



ABN 90 114 612 270

2011

Annual Report



Chairman's Report

Ultimately, financial literacy should be more than financial knowledge. It should be about financial knowledge and understanding translating into sound actions, behaviours and wise choices in relation to financial matters. Through the provision of education and initiatives that allow young people to practice these behaviours, the Foundation is supporting young people to build their own financial capacity.

In 2011 the Financial Basics Foundation (the Foundation) continued its mission 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* by conducting research and developing and distributing financial literacy resources to schools and organisations throughout Australia.

The Foundation has distributed its original curriculum based resource, Operation Financial Literacy (OFL), to over 62% of Australian secondary schools. Nationally, this equates to 1,677 secondary schools using OFL as part of their financial literacy studies.

Additionally, ESSI Money (Earning, Saving, Spending and Investing) our online financial literacy simulation game was used by 1,412 schools, an increase of 512 schools from the previous financial year. 10,451 students completed the game this year alone.

The Foundation continues to be engaged with a number of other charities and community organisations in supporting increased financial literacy for all Australians. We have participated in a number of community forums and are involved in the consultative groups which form part of the federal government's national financial literacy strategy. We have distributed copies of Operation Financial Literacy to 191 community organisations and charities, and the ESSI Money CD Rom which is designed specifically for secondary schools with limited bandwidth has been delivered to 121 schools in regional and remote areas.

In September 2010 the Foundation hosted the inaugural BOQ ESSI Money Challenge in which students from across the country competed for their chance to win a \$1000 cash prize for themselves and \$4000 for their school. Over 2,500 students from 257 schools competed in the financial literacy competition. Congratulations to the winners, Henry Chang from The Peninsula School (13-15 years) and Gavin Trewella from Peter Lalor Secondary College (16-18 years) both from Victoria.

The implementation of the Challenge offered us the opportunity to undertake a survey in which we asked the students to respond to a series of basic financial literacy and consumer questions. Of some concern was the fact that:

- 72% of respondents believed that banks regularly communicate with their customers via email while 48% of these students proceeded to reply to a scam email providing their account details
- 42% of students were not aware that retirement income paid by an employer was called superannuation
- 72% of all students believed that using a credit card was the same as using cash to pay for goods and services.

On a more positive note, nearly 2000 of the 2,500 respondents rated ESSI Money 7 or higher on a scale of 1-10 in terms of how much fun ESSI Money is. 1,972 students rated ESSI Money 7 or higher in relation to how useful it is in terms of teaching them about money and financial issues.



Katrina Birch CEO Financial
Basics Foundation,
ESSI Money Challenge 2011
Junior Division Winner Daniel
Yim and
BOQ Lending Manager
Frankston, Andrew Sheehan

Operation Financial Literacy and ESSI Money are provided by the Foundation at no cost to schools and charities throughout Australia. This strategy, to educate young Australians about sound financial management would not be possible without the generous and continuing support of our corporate partners, Collection House Limited and BOQ. Our partnerships are established with an understanding and acknowledgement that financial literacy is an important life skill for all young Australians. Partnering with the Financial Basics Foundation has enabled Collection House and BOQ to take a proactive approach to addressing these issues by supporting financial education and fostering financial capacity building programs in a very practical way.

The development of the national education reform agenda has, and will be a significant driver in how the Foundation reviews, develops and delivers its initiatives moving forward. In the new Australian curriculum, consumer and financial literacy will be incorporated across a range of curriculum and subject areas including English, Mathematics, Science, ICT and the Humanities. The Foundation commenced reviewing its resources to ensure relevance and application across these subject areas.

The Foundation will be guided in the year ahead by a Strategic Plan that ensures continued growth and development of our resources and work in the area of financial literacy education. Resources will be allocated to additional staff and the development of new programs and sponsor related activities including the development of:

- Teacher Forums (professional development and networking for secondary school teachers) and an
- E-newsletter (regular and current online financial literacy materials and resources)

The Foundation is leading the way in the provision of financial literacy programs and resources for Australian secondary schools and continues to receive positive feedback from teachers around Australia in response to our programs.

