008 Docklands Magazine	<i>Game On (line)...!</i>
WA		
23 July 2006	Sunday Times	<i>School of thought: Free info kit for students</i>
22 July 2007	Sunday Times	<i>Its Money for Jam</i>
Conferences '07		
April	BEAQ	
June	BEA National Council	
August	Business Faculty Coordinators Vic	
Conferences '08		
June	BEAQ	
June	BEA National Conference	

ESSI Money Feedback

Our school used ESSI Money for the first time last year as part of our compulsory Year 10 programme "Enterprise & Management" which focuses on careers and financial literacy.

Last year ESSI Money was a huge success and our students thoroughly enjoyed the game. We actually had problems controlling the students in regard to them not going ahead. It is a practical, extremely relevant and highly engaging programme, and I would like to commend you for putting together such a motivational educational tool.

We plan to use it again this year in Term 4, for all 220 Year 10 students, and I am sure it will be just as successful as last year. It has been written into our E&M programme, and I look forward to using it this year, and into the future.

Thank you once again,

*Emma Lowry, Brisbane Girls Grammar
(Qld)*

.....

WOW!! What a great learning tool. Our 3 Year 10 Business Education classes have been using ESSI Money. We just designed our whole financial planning unit around ESSI Money.

The students were actively engaged every lesson and couldn't wait to 'play' each lesson. We created a booklet where they could record their journey and then they presented this for assessment. I can't speak highly enough about this. All of our teachers thought it was a great way

to present this unit and it even caught the interest of our less academic boys who couldn't wait to earn, save, spend and invest. Also loved the ups and downs of the games - the jobs not obtained, the scams that drained bank accounts, the computer viruses. A job well done and a great big thank-you from St Mary's. We will be using this again and again for our Year 10 unit.

*Janet Ross, St Mary's Catholic College
(Qld)*

.....

My students are really enjoying the game. They are wanting to complete it a second and third time to improve.

Marg Wilson (Vic)

.....

Is it possible for me to register an extra 8 entries for the ESSI Money game. My students have enjoyed it so much that I need to have some scope for extra work.

I hope that this is possible.

Thanks
Robin Murphy (Vic)

.....

In 2007, I registered 2 classes with you to use ESSI Money and found the program to be a valuable learning experience particularly for year 12 prevocational maths students (as well as enjoyable)

Please inform me of the procedure for 2008. I would like to register a larger number of new students.

Thankyou

Roslyn (SA)

.....

Once the kids got into it they reckoned it was fantastic and the extra information they found out they were quite inquisitive about.

That sort of information being available on an individual basis was a great way to discover on a point of need basis (Just In Time Education) the kids were very comfortable with.

I just ran it as a trial over 4 lessons but in the future I will spread it out as a learning experience. Some boys just raced through to get the highest amount. They were very disappointed that they could not go back and change their decisions - but that's life!!. One kid even asked for a spare logon to try at home to make better decisions next time. By better I think he meant "get more money"

Basically it is a VERY useful, motivating and informative activity.

Well done to all concerned. I look forward to using it in the future.

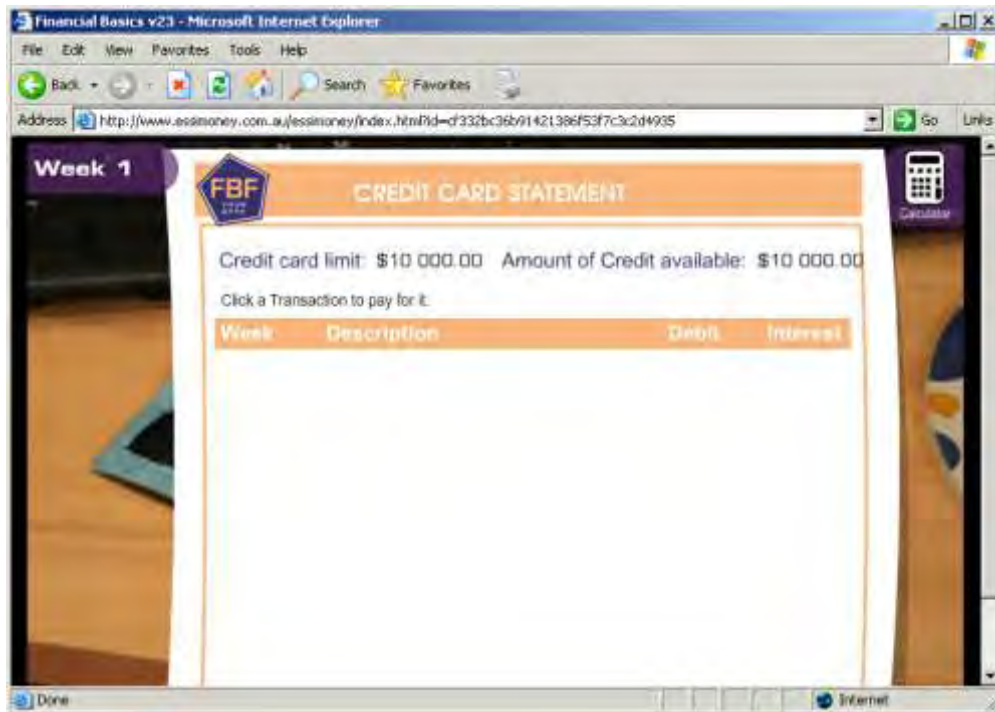
John (WA)

