

2014

ANNUAL REPORT



Financial
Basics
Foundation

ACN 114 612 270



CHAIRMAN'S REPORT

In 2002, the idea to increase the financial knowledge of young people resulted in the creation of the Financial Basics Foundation. Now, over 10 years later, the Financial Basics Foundation has grown to become a nationally recognised leader in the provision of financial literacy educational resources for young people, helping secondary students around Australia understand sound financial management practices.

Over the last fourteen years, the Financial Basics Foundation has been innovative and forward-thinking within the education and finance communities. By all measures, the social impact of our programs and the benefits realised within the community represent true success when measured against social well-being criteria.

To date we can proudly boast a membership of 3,542 teachers, Operation Financial Literacy and ESSI Money are used in 1,741 schools across Australia, and 81,370 students have played ESSI Money since its release in 2007. That's over 80,000 young people that have been given an insight into better understanding their finances.

Our involvement in national conferences (such as the Maths Association of Victoria and ASIC's Money Smart Week initiatives) along with our delivery of a series of professional development sessions across Australia has cemented our reputation amongst those in the education and finance sectors. Our commitment to improving young people's lives and the exceptional standard of our initiatives has resulted in a number of awards and recognition from within the banking and financial regulator arenas.

The MoneySmart Week Awards celebrate the outstanding achievements of organisations and individuals working to improve Australians' financial literacy. In September 2013, the Foundation, through our annual BOQ ESSI Money Challenge was announced as the winner of the Outstanding Achievement Award in the 'Schools' category.

We have achieved much over the past 14 years however there is much more we can do. In 2015, the Foundation will continue to build on and expand our work in schools and, in particular, we will continue to produce and deliver our programs in a digital format. Our priorities will include the redevelopment of the ESSI Money game, the establishment of an online teacher discussion forum and the production of a new e-newsletter. Using innovative and new technologies to deliver and expand upon our suite of resources will help us to address future challenges and improve the financial literacy of young people.

Supporting the Foundation provides a point of difference for our corporate partners and demonstrates a strong commitment to corporate social responsibility strategies. It highlights our partners' consideration of the interests of the broader community. On behalf of the Board of Directors, I would like to extend a heart-felt thank you to our corporate partners, Collection House and Bank of Queensland, for their ongoing commitment to supporting the work of the Foundation.

Also, to my fellow board members, I know that for all of us, this role is an "add on" to the many other things that we do and I appreciate that you are all willing to contribute your services and expertise voluntarily. Please know that your time and input are valued. I would like to specifically thank our CEO Katrina Birch for her tireless efforts in promoting and managing our Foundation and to all of our staff and other supporters.

David Liddy

Chairman, Financial Basics Foundation.

CEO'S REPORT

Financial literacy is a vital life skill. All Australians need to have the knowledge and skills to understand how to manage their money, build their savings and manage their debts, now and into the future. Studies show that the effects of financial literacy education for students continues to influence their attitudes and behaviours toward money management well after they leave school.

Financial literacy needs a holistic approach from a young age to influence behaviour, however, by focussing on resources and education, the Financial Basics Foundation believes it is making a worthwhile investment. The Financial Basics Foundation is working as part of a coordinated effort by a number of stakeholders, including government and the education sector, to help raise the levels of financial literacy and capability of all young Australians.

The inclusion of financial education in the new Australian Curriculum has seen 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.

Now a recognised leader in the financial literacy space, FBF's achievements in the last year include:

A continued upward trend in the number of subscribers to our teaching resources with a membership now exceeding 3,500 educators;

The on-line game, ESSI Money has been used by 83,664 students since its release in late 2007. 19,209 students have used ESSI Money in the 2014 financial year;

FBF has delivered 7 Professional Development workshops to teachers of Commerce and Mathematics around Australia, outlining the application of FBF's materials within the new Australian Curriculum;

FBF hosted its national financial literacy competition (the BOQ ESSI Money Challenge) in September 2013 which saw over 5,249 students compete for the chance to win \$1,000 for themselves and \$4,000 for their school;

