



Financial Basics Foundation

2012 Annual Report

ACN 114 612 270



Chairman's Report

As Queenslanders witnessed in the aftermath of the 2011 floods and Victorians in the wake of Black Saturday, a little volunteering can go a long way. It is this spirit of generosity that has enabled Financial Basics Foundation, a 'not-for-profit' organisation established by Collection House, to become firmly established within the Australian educational community.

Earlier this year, as the Financial Basics Foundation celebrated its 10th anniversary, I made the transition from corporate supporter and advocate, to Chairman of the Financial Basics Foundation. The last 10 years have been a period of immense progress and development, as the Foundation worked towards achieving the dream of 'ensuring that all young Australians have an understanding of the credit system and financial management practices'.

Barrie Adams steered the Foundation as Chairman from its inception in 2002, until December 2011. His leadership, knowledge, passion and commitment to financial literacy was a driving force behind the Foundation's growth. I would like to acknowledge his considerable contribution to this work and thank him for his dedication and diligence.

Our flagship product, 'Operation Financial Literacy' which comprises a set of 11 modules containing Teacher Notes and Student Worksheets has now been provided free-of-charge to 1,767 secondary schools across the country.

Ensuring the relevance and currency of this material is an ongoing priority for the Foundation, and with the development of the Australian curriculum, we have commenced a review and update of this resource. Another favourite with the teenage audience is the on-line, interactive teaching resource known as 'ESSI Money'. Since its release in 2007, 17,102 Australian school students have completed the game.

Using ESSI Money as the vehicle for a national financial literacy competition proved to be a huge motivator for students across the country once again in 2011. Over 2,230 students completed the game and financial literacy quiz for their chance to win \$1,000 for themselves, and \$4,000 for their school.

In order to further expand the work of the Foundation, the Board of Directors made the decision to appoint two new part time Program Managers in 2011. One of the new initiatives has been the creation of a quarterly electronic newsletter, '*Principles and Interest*', which provides a vehicle for regular communication with teachers and an opportunity to provide additional teaching ideas and resources, together with commentary on various developments in the Australian educational arena.

Secondly, the Foundation has also moved into the provision of Professional Development sessions for Australian teachers, by way of presentations at State Conferences and at subject area meetings. Principally for teachers of Commerce and Mathematics, our contribution to these events has been warmly received by participants.

The ongoing support of our sponsors Collection House and Bank of Queensland enables the Financial Basics Foundation to be able to provide these resources and initiatives free of charge to Australian secondary school teachers.

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.

A handwritten signature in blue ink, appearing to read 'D Liddy', is positioned above the printed name and title.

David Liddy

Chairman



CEO Report

The Financial Basics Foundation recognises the importance of education to enhance people's lives. Financial literacy is a valuable skill that empowers young people to make sound decisions for a lifetime. To date, there has been little consistency in the delivery of financial literacy taught in schools. The inclusion of financial education in the new Australian Curriculum will see aspects of financial literacy imbedded within a range of subject areas. For the Foundation, this has seen a shift in focus towards resourcing financial literacy as a context for mathematics and numeracy, in addition to our focus within the business and SOSE curriculum areas.

The appointment of two part-time Program Managers in Brisbane earlier this year allowed us to expand our program delivery to include:

- ✚ The delivery of professional development sessions for teachers
- ✚ The production and distribution of a quarterly newsletter that complements Operation Financial Literacy and ESSI Money, and
- ✚ An in-depth member survey

In relation to our core program areas, we were able to:

- ✚ Commence reviewing , rewriting and updating the modules within of Operation Financial Literacy to ensure ongoing relevance and accuracy of the material
- ✚ Commence an upgrade of ESSI Money, so that version two will include increased security and reporting measures, updated content and the inclusion of additional financial literacy questions
- ✚ Commence work on a digital strategy that will see the upgrade of our website and establishment of a community of practice for teachers. Components of this project will include:
 - A streamlined registration process that will provide easy access to all FBF products
 - digitising OFL content and providing an effective search tool, to support quick and easy content search
 - Organising the content to fit the national curriculum, making it easy for teachers to meet their requirements
 - Online conversation tools for peer to peer conversations

At the time of writing this report, the in-depth Member survey had commenced but was not yet finalised. Full results and a detailed analysis will be provided in the 2013 annual report. Initial responses indicate that the Foundation's position as an independent provider of financial literacy material to Australian secondary schools is extremely important and that this is a significant factor for educators in choosing to use our resources. Further, our resources are widely used throughout each state and territory and across all school affiliations. Many of our users also indicate that they are long term subscribers and have been using our material in their classrooms for over five years.