.....

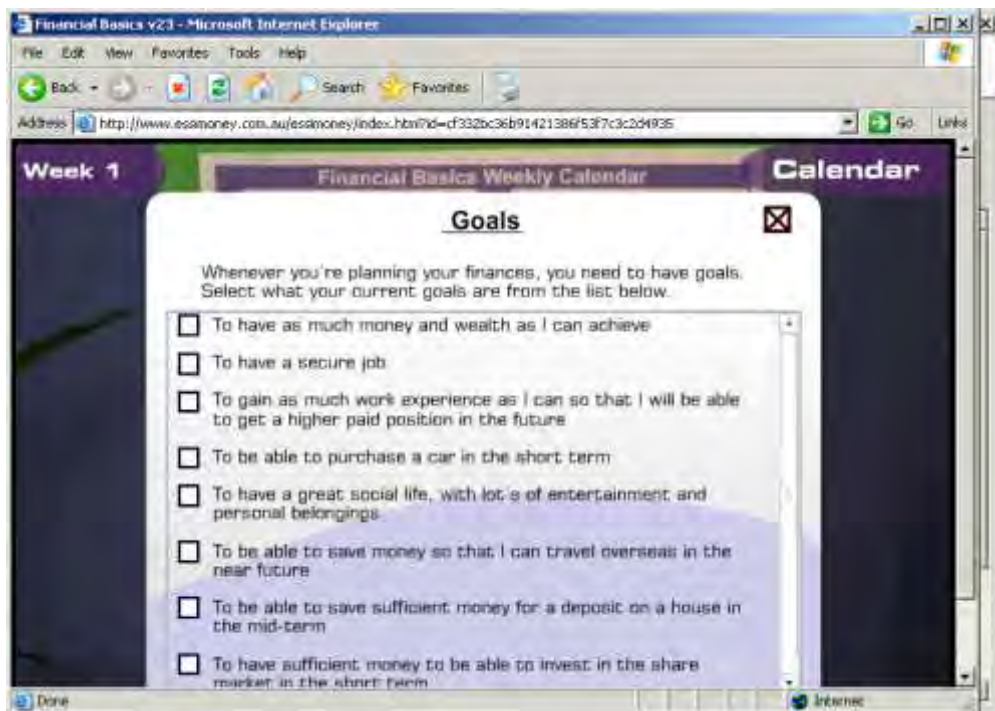
Thank you so much for this! All of my classes have really enjoyed the game - the challenge is set to beat \$16 000!

Emma (Qld)