As part of the BOQ ESSI Money Challenge, FBF conducted a financial literacy quiz which sought to identify knowledge, skills and trends of young people in relation to their consumer behaviour and financial literacy;

In September 2013, The BOQ ESSI Money Challenge was awarded the Outstanding Achievement Award in the Schools section of the federal government's MoneySmart week event;

In November 2013, our National Program Manager attended the Jumpstart national financial educators' conference in Washington DC;

We completed the review and update of seven Operation Financial Literacy modules aligning them to the Australian Curriculum and including new mathematics activities within each module;

We have written a new module titled, SOS: Smart Online Shopping, which sits within the suite of modules in Operation Financial Literacy. This module covers the topic of e-commerce and online transactions;

FBF appointed an Online Content Manager to oversee all online and digital communications and implementation of a social media strategy;

In January 2014, the Foundation launched stage one of a Digital Strategy that enabled the digitisation of our suite of teaching resources. This included:

- A new streamlined registration and approval process for FBF membership and access to both OFL and ESSI Money through one online portal
- Digital delivery of Operation Financial Literacy
- Development on a new open access financial literacy resource called FLIP – Financial Literacy in Practice – providing worksheets, videos, activities and information about current financial topics
- Establishment of a social media presence including an active blog, Facebook profile and YouTube channel

This year, the Financial Basics Foundation was featured on ABC's 'The Business' television show alongside Collection House's Resolutions Team (at our invitation);

FBF was invited by ASIC to be involved in the consultation process that contributed to the National Financial Literacy Strategy 2014-2017;

With FBF's materials now in use in 68% of all Australian secondary schools, the contribution made by FBF cannot be over-stated. FBF's initiatives are equipping young Australians with the skills and knowledge to better manage their finances.

In the next twelve months the Foundation will:

Complete the rewrite, review and update of the remaining modules within of Operation Financial Literacy to ensure ongoing relevance and accuracy of the material;

Investigate opportunities to fund a new version of ESSI Money;

Create and facilitate an online conversation tool for peer to peer conversations for our teacher subscribers;

Securing additional funding continues to be 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, grants and new sponsorship opportunities, brand and marketing profile and the development of a broader product range.

ASIC's National Financial Literacy Strategy for 2014-2017 is due for release in August this year. The Foundation will be guided by this framework and will look to provide opportunities that facilitate greater financial literacy for young people through the education system.

We are committed to the principles of our financial literacy efforts and will continue to develop, expand and make available financial literacy programs and resources to help all young Australians to better understand their money and take control of their finances. We will continue to be innovative and enhance our product and resources. After all, the best weapon in the fight against financial illiteracy is education.

Katrina Birch

CEO, Financial Basics Foundation

DIRECTORS' REPORT

Your directors present their report on the Financial Basics Foundation Limited (the Foundation) for the financial year ended 30 June 2014.

Directors

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

David Liddy
Tarryn McMullen
Sandra Kenman (resigned 10/04/2014)
Katrina Birch
Aaron Street
Joseph Cole
Tim Devine (appointed 5/12/2013)
Paul Freer (appointed 21/08/2014)

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 vision: *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 called Operation Financial Literacy that has been distributed to and used by 3,542 teachers from 1,741, Australian secondary schools
- Completed a new module titled, SOS: Smart Online Shopping, that sits within the suite of modules in Operation Financial Literacy. This module, being module 12, covers the topic of e-commerce and online transactions
- Created ESSI Money (Earning Saving Spending and Investing) an online financial literacy simulation game developed for Australian schools. To date, ESSI Money has been played by over 83,664 students with over 30,250 students completing the full 26 week simulation game
- Implemented stage one of a digital strategy which included the launch of a new website and digital delivery of Operation Financial Literacy
- Created a new open access online resource – FLIP (Financial Literacy in Practice)
- Hosted a national financial literacy competition (the BOQ ESSI Money Challenge) in September 2013 which saw over 5,249 students compete for the chance to win \$1,000 for themselves and \$4,000 for their school
- Conducted a financial literacy quiz as part of the implementation of the BOQ ESSI Money Challenge, which sought to identify knowledge, skills and trends of young people in relation to their consumer behaviour and financial literacy
- Established a strong presence in the professional development arena by presenting at state and local conferences throughout the year
- Published and distributed an e-newsletter to 3,542 subscribers

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 has seen aspects of financial literacy embedded 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.

