



2017-2018
FINANCIAL BASICS FOUNDATION

ANNUAL REPORT



Financial
Basics
Foundation



Financial literacy resources for Australian teachers

The Financial Basics Foundation is a trusted independent charity. We provide free financial literacy teaching resources to Australian educators.

The Financial Basics Foundation vision is that all young Australians are financially capable and can manage their finances now and into the future.



Image: Financial Basics Foundation CEO Katrina Birch during a professional development with teachers from Collinsville State High School during a trip with QCoal Foundation.

Our Supporters

We wish to acknowledge and express our sincere gratitude to the individuals and organisations who share our vision and support us in our work to ensure that all young Australians are financially capable and can manage their finances now and into the future. The in-kind support provided by these companies along with the voluntary contribution of time and expertise generously given by so many people enables us to continue our work.



Suncorp is partnering with the Financial Basics Foundation, to improve the financial literacy of young people. By offering a range of fun, interactive online resources to all Australian secondary school teachers, Suncorp is working with Financial Basics Foundation to give every young person the knowledge, skills and confidence to manage their money which means a better financial future for our younger generations, their families and our customers.



Collection House Limited co-founded the Financial Basics Foundation more than 16 years ago to help improve the financial literacy of Australian secondary school students and to teach them about the importance of making sound financial decisions. Driven by its solid commitment to corporate social responsibility, Collection House continues to proudly support the work of the Foundation with ongoing sponsorship and in-kind support.



The QCoal Foundation partners with leading not-for-profit organisations with a strong track record of performance, to deliver programs that enrich rural and remote Queensland communities by addressing the key areas of health, liveability and education. QCoal Foundation shares Financial Basics Foundation's commitment to shaping the financial future of the next generation and, in particular, those in rural and remote Queensland.



BDO in Australia is proud to support Financial Basics Foundation's mission to improve the financial literacy of young people. As an accountancy and advisory firm with a heritage in helping businesses grow, BDO in Australia believe that the most important foundation for success is education. BDO in Australia is committed to working with the Foundation to equip our young people with strong financial literacy skills and enable them to plan ahead for a bright future.

KPMG

KPMG is a professional services firm with global reach, and deep expertise in audit and assurance, tax and advisory. KPMG generously provide the Financial Basics Foundation with an annual Independent Audit Report on a no fee basis.



Image: Lucinda Duke from Brisbane Girls Grammar School interviewing Suncorp Bank CEO, David Cater.

Chairperson's Address

Welcome to the 2018 Financial Basics Foundation Annual General Meeting.

Today, we are going to discuss a number of resolutions which are set out in the Notice of Meeting. I will formally propose these resolutions for discussion and voting shortly.

Firstly however, I would like to pay tribute to Joe Cole, who sadly passed away suddenly earlier this year. Joe served as Treasurer of both Financial Basics Foundation and Financial Basics Community Foundation for almost five years, and we are deeply appreciative of the time, guidance and counsel he provided in this time. We are currently working on ways we can appropriately acknowledge Joe's contribution and recognise his legacy, which we hope to launch in 2019.

During the 2018 financial year, we maintained our focus on the strategy that was put in place in 2017. From our solid foundation we have continued to deliver strong growth and new initiatives.

Financial literacy has been in the parliamentary spotlight this year with the announcement of a new body to boost the advancement of financial capability across Australia. Announced by The Hon Kelly O'Dwyer MP Minister for Revenue & Financial Services, the Australian Financial Literacy Board is a non-statutory body that provides independent and strategic guidance to Government and ASIC on financial capability. It is reassuring to see the federal government continue to support and invest further in our sector and we look forward to hearing more about the body and related projects.

This year, the Australian Government established the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, putting many financial institutions in the spotlight, and highlighting the need for improved regulation and accountability. Revelations from the Royal Commission validate how important it is for all Australians to understand how to manage their money and have the confidence to take charge of their own personal finances. Financial Basics Foundation empowers young people to do this by working with educators across the country to facilitate real life financial education.

Financial Basics Foundation is an independent charity, and with the support of our corporate partners we are able to provide a suite of resources giving thousands of young Australians the opportunity to learn about managing their money and making smart financial decisions.

I would like to take this opportunity to thank Suncorp, Collection House, QCoal Foundation, BDO Australia and KPMG for their ongoing assistance and contribution to our work. We appreciate the financial and in-kind support provided each year.

The Foundation is in a sound financial position and shortly we will have an opportunity to review the financial performance of the company.

Also, to my fellow board members, thank you for your ongoing willingness 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.