The Foundation is a small not-for-profit organisation achieving outstanding success in a number of areas, thanks largely to the dedication and professionalism of its Board of Directors. The contribution of time and knowledge that each board member volunteers in order to guide and manage the Foundation is a testament to their generosity and commitment to the dream of the Foundation. I would like to take this opportunity to thank the directors and staff for their ongoing commitment and hard work.

Barrie Adams PSM FCPA
Chairman

Directors' Report

Your directors present their report on the Financial Basics Foundation Limited (the Foundation) for the financial year ended 30 June 2011.

Directors

The names of each person who has been a director during the year and up to the date of this report are:

Barrie Adams
Julie Tealby
Tarryn McMullen
Sandra Kenman
Adrian McCullagh

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

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 Financial Basics Foundation has:

- Produced a financial literacy resource that has been distributed and used by 1,677 secondary schools, which constitutes over half of all secondary schools in Australia
- Operation Financial Literacy is a curriculum based resource with 11 modules covering topics such as Planning for Your Future, Mobile Phones, Credit and Borrowing, Banking, Saving and Investing, Scams, Income, Budgeting and Financial Protection
- Created ESSI Money (Earning Saving Spending and Investing) an online financial literacy simulation game developed for Australian schools. Over 10,451 students from 1,412 schools have played ESSI Money this financial year
- Hosted a national financial literacy competition (the BOQ ESSI Money Challenge) in September 2010 which saw over 2,500 students complete for the chance to win \$1000 for themselves and \$4000 for their school
- Incorporated as part of the implementation of the ESSI Money Challenge, the Foundation sought to identify knowledge, skills and trends of young people in relation to their consumer behaviour and financial literacy
- Distributed copies of Operation Financial Literacy to 191 community organisations and charities
- Distributed copies of the ESSI Money CD Rom to 121 secondary schools with limited bandwidth and from regional and remote areas

Review of Operations

"Ultimately, financial literacy should be more than financial knowledge. It should be about financial knowledge and understanding translating into sound actions and behaviours in relation to financial matters. In doing this, the Foundation can assist young people to build their own financial capacity". Barrie Adams, Chairman Financial Basics Foundation.

Financial literacy is a life skill that can have far reaching positive social implications. The Foundation has taken a proactive approach to addressing these issues by supporting financial education and fostering financial capacity building programs in a very practical way.

The Foundation was established in 2002 by Collection House in response to the need for greater financial literacy amongst young Australians. The Foundation dream is **to ensure that all 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 development of the national education reform agenda has, and will be a significant driver in how the Foundation reviews, develops and delivers its initiatives moving forward. In the new Australian curriculum, consumer and financial literacy will be incorporated across a range of curriculum and subject areas including English, Mathematics, Science, ICT and the Humanities. The Foundation commenced reviewing its resources to ensure relevance and application across these subject areas.

Operation Financial Literacy is a hard copy teaching resource that has now been distributed free of charge to 1677 secondary schools across Australia.

ESSI Money (Earning Saving Spending and Investing) is the Foundation's online e-learning resource. As at June 2011, 1412 schools, an increase of 512 schools from the previous financial year, have registered to play ESSI Money. Over 10,451 students completed the game in 2010.

In September 2010 the Foundation hosted the inaugural ESSI Money Challenge in which students from across the country competed for their chance to win a \$1000 cash prize for themselves and \$4000 for their school. Over 2,500 students competed in this financial literacy competition.

Operation Financial Literacy and ESSI Money are provided by the Foundation at no cost to schools and charities throughout Australia. This strategy, to educate young Australians about sound financial management would not be possible without the generous and continuing support of our corporate partners, Collection House Limited and BOQ. Our partnerships are established with an understanding and acknowledgement that financial literacy is an important life skill for all young Australians.

The Foundation is leading the way in the provision of programs and resources for Australian secondary schools and continues to receive positive feedback from teachers around Australia in response to our programs.

The Foundation is a small not-for-profit organisation achieving outstanding success in a number of areas, thanks largely to the dedication and professionalism of its Board of Directors. The contribution of time and knowledge that each board member volunteers in order to guide and manage the Foundation is a testament to their generosity and commitment to the dream of the Foundation.