The Foundation's core programs include Operation Financial Literacy and ESSI Money. How we develop, monitor and review these programs and their content and structure, applying strategies that ensure maximum program availability and evaluation protocols is the underlying premise of our of our financial literacy program strategy.

To date, 17,102 students from 1,987 unique secondary schools across the country have completed ESSI Money. A further 2,230 students completed the annual BOQ ESSI Money Challenge in 2011.

Operation Financial Literacy, our 11 module hard copy resource has now been distributed, free of charge to 1,767 Australian Secondary Schools.

ESSI Money Class Registrations

State	Totals as at June 2011	Totals to June 2012
ACT	41	67
NSW	308	395
NT	16	20
QLD	1080	1435
SA	172	194
TAS	244	303
VIC	1037	1319
WA	330	419
Grand Total	3226	4152

ESSI Money Unique Registrations

State	Totals as at June 2011	Totals to June 2012
ACT	22	31
NSW	175	248
NT	12	15
QLD	450	677
SA	88	105
TAS	105	149
VIC	423	579
WA	137	183
Grand Total	1412	1987

BOQ ESSI Money Challenge participants 2011

Register classes	369
Registered users	5,567
Completed the game	2,230
Registered users 13-15 years old	4,139
Completed users 13-15 years old	1,696
Registered users 16-18 years old	1,428
Completed users 16-18 years old	534

OFL Registrations

State	As at June 2011	Totals as at June 2012
ACT	24	30
NSW	330	356
NT	26	26
QLD	472	490
SA	143	147
TAS	81	83
VIC	397	423
WA	199	207
OTHER	5	5
Grand Total	1680	1767

OFL School Affiliation Totals

State	Totals	State	Totals
ACT	6	SA	24
Catholic	16	Catholic	83
Gov	2	Gov	13
Other	6	Other	27
Private Religious	6	Private Religious	27
NSW	51	TAS	7
Catholic	234	Catholic	63
Gov	16	Government	2
Other	55	Other	11
Private Religious	2	Private Religious	11
NT	2	VIC	71
Catholic	17	Catholic	265
Gov	5	Gov	42
Other	2	Other	45
Private Religious	2	Private Religious	45
QLD	76	WA	30
Catholic	285	Catholic	132
Gov	44	Gov	8
Other	85	Other	32
Private Religious	85	Private Religious	32
		Other	5
Grand Total			
1767			

Grand Total			
Private Religious	82	Other	2
Other	44	Private Religious	35
Gov	382	Other	8
		Gov	135

Identifying opportunities to broaden the scope of our work and further develop the services we provide, has also been a key priority for the Foundation in 2011. To this end, we have spent some time investigating opportunities for the creation and development of a suite of products that can be used outside of the secondary school system along with opportunities to create programs that may be a source of revenue that can be reinvested into the ongoing growth and development of our core programs. A number of these projects are currently being considered.

Delivery of agreed partnership outcomes to our corporate partners Bank of Queensland and Collection House has ensured that the relationship with our key sponsors continues to be strong and ongoing. Increased opportunities for mutually beneficial activities such as sponsor contributions to our newsletter, the ongoing success of the BOQ ESSI Money Challenge, joint community speaking engagements and collaboration across a range of stakeholder communication activities have proved to be successful strategies in 2011.

2011 saw the release of the National Financial Literacy Strategy and MoneySmart Week initiatives from ASIC. These are significant steps towards recognising the importance of sound financial literacy for all Australians. The Foundation supports this work through our initiatives specifically designed for secondary school students, and we will continue to play an important role in the work being undertaken in this field. The Financial Basics Foundation has been invited to contribute to one of the working parties collaborating to create the activities which will form the inaugural MoneySmart Week program. It is envisaged that we will provide a focal point for young people through the provision of the BOQ ESSI Money Challenge as part of MoneySmart Week initiatives in 2012.

Securing additional funding is the overriding strategic objective for the next 12 months. Our activities will have a clear focus on achieving this outcome and will form the basis for our planning and activities. Focus areas will include but not be limited to, partnerships and sponsor engagement, brand and marketing profile and the development of a broader product range.



Katrina Birch

CEO

Directors' Report

Your directors present their report on the Financial Basics Foundation Limited (the Foundation) for the financial year ended 30 June 2012.

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 (resigned 5 December 2011)

Julie Tealby

Tarryn McMullen

Sandra Kenman

Adrian McCullagh (resigned 8 May 2012)

Katrina Birch (appointed 18 October 2011)

David Liddy (appointed 25 January 2012)

Aaron Street (appointed 23 August 2012)

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

Principal 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 1,767 Australian secondary schools

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 17,102 students from 1,987 unique schools have completed ESSI Money

Hosted a national financial literacy competition (the BOQ ESSI Money Challenge) in September 2011 which saw over 2,200 students complete for the chance to win \$1,000 for themselves and \$4,000 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.