Tarryn McMullen
Acting Chairperson

CEO's Report

Before I present my “official” report, I would like to take a moment to remember our friend Joe and acknowledge how much we miss him. I know we all think of him often, particularly when we come together as a board, and that we all still feel the shock and sadness of his passing. Our intention this year is to establish an initiative which adequately honours and celebrates Joe’s significant contribution to our work and I’m very much looking forward to bringing that project to life. In the meantime, we send our love and thoughts to Tara, Harrison and Mia.

As a board, we have spent time this year reflecting and reviewing our Vision and Mission statements. Our intention is to encapsulate our purpose as an organisation accurately and to articulate the outcome we aspire to achieve in a simple yet significant statement. We are acutely aware of the serious personal and social costs which arise when young people are unable to manage their finances effectively. Current research presents a compelling argument for the link between financial wellbeing and overall wellbeing.

Moving forward, our Vision Statement may change slightly, however the premise that Financial Basics Foundation has been guided by these last few years - that all young Australians are financially capable and can manage their finances now and into the future - still holds very true.

We have certainly made substantial progress throughout this financial year in realising our vision.

The 2017-2018 financial year was one of growth and progress. Capitalising on the opportunities provided by new partnerships, the Foundation was able to expand its activities and amplify outcomes.

A membership growth of 18.75% in this financial period takes the total number of registered teachers to 4,142. A 2.6% increase in registered schools to 1,513 represents over 55% of all Australian secondary schools accessing our resources. More than 15,500 students played ESSI Money powered by Suncorp, an increase of over 41% from the previous period. A total of 8,780 completed games represents a 42% increase on this metric from the previous year.

Distributed in November 2017, our biennial member survey sought to gain insight into the teacher’s perspective of the work undertaken by the Foundation, and the value of the resources which it provides. The survey results showed that 97.89% of teacher members believe that schools have an obligation to develop students’ financial literacy.

Where an OFL module has been used by an educator, it is rated between **valuable** to **extremely valuable** in over 90% of cases. FBF’s commitment to continually review, update and improve this resource is validated not only because of the frequency and level of use, but more importantly because of the value it holds for educators across Australia.

77% of respondents state that their students are either extremely engaged and interested, or very engaged and interested when playing ESSI Money.

Member feedback suggests that the Foundation is making a difference in hundreds of schools for thousands of students around Australia.

The Suncorp ESSI Money Challenge was bolstered by a dynamic public relations campaign. We worked with Sequel PR and Suncorp to secure unprecedented levels of publicity in print, broadcast and online media. This included coverage across the ABC network on channel 24.

The news story attracted 8,000 Facebook views and the campaign garnered 49 media clips reaching an audience of 2.8 million and an equivalent value of \$598,000.

821 students participated in the Suncorp ESSI Money Challenge with an increase in both the number of registered and completed games from the previous year. 93% of the students surveyed as part of the Challenge, indicated that ESSI Money is a fun way to learn about financial issues. Additionally, 93% indicated that they have learnt some important concepts about managing money while playing ESSI Money, and a further 75% indicated that they had applied some of these concepts in their own life.

ESSI Money powered by Suncorp won three awards this year in categories such as learning and development, digital design and interactive media production – further supporting the excellence of the Foundation's resources.

A key deliverable of Collection House's (CLH) 2015-16 Corporate Social Responsibility (CSR) program was to work in partnership with the Financial Basics Foundation (FBF) to deliver debt literacy programs in secondary schools. In September 2017 our National Program Manager along with a volunteer from Collection House visited three schools to facilitate a presentation designed to be integrated as part of a package of lesson resources.

This presentation aims to educate students on key concepts related to debt, how to avoid some of the most common pitfalls, and how to develop and follow a plan of action to deal with debt.

The workshops were very well received in all three schools and are only possible as a result of Collection House's willingness to share industry experience with so many students.

91.66% of the students who attended these presentations indicated that the session information was useful to them. One third of the students found this information **relevant** for their stage of life, and a further 31.66% found this information to be **very relevant** or **extremely relevant**.

90% of students responded that they would recommend this presentation for other students, and 100% of teachers indicated that they would both recommend this program to colleagues and that they would like the presentation to run again in their schools.

In May 2017, our partnership with QCoal Foundation (QCF) commenced with a focus on gaining a better understanding of the financial literacy deficits in rural and remote communities and by investigating effective and innovative ways to address this need. For the Foundation, this partnership enables us to activate our work with the Financial Basics Community Foundation and in so doing, to gain valuable insight into rural and regional areas of Queensland.

QCoal Foundation continued to demonstrate its commitment to the sector by winning the Queensland Community Foundation's 2018 Corporate Philanthropist of the year award. Congratulations to the team at QCoal Foundation. We look forward to activating the initiatives through the Financial Basics Community Foundation.

The Financial Basics Foundation has established a strong presence within the education and finance capability sectors. The Foundation will