Financial literacy is becoming a critical life skill and the Foundation is at the forefront in the provision of material to better educate young Australians in this area. The Financial Basics 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 Foundation will be guided in the year ahead by a Strategic Plan that ensures continued growth and development of our resources and work in the area of financial literacy education. Resources will be allocated to additional staff and the development of new programs and sponsor related activities.

Information on Directors

Barrie Adams PSM, FCPA – Chairman/Director

Barrie has extensive experience in both the private and public sectors. For over nine years (until 31 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 including Audit and Risk Committees and is chairman or member of a number of Compliance Committees, particularly in the financial services industry.

Barrie was a director of Collection House Limited from November 2002 to October 2009, and Chairman of its Audit & Risk Management Committee. Barrie is currently Chairman of Infocus Wealth Management Ltd and its associated companies, a director of Sunshine Coast Destination Ltd and a director of Eumundi Combined Community Organisation Ltd. He is also the President of the Eumundi Chamber of Commerce.

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

As at 30 June, 2011, Tarryn was the Head of Managing Directors Office at the Bank of Queensland.

Tarryn 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 LLB BEd - 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's credentials include degrees in Education and Law.

Adrian McCullagh - Director

Adrian is a director and Chief Technology Officer with a software company. He was a director of "Careflight" Queensland and the State Government owned corporation, "Ilab Pty Ltd".

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

Company Secretary

Julie Tealby is Company Secretary. Julie has CPA and CIA qualifications which is further supported by 16 years accounting experience.

Meetings of the Board of Directors

During the financial year 8 meetings were held. Attendances by each director during the year were as follows:

Director	Directors Meetings	
	Meetings held during period	Meetings attended during period
Barrie Adams	8	8
Julie Tealby	8	8
Tarryn McMullen	8	6
Sandra Kenman	8	6
Adrian McCullagh	8	5

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$100 (2010: \$100).

Auditor's Independence 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 18th day of October 2011

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FINANCIAL BASICS FOUNDATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Lawler Hacketts Audit



Liam Murphy
Partner

Brisbane, 18 October 2011

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenues	2	118,770	399,201
Expenses	3	(108,263)	(106,972)
Profit before income tax		10,507	292,229
Income tax expense		-	-
Profit for the year		10,507	292,229
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		10,507	292,229

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	4	611,333	652,542
Receivables	5	66,066	7,171
TOTAL CURRENT ASSETS		677,399	659,713
NON-CURRENT ASSETS			
Property plant and equipment	6(a)	3,500	4,415
Intangible assets	6(b)	123,188	123,188
TOTAL NON-CURRENT ASSETS		126,688	127,603
TOTAL ASSETS		804,087	787,316
CURRENT LIABILITIES			
Payables	7	10,190	3,925
Other payables	8	-	1
TOTAL CURRENT LIABILITIES		10,190	3,926
TOTAL LIABILITIES		10,190	3,926
NET ASSETS		793,897	783,390
EQUITY			
Retained profits		793,897	783,390

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Balance at 1 July	783,390	491,161
Profit attributable to the entity	10,507	292,229
Balance at 30 June	793,897	783,390

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		69,263	223,999
Cash payments from operating activities		(112,521)	(125,683)
Interest received		2,049	2,047
Net cash provided by (used in) operating activities	12	(41,209)	100,363
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for intangible assets		-	-
Payments for PPE		-	-
Net cash (used in) investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Funds provided to related parties		-	-
Net cash provided by (used in) financing activities		-	-
Net increase/(decrease) in cash held		(41,209)	100,363
Cash at the beginning of the year		652,542	552,179
Cash at the end of the year	4	611,333	652,542

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001*, and the significant accounting policies described below, which the directors have determined are appropriate to need to needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are 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:

The financial statements were authorised for issue on 18 October 2011 by the directors of the company.

a. **Receivables**

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

b. **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 period which remain unpaid. 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.

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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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.

All revenue is stated net of the amount of goods and services tax (GST).