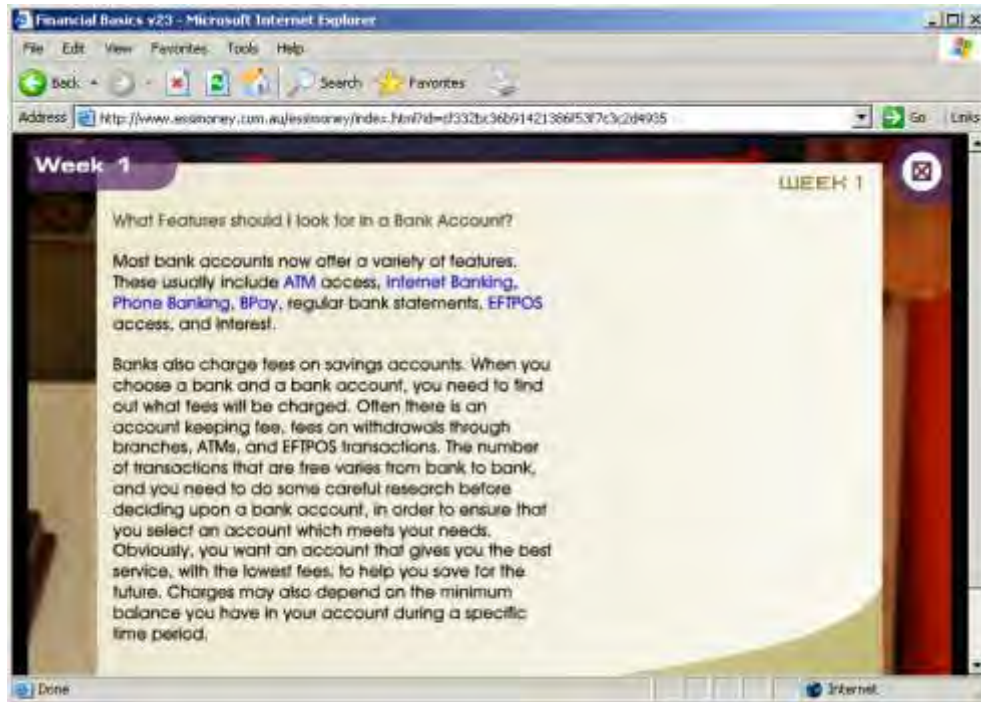
ESSI Money Screenshots



Example of FBF Credit Card statement



Goal setting is an important financial concept - each player must set his/her own goals at the beginning of the game.



Each player must successfully complete a series of quizzes throughout the game - this is an example of the tutorial material provided to help answer the questions.

Director's Report

Your Directors Present their report on the Financial Basics Foundation Limited (the Foundation) for the financial year ended 30 June 2008.

Directors:

The names and details of the directors in office at any time during or since the end of the year are:

Barrie Adams PSM, FCPA - Chairman/Director

Barrie has extensive experience in both the private and public sectors. For over nine years (until 31st March 2000), Barrie was the Queensland Regional Commissioner for the Australian Securities and Investments Commission (ASIC). Since leaving ASIC, he has been appointed to a number of company boards and is chairman or member of a number of Compliance Committees, particularly in the financial services industry.

Barrie has been a director of Collection House Limited since November 2002 and Chairman of the Audit & Risk Management Committee of that company since January 2003. Barrie is currently a Director of Ingeus Limited, Nuplant Limited and Steel Foundations Limited and associated companies.

In January 2000 he was awarded a Public Service Medal for his work as Regional Commissioner of ASIC and is a fellow of CPA Australia.

Julie Tealby B.Bus, CPA CIA - Secretary/Director

Julie is the Internal Audit Manager for Collection House Limited and previously held positions of Financial Controller and Company Secretary for five years until September 2000.

Prior to this she held financial and management accounting positions with an international consulting engineering firm as well as a consultant to the CEO of Collection House Limited.

Tarryn McMullen MBA B.Bus Grad. Cert Bus (Philanthropy and Non-Profit Studies) - Director

Tarryn is currently the Head of Group Strategy & Managing Director's Office at the Bank of Queensland.

She has several years experience in the not-for-profit industry, including being the inaugural staff member of Financial Basics Foundation (formerly Collection House Foundation), and working in fundraising and marketing for the Royal Children's Hospital Foundation.

Sandra Kenman - B.Ed LL.B - Director

Sandra Kenman has extensive experience working with secondary schools, curriculum authorities, and resource development agencies. She manages her own consultancy business which provides advice to educational groups at local, state and national levels. Sandra has degrees in Education and Law.

Dr Adrian McCullagh GAICD - Director

Adrian is a director and Chief Technology Officer with a Software company located in Brisbane. He is a director of "Careflight" Queensland and the State Government owned corporation, "Ilab Pty Ltd". Adrian has degrees in Law and Computer Science as well as a Ph.D. in electronic commerce law. He is a graduate of the Australian Institute of Company Directors and recently retired as a lawyer after 22 years in private practice.

Operating Results

The operating net profit of the foundation during the financial year was \$89,586.

Principle Activities

The Foundation researched, developed and distributed financial literacy resources in order to achieve the Foundation's dream: helping to ensure that all young Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so that they can make informed decisions on their financial affairs.

The first major initiative of the Foundation, Operation Financial Literacy - a financial literacy education program for secondary schools was distributed to over 1200 schools around Australia. The Foundation commenced researching content material about Scams to be included as Module 11. Work also commenced on the review and update of all existing content and student activities.

ESSI Money(Earning, Saving, Spending and Investing), the first online e-learning financial literacy game of its kind was released in July 2007.

Significant Changes in State of Affairs

No significant change in the nature of these activities occurred during the year.

Matters Subsequent to the End of the Financial Year

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

Review of Operations

The lack of sound financial knowledge amongst young people continues to be a major concern for government and educators. The Financial Basics Foundation is proactively addressing this issue by continuing to develop and provide high quality financial literacy materials for secondary schools.