Now a recognised leader in the financial literacy space, FBF's achievements in the last year include:

- A continued upward trend in the number of subscribers to our teaching resources with membership now exceeding 3,500 educators
- The on-line game, ESSI Money has been used by 83,664 students since its release in late 2007. 19,209 students have used ESSI Money in the 2014 financial year
- FBF has delivered seven Professional Development workshops to teachers of Commerce and Mathematics around Australia, outlining the application of FBF's materials within the new Australian Curriculum
- In November 2013, our National Program Manager attended the Jumpstart national financial educators conference in Washington DC
- The BOQ ESSI Money Challenge was awarded the Outstanding Achievement Award in the Schools section of the federal governments MoneySmart week event
- The review and update of nine Operation Financial Literacy modules aligning them to the Australian Curriculum and including new mathematics activities within each module
- The appointment of an Online Content Manager to oversee all online and digital communications and implementation of a social media strategy
- In January 2014, the Foundation launched stage one of a Digital Strategy that enabled the digitisation of our suite of teaching resources. Deliverables included:
 - A new streamlined registration and approval process for FBF membership and access to both OFL and ESSI Money
 - Digital delivery of Operation Financial Literacy
 - Development on a new open access financial literacy resource called FLIP – Financial Literacy in Practice – providing worksheets, videos, activities and information about current financial topics
 - Establishment of a social media presence including an active blog, facebook profile and YouTube channel
- The Financial Basics Foundation was featured on ABC's 'The Business' television show alongside Collection House's Resolutions Team (at our invitation)
- An invitation from ASIC as part of the consultation process to contribute to the National Financial Literacy Strategy 2014-2017.

With FBF's materials now in use in 68% of all Australian secondary schools, the contribution made by FBF cannot be over-stated. FBF's initiatives are equipping young Australians with the skills and knowledge to better manage their finances.

In the next twelve months the Foundation will:

- Complete the rewrite, review and update of the remaining three modules within Operation Financial Literacy to ensure ongoing relevance and accuracy of the material
- Investigate opportunities to fund a new version of ESSI Money
- Create and facilitate an online conversation tool for peer-to-peer conversations for our teacher subscribers
- Implement key activities/strategies in order to secure additional funding which includes a sponsorship acquisition program

The delivery of stage one of the digital strategy was a key focus of the work of the Foundation in 2013-2014. Additionally, the focus on meeting agreed partnership outcomes with 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 website and e- 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 2014.

Securing additional funding continues to be 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, grants and new sponsorship opportunities, brand and marketing profile and the development of a broader product range.

Information on Directors

David Liddy MBA – Chairman/Director

Mr Liddy was appointed as Chairman of Financial Basics Foundation in January 2012. Mr Liddy is a well known business leader, with an executive career covering 40 years in banking, most recently as MD and CEO of the S&P/ASX 100 company Bank of Queensland Limited (BOQ) from 2001 to his retirement in August 2011. Prior to joining BOQ, David spent 33 years at Westpac Banking Corporation.

Mr Liddy is also Chairman of Collection House Limited and Financial Basics Community Foundation, a Non-Executive Director of Emerchants Limited, a Non-executive Director of Steadfast Group Limited, 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.

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

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.

Sandra resigned as a member and Director of the Foundation effective 10 April 2014.

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).

Aaron Street – Director/Treasurer

Aaron is a Partner of KPMG Australia.

He has over 18 years experience in business and finance and has worked for the past 13 years with KPMG providing accounting, taxation and general business advisory services to a broad range of private clients.

Joseph Cole B.Bus, CFA – Director

Joe has extensive experience in funds management and banking, gained both offshore and within Australia. He specialises in applying quantitative techniques and solutions to investment management in order to provide consistent, risk-controlled absolute returns to clients.