Review of Operations

The Financial Basics Foundation recognises the importance of education to enhance people's lives. Financial literacy is a valuable skill that empowers young people to make sound decisions for a lifetime. To date, there has been little consistency in the delivery of financial literacy taught in schools. The inclusion of financial education in the new Australian Curriculum will see aspects of financial literacy imbedded within a range of subject areas. For the Foundation, this has seen a shift in focus towards resourcing financial literacy as a context for mathematics and numeracy, in addition to our focus within the business and SOSE curriculum areas.

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Securing additional funding is the overriding strategic objective for the next 12 months. Our activities will have a clear focus on achieving this outcome and will form the basis for our planning and activities. Focus areas will include but not be limited to, partnerships and sponsor engagement, brand and marketing profile and the development of a broader product range.

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.

Barrie resigned as director and chairman of the board effective 5 December 2011.

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 has several years' experience in both the corporate and not-for-profit industries, 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.

Tarryn currently works with consulting firm Social Money Solutions, prior to this she worked at Bank of Queensland for seven years as Head of the Managing Director's Office.

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 GAICD - Director

Adrian is a director and Chief Technology Officer with a software company. 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. A graduate of the Australian Institute of Company Directors, Adrian recently retired as a lawyer after 22 years in private practice.

Adrian resigned from his position as director 8 May 2012.

Katrina Birch - Director

Katrina has been a consultant to the Foundation since 2004 and was appointed as CEO and Director in 2011.

Katrina has worked in the youth sector for 20 years with experience in government and not-for-profit organisations. A strong advocate for young people, Katrina was involved in the deinstitutionalisation of disabled clients from residential institutions in Queensland. Prior to commencing with the Financial Basics Foundation, Katrina was the State Manager of CanTeen Queensland (the organisation supporting young people living with cancer).

David Liddy MBA – Chairman/Director

David Liddy is one of the most experienced retail bankers in Australia, having spent over 43 years in the banking industry, most recently as the Managing Director and CEO of the S&P/ASX100 company Bank of Queensland Limited (BOQ).

Mr Liddy retired in 2011 after 11 years at BOQ and his leadership over this period led to significant growth in all facets of the organisation. Prior to joining Bank of Queensland, Mr Liddy held a variety of roles over 33 years at Westpac, working his way up from being a branch teller to a range of senior management positions in both Australia and offshore.

David holds a Masters in Business Administration, is a Senior Fellow of the Financial Services Institute of Australasia, and a Fellow of the Australian Institute of Company Directors. He was awarded the Centenary Medal in 2003 for distinguished service to business and commerce in Banking and Finance, and AB&F's 'Financial Services Executive of the Year' in 2009.

David is Chairman of Collection House Limited, and a Director of Adept Solutions Limited. He also volunteers his time as Chairman of financial literacy not-for-profit Financial Basics Foundation and Financial Basics Community Foundation, and serves on the Board of autism charity AEIOU.

Aaron Street - Director

Aaron is a Director within KPMG's Private Enterprise Practice in Brisbane. He has over 16 years experience, 12 year with KPMG in providing a wide range of accounting, taxation and general business advisory services to a broad range of private clients.

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 7 meetings of directors were held. Attendances by each director during the year were as follows:

Director	<u>Directors Meetings</u>	
	Meetings eligible to attend	Meetings attended during period
Barrie Adams	3	3
Julie Tealby	7	7
Tarryn McMullen	7	7
Sandra Kenman	7	5
Adrian McCullagh	7	6
Katrina Birch	5	4
David Liddy	3	3

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 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$100 (2011: \$100).

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2012 as required under section 307C of the Corporations Act 2001 is attached to this Directors' Report and can be found on page 5.