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 Div 50 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

g. Intangible assets - software

Software is recorded at cost, and assessed annually to ensure it is carried at fair value. The software is not amortised, as it is regularly maintained, and as a consequence has not depreciated in value during the year. The cost of maintenance is expensed in the period in which it is incurred.

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 company.

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.

i. Adoption of New and Revised Accounting Standards

During the current year, the company adopted the following revised Australian Accounting Standards to the extent they affect the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001.

AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 January 2010).

This standard made amendments to various AASB standards including AASB 101: Presentation of Financial Statements and AASB 107: Statement of Cash Flows.

Some of the amendments arising from AASB 2009–5 resulted in accounting changes for presentation, recognition or measurement purposes, whereas others only related to terminology and editorial changes. None of the amendments are expected to materially affect the company's financial statements.

j. New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows

AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1031: Materiality. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements

AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 1, 7, 101 & 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to various Accounting Standards, including AASB 101 and AASB 108, arising from the IASB's annual improvements project. These changes are not expected to have a major impact on the presentation of the company's financial report. Key changes include:

AASB 2010–5: Amendments to Australian Accounting Standards (October 2010) [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including AASB 101 and AASB 107. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
NOTE 2: REVENUE		
Operating activities		
Donations – forgiveness of debt	1	218,914
Sponsorship	111,250	139,167
Sundry revenue	5,470	39,073
Interest	2,049	2,047
Total Revenue	118,770	399,201

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Consultancy fees	58,395	51,533
Game expenses	21,301	11,898
Operation financial literature (OFL)	-	2,500
Postage	2,484	3,378
Printing expenses – OFL	7,854	18,844
Printing and stationery	104	66
Rent	5,850	4,875
Sundry expenses	9,251	12,983
Legal Fees	1,200	-
Workcover	689	895
Depreciation	915	-
Bad Debts Expense	220	-
Total Expenses	108,263	106,972

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 4: CASH ASSETS	2011	2010
	\$	\$
Cash at bank	611,333	652,542
	611,333	652,542

NOTE 5: TRADE & OTHER RECEIVABLES		
Trade receivables	66,066	4,803
GST receivable	-	2,368
	66,066	7,171

NOTE 6(a): PROPERTY PLANT AND EQUIPMENT		
Office equipment	915	915
Accumulated Depreciation	(915)	-
Scam module	3,500	3,500
	3,500	4,415

NOTE 6(b): INTANGIBLE ASSETS		
ESSI Money Game Software	123,188	123,188
	123,188	123,188

NOTE 7: PAYABLES		
Trade payables	4,175	702
Creditors accrual	-	1,135
GST payable	6,015	2,088
	10,190	3,925

NOTE 8: OTHER CREDITORS		
Loan Finance Essentials Ltd	-	1
	-	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 9: 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 30 June 2011, 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 Board ensures that the overall risk management strategy is in line with this objective.

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 10: 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 11: CONTINGENT LIABILITIES

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

NOTE 12: CASH FLOW INFORMATION

	2011 \$	2010 \$
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	611,333	652,542
b. Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	10,507	292,229
Donation – forgiveness of debt	-	(218,914)
Depreciation Expense	915	-
Bad Debts Written-off	220	-
Changes in assets and liabilities:		
(Increase)/decrease in trade & other debtors	(59,116)	45,759
Increase/(decrease) in creditors and other payables	6,265	(18,711)
Net cash provided by (used in) operating activities	(41,209)	100,363

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 13: SEGMENT INFORMATION

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

NOTE 14: 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.

The directors of the Foundation declare that:

1. The financial statements and notes, as set out on pages 5 to 14 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.

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 18th day of October 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINANCIAL BASICS FOUNDATION

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Financial Basics Foundation (the Foundation), which comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Foundation 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 *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 of the financial report that gives a true and fair view 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.

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*

Lawler Hacketts Audit
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16
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under Professional Standards Legislation

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FINANCIAL BASICS FOUNDATION (Cont'd)**

Opinion

In our opinion, the financial report of Financial Basics Foundation 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 2011 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 the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, 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 directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Lawler Hacketts Audit



Liam Murphy
Partner

Brisbane, 18 October 2011