Joe is currently Senior Portfolio Manager at Q Super Limited. Prior to this role, Joe was with QIC in Brisbane where he was Portfolio Manager of a quantitative Asian equities hedge fund.

He is passionate about financial education and strongly believes in empowering young people to make their own informed financial decisions.

Joe has a Bachelor of Business with post-graduate Honours and holds the Chartered Financial Analyst (CFA) designation.

Tim Devine LLB – Director

Tim is a lawyer with over thirteen years' experience providing legal advice on corporate and commercial matters, both in private practice and in-house. He currently works as part of an in-house legal team for an ASX top 100 company.

Tim was appointed as a member and Director of the Foundation on 5 December 2013.

Paul Freer ACIB MAICD - Director

Paul was appointed as Chief Operating Officer for Collection House in March 2013 overseeing the Group's business divisions of Lion Finance, MCC, Reliance Legal Group and Collection House International. He has over 25 years experience across financial services incorporating over 13 years in General Management leadership positions covering Receivables Management, Risk Management, Corporate and Retail Banking and Fund Management. During his career Paul has gained international experience throughout Africa, Europe, the Indian Ocean, the Middle East, the USA and the UK working with organisations such as Barclays Plc, Lloyds Bank Plc, Fleet Financial Group Inc and National Commercial Bank of Saudi Arabia.

Paul was appointed as a member and Director of the Foundation on 21 August 2014.

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

Company Secretary

Tarryn McMullen was appointed Company Secretary on Wednesday 24 October 2012 and still holds this position.

Refer above for information of the qualifications and experience of the Company Secretary.

Meetings of the Board of Directors

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

<i>Director</i>	<i><u>Directors Meetings</u></i>	
	<i>Meetings eligible to attend</i>	<i>Meetings attended during period</i>
David Liddy	6	6
Tarryn McMullen	6	6
Sandra Kenman	6	2
Katrina Birch	6	6
Aaron Street	6	5
Joseph Cole	6	4
Tim Devine	3	3

The Foundation 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 2014, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$120 (2013: \$120).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 7 of the financial report.

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



David Liddy
Chairman

Dated this 30 day of October 2014

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO FINANCIAL BASICS FOUNDATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

- (a) no contraventions of the auditors' independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Hacketts

PKF Hacketts Audit



**Shaun Lindemann
Partner**

Brisbane, 30 October 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenues	2	133,523	173,257
Expenses	3	<u>(223,120)</u>	<u>(240,940)</u>
Profit/(Loss) before income tax		<u><u>(89,597)</u></u>	<u><u>(67,683)</u></u>
Income tax expense	1(h)	-	-
Profit/(Loss) for the year attributable to members of the entity		<u><u>(89,597)</u></u>	<u><u>(67,683)</u></u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income attributable to members of the entity		<u><u>(89,597)</u></u>	<u><u>(67,683)</u></u>

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	478,186	577,058
Receivables	5	15,617	17,915
TOTAL CURRENT ASSETS		<u>493,803</u>	<u>594,973</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>620,491</u>	<u>721,661</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	7	17,303	34,524
Provisions	8	9,217	3,569
TOTAL CURRENT LIABILITIES		<u>26,520</u>	<u>38,093</u>
TOTAL LIABILITIES		<u>26,520</u>	<u>38,093</u>
NET ASSETS		<u>593,971</u>	<u>683,568</u>
EQUITY			
Retained profits		<u>593,971</u>	<u>683,568</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Balance at 1 July	683,568	751,251
Profit/(loss) attributable to the entity	(89,597)	(67,683)
Balance at 30 June	<u>593,971</u>	<u>683,568</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Not e	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		129,829	149,838
Cash payments from operating activities		(246,006)	(238,489)
Interest received		17,305	26,663
Net cash provided by (used in) operating activities	10	(98,872)	(61,988)
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		(98,872)	(61,988)
Cash at the beginning of the year		577,058	639,046
Cash at the end of the year	4	478,186	577,058

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Financial Basics Foundation (the Foundation) as an individual entity, incorporated and domiciled in Australia. The Foundation is a company limited by guarantee.