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



David Liddy
Chairman

Dated this 25th day of October 2012

**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 2012, 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, 25 October 2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenues	2	168,944	118,770
Expenses	3	<u>(211,590)</u>	<u>(108,263)</u>
Profit/(Loss) before income tax		<u>(42,646)</u>	<u>10,507</u>
Income tax expense	1(f)	-	-
Profit/(Loss) for the year		<u>(42,646)</u>	<u>10,507</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income attributable to members of the entity		<u>(42,646)</u>	<u>10,507</u>

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	639,046	611,333
Receivables	5	7,973	66,066
TOTAL CURRENT ASSETS		<u>647,019</u>	<u>677,399</u>
NON-CURRENT ASSETS			
Property plant and equipment	6(a)	3,500	3,500
Intangible assets	6(b)	123,188	123,188
TOTAL NON-CURRENT ASSETS		<u>126,688</u>	<u>126,688</u>
TOTAL ASSETS		<u><u>773,707</u></u>	<u><u>804,087</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	7	22,456	10,190
TOTAL CURRENT LIABILITIES		<u>22,456</u>	<u>10,190</u>
TOTAL LIABILITIES		<u><u>22,456</u></u>	<u><u>10,190</u></u>
NET ASSETS		<u><u>751,251</u></u>	<u><u>793,897</u></u>
EQUITY			
Retained profits		<u>751,251</u>	<u>793,897</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Balance at 1 July	793,897	783,390
Profit attributable to the entity	(42,646)	10,507
Balance at 30 June	<u>751,251</u>	<u>793,897</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		208,043	69,263
Cash payments from operating activities		(210,394)	(112,521)
Interest received		30,064	2,049
Net cash provided by (used in) operating activities	11	<u>27,713</u>	<u>(41,209)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for intangible assets		-	-
Payments for PPE		-	-
Net cash (used in) investing activities		<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Funds provided to related parties		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		27,713	(41,209)
Cash at the beginning of the year		611,333	652,542
Cash at the end of the year	4	<u>639,046</u>	<u>611,333</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements, except for the cash flow information, 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 financial statements were authorised for issue on 24 October 2012 by the directors of the Foundation.

Accounting Policies

a. Receivables

Trade and other receivables are recognised and carried at original invoice amounts. Receivables expected within 12 months of the end of the reporting period as classified as current assets. All other receivables classified as non-current assets.

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 (ATO). Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from or payable to the ATO is included in the statement of financial position.

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 using the effective interest rate method.

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

e. Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

i. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt.

NOTE 2: REVENUE	2012 \$	2011 \$
Donations – forgiveness of debt	-	1
Sponsorship	125,417	111,250
Sundry revenue	12,723	5,470
Interest	30,804	2,049
Total Revenue	168,944	118,770

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Consultancy fees	89,895	58,395
Game expenses	69,079	21,301
Storage - Operation fFinancial Literature	1,347	2,539
Postage - Operation Financial Literature	1,429	2,484
Printing expenses – Operation Financial Literature	-	7,854
Rent	4,875	5,850
Sundry expenses	8,735	6,816
Legal Fees	-	1,200
Workcover	1,637	689
Depreciation	-	915
Bad Debts Expense	-	220
Payroll	34,593	-
Total Expenses	211,590	108,263

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
NOTE 4: CASH ASSETS		
Cash at bank	639,046	611,333
	<u>639,046</u>	<u>611,333</u>

NOTE 5: TRADE & OTHER RECEIVABLES

Trade receivables	6,777	66,066
Interest accrual	740	-
GST receivable	456	-
	<u>7,973</u>	<u>66,066</u>

NOTE 6(a): PROPERTY PLANT AND EQUIPMENT

Office equipment	915	915
Accumulated Depreciation	(915)	(915)
Scam module	3,500	3,500
	<u>3,500</u>	<u>3,500</u>

NOTE 6(b): INTANGIBLE ASSETS

ESSI Money Game Software	123,188	123,188
	<u>123,188</u>	<u>123,188</u>

NOTE 7: PAYABLES

Trade payables	6,791	4,175
Creditors accrual	6,396	-
GST payable	-	6,015
Payroll liabilities	9,269	-
	<u>22,456</u>	<u>10,190</u>

NOTE 8: 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 2012, the members of the company stood at \$100 (2011 \$100).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 8: EQUITY (continued)

Capital management (continued)

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 9: 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 10: 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 11: CASH FLOW INFORMATION	NOTE	2012 \$	2011 \$
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	4	639,046	611,333
b. Reconciliation of cash flows from operating activities with profit after income tax			
Profit after income tax		(42,646)	10,507
Depreciation Expense		-	915
Bad Debts Written-off		-	220
Changes in assets and liabilities:			
(Increase)/decrease in trade & other debtors		58,093	(59,116)
Increase/(decrease) in creditors and other payables		12,266	6,265
Net cash provided by (used in) operating activities		27,713	(41,209)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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, 525 Flinders 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.

In accordance with a resolution of the directors of Financial Basics Community Foundation, the directors declare that:

1. The financial statements and notes, as set out on pages 6 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 2012 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.



David Liddy

Chairman

Dated this 25th day of October 2012

**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 2012, 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.

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

Independence

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

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 2012 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, 25 October 2012