National personal debt levels and youth debt are major issues at this time. Financial literacy is a life skill that can have far reaching positive social implications. The Foundation is taking a direct approach to addressing these issues by delivering financial education programs at a very practical level.

Statistics detailed in the 2006 Australian Financial Literacy Assessment showed that one third of students were unable to calculate how many hours they would need to work to meet their expenses. Half of year 9 and 10 students could not interpret mobile phone plans, despite over 80 per cent in that same age group now owning a mobile phone.

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Meetings of the Board of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

<i>Director</i>	<u><i>Directors Meetings</i></u>	
	<i>Meetings held during period</i>	<i>Meetings attended during period</i>
Barrie Adams	10	10
Julie Tealby	10	10
Tarryn McMullen	10	8
Rhonda King (resigned 11.03.08)	6	5
John Pearce (resigned 20.11.07)	3	-
Sandra Kenman	3	1
Adrian McCullagh	3	3

Dividends Paid or Recommended

By virtue of the constitution of the Foundation the income and property of the company shall be applied solely towards the promotion of the objects and purpose of the company and no portion shall be paid or transferred directly or indirectly by way of bonus, dividend or otherwise howsoever by way of profit to the member of the company.

Officers' and Auditors' Indemnification

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Foundation.

Auditor's Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:



Barrie Adams
Chairman

Dated this 29th day of October 2008



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WWW = www.hacketts.com.au

29 October 2008

The Board of Directors
Financial Basics Foundation Limited
Level 7, 515 St Pauls Terrace
FORTITUDE VALLEY QLD 4006

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Financial Basics Foundation Limited.

As lead audit partner for the audit of the financial report of Financial Basics Foundation Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully

Hacketts DFK

Shaun Lindemann
Audit Partner

Brisbane

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	2	226,513	344,527
Expenses from ordinary activities	3	<u>(136,927)</u>	<u>(133,197)</u>
Profit from ordinary activities		89,586	211,330
Income tax expense		-	-
Net Profit after income tax expense attributable to members of the Company		89,586	211,330
Total changes in equity other than those resulting from transactions with owners as owners		89,586	211,330

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	4	497,604	195,524
Receivables	5	45,158	18,761
Other assets	6	-	27,590
TOTAL CURRENT ASSETS		542,762	241,875
NON-CURRENT ASSETS			
Property plant and equipment	7(a)	112,999	108,584
Intangible assets	7(b)	14,605	4,155
		127,604	112,739
TOTAL ASSETS		670,366	354,614
CURRENT LIABILITIES			
Payables	8	8,978	-
Other payables	9	222,188	5,000
TOTAL CURRENT LIABILITIES		239,500	5,000
TOTAL LIABILITIES		231,166	5,000
NET ASSETS		439,200	349,614
EQUITY			
Retained profits		439,200	349,614

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR
ENDED 30 JUNE 2008

	2008 \$	2007 \$
Opening retained earnings	349,614	138,284
Gain for the year	89,586	211,330
Closing retained earnings	439,200	349,614

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30 JUNE 2008.

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		226,606	369,218
Cash payments from operating activities		(127,949)	(152,518)
Interest received		1100	517
Net cash provided by operating activities	13	<u>99,757</u>	<u>217,217</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for intangible assets		(10,450)	(74,812)
Payments for PPE		(4,415)	-
Net cash (used in) financing activities		<u>(14,865)</u>	<u>(74,812)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Funds provided to related parties		(217,188)	-
Net cash provided by (used in) financing activities		<u>(217,188)</u>	<u>-</u>
Net increase in cash held		302,080	142,405
Cash at beginning of year		195,524	53,119
Cash at end of year	4	<u>497,604</u>	<u>195,524</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The directors have determined that the Company is not a reporting entity.

Financial Basics Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the *Corporations Act 2001*, and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application of Standards

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

a. **Receivables**

Trade and other receivables are recognised and carried at original invoice amounts.

b. **Payables**

Liabilities for trade creditors and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

c. **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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

d. **Revenues**

Donations to the Company are recognised as revenue on receipt.

Fundraising revenues are recognised as revenue as soon as the net proceeds of the function or activity can be calculated.

Interest revenue is recognised as it accrues.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2008.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

e. **Cash**

Cash consists of cash at bank and on short term deposit.

f. **Income tax**

No provision for income tax has been made in the financial report as the Foundation is exempt from income tax under Section 50.5 of the Income Tax Assessment Act 1997.

g. **Intangible assets - software**

Software is recorded at cost, and is carried at cost less any accumulated amortisation or impairment losses. It is assessed annually for impairment.

h. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The financial report was authorised for issue on 28 October 2008 by the board of directors.