The directors have prepared the financial statements on the basis that the Foundation 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 *Australian Charities and Not-For-Profits Commission Act 2012*. The Foundation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-For-Profits Commission Act 2012*, and the significant accounting policies 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.

The financial statements were authorised for issue on 30 October 2014 by the directors of the Foundation.

Accounting Policies

a. Revenues

Donations to the Foundation 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).

b. 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.

c. 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.

d. 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.

e. Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation 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, whether or not billed to the Foundation. Balance is normally paid within 30 days of recognition of the liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

f. Employee Provisions

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Contributions are made by the Foundation to an employee superannuation fund and are charged as expenses when incurred.

g. 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 balance sheet are shown inclusive of GST. The net amount of GST recoverable from or payable to the ATO is included in the balance sheet.

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.

h. 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.

i. 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 Foundation.

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.

j. 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. These changes are not expected to have a significant impact on the Foundation's financial statements.

NOTE 2: REVENUE	2014	2013
	\$	\$
Sponsorship	110,750	120,000
Donations	-	15,000
Interest	16,997	27,527
Sundry revenue	3,176	10,730
ESSI Money	2,500	-
Copyright Reimbursement	100	-
Total Revenue	133,523	173,257

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
Expenses		
Consultancy fees	40,487	52,397
Game expenses	34,233	39,519
Payroll	101,310	104,131
Rent	3,900	3,900
Workcover	2,756	2,535
Website expenses	18,137	27,468
Sundry expenses	22,297	10,990
Total Expenses	<u>223,120</u>	<u>240,940</u>
NOTE 4: CASH ASSETS		
Cash at bank	478,186	577,058
	<u>478,186</u>	<u>577,058</u>
NOTE 5: TRADE & OTHER RECEIVABLES		
Trade receivables	14,321	16,311
Interest accrual	1,296	1,604
	<u>15,617</u>	<u>17,915</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	4,466	5,298
Creditors accrual	1,361	16,691
Payroll liabilities	7,967	8,026
GST payable	3,509	4,509
	<u>17,303</u>	<u>34,524</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 8: PROVISIONS		
Annual leave provision	9,217	3,569
	<u>9,217</u>	<u>3,569</u>

NOTE 9: EQUITY

The company is limited by guarantee. If the Foundation is wound up, the constitution states that each member of the Foundation is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Foundation. At 30 June 2014, the members of the Foundation stood at 6 (2013: 6).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: CASH FLOW INFORMATION	NOTE	2014 \$	2013 \$
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 balance sheet as follows:			
Cash at Bank	4	478,186	577,058
b. Reconciliation of cash flows from operating activities with profit after income tax			
Profit after income tax		(89,597)	(67,683)
Depreciation Expense		-	-
Bad Debts Written-off		-	-
Changes in assets and liabilities:			
(Increase)/decrease in trade & other debtors		2,298	(9,942)
Increase/(decrease) in creditors and other payables		(17,221)	12,068
Increase/(decrease) in provisions		5,648	3,569
Net cash provided by (used in) operating activities		(98,872)	(61,988)

NOTE 11: SEGMENT INFORMATION

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

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.

NOTE 13: 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 14: ENTITY INFORMATION

Registered office of the Foundation 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 the directors' opinion:

1. The financial statements and notes, as set out on pages 12 to 20 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:
 - a. complying with Accounting Standards as described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - b. giving a true and fair view of the Foundations financial position as at 30 June 2014 and of its performance for the year ended on that date.
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.



Dated this 30 day of OCTOBER 2014

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

We have audited the accompanying financial report, being a special purpose financial report, of Financial Basics Foundation, which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other 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 information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company 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 *Australian Charities and Not-for-profits Commission Act 2012* 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 conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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 judgement, 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 company'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 company'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.

Opinion

In our opinion, the financial report of Financial Basics Foundation is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 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 *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for any other purpose.



PKF Hacketts Audit



Shaun Lindemann
Partner

Brisbane, 30 October 2014