NOTE 2: REVENUE	2008	2007
	\$	\$
Operating activities		
Donations	213	984
Sponsorship	225,000	337,199
Sundry revenue	200	5,827
Interest	1,100	517
Total Revenue	226,513	344,527

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Advertising	5,490	5,570
Consultancy fees	49,299	51,644
Game expenses	14,123	510
Operation financial literature (OFL) related expenses	6,743	3,469
Postage	3,640	5,501
Printing expenses - OFL	9,211	31,138
Printing and stationery	970	5,260
Public relations	26,095	20,749
Rent	6,825	975
Sundry expenses	11,110	8,381
Workcover	3,421	-
Total Expenses	136,927	133,197

NOTE 4: CASH ASSETS

Cash at bank	497,604	195,524
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NOTE 5: TRADE & OTHER RECEIVABLES

Trade debtors	42,928	18,333
GST receivable	2,230	428
	45,158	18,761

NOTE 6: OTHER ASSETS

Monies deposited with the Finance Essentials Foundation Limited	-	27,590
	-	27,590

NOTE 7(a): PROPERTY PLANT and EQUIPMENT

Capital work in progress	108,584	108,584
Office equipment	415	-
Scam module	3,500	-
	112,499	108,584

NOTE 7(b): INTANGIBLE ASSETS

Intangible assets	14,605	4,155
	14,605	4,155

Capital work in progress related to the construction of web-based software, ESSi Money, which was completed during the financial year and transferred to intangible assets.

NOTE 8: PAYABLES

GST payable	8,978	-
	8,978	-

NOTE 9: OTHER CREDITORS

Loan payable - Finance Essentials Foundation Trust	5,000	5,000
Loan Finance Essentials Ltd	217,188	-
	222,188	5,000

NOTE 10: EQUITY

The company is limited by guarantee. If the company is wound up, the constitution states that each member of the company is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30th June 2008, the members of the company stood at 5.

Capital management

Management control the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manage the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since prior year. The strategy of the entity is to ensure that sufficient cash is on hand to meet trade and sundry payables.

NOTE 11: EVENTS OCCURRING AFTER REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the foundation, the results of those operations, or the state of affairs of the foundation in subsequent financial years.

NOTE 12: CONTINGENT LIABILITIES

At the end of the financial year the foundation had no contingent liabilities or any pending, to the knowledge of the directors.

	2008 \$	2007 \$
NOTE 13: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash at Bank	<u>497,604</u>	<u>195,524</u>
b. Reconciliation of Net Cash provided by Operating Activities to Profit from Ordinary Activities after Income Tax		
Profit from ordinary activities	<u>89,586</u>	<u>211,330</u>
Changes in assets and liabilities:		
(Increase)/decrease in trade & other debtors	1,193	6,447
Increase/(decrease) in creditors	8,978	(560)
Net cash provided by operating activities	<u>99,757</u>	<u>217,217</u>

NOTE 14: SEGMENT INFORMATION

The foundation operates in one business segment, being the provision of financial literacy strategies, and in one geographical segment, being Australia.

NOTE 15: ACCOUNTING POLICIES

The following accounting standards issued or amended and are applicable to the entity but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1.1.2009

NOTE 16: ENTITY INFORMATION

Registered office of the company is:

Level 7, 515 St Pauls Terrace
FORTITUDE VALLEY QLD 4006

The principal place of business is:

Level 7, 477 Collins Street
Melbourne Vic 3000

DIRECTORS' DECLARATION

The directors have determined that the foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

1. The financial statements and notes are in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Foundation.
2. In the directors' opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Barrie Adams
Chairman

Dated this 29th day of October 2008

FINANCIAL BASICS FOUNDATION

ACN 114 612 270



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FINANCIAL BASICS FOUNDATION LIMITED

LEVEL 4
549 QUEEN STREET
BRISBANE QLD 4000

TELEPHONE + 67 3839 9733
FACSIMILE + 67 3832 1407

EMAIL + advice@hacketts.com.au
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Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Financial Basics Foundation Limited (the Foundation), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Foundation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
FINANCIAL BASICS FOUNDATION LIMITED (Cont'd)

Audit Opinion

In our opinion, the financial report of Financial Basics Foundation Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Foundation's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

A handwritten signature in cursive script that reads "Hacketts".

Hacketts DFK

Dated at Brisbane, 29th October 2008

A handwritten signature in cursive script that reads "Shaun Lindemann".

Shaun Lindemann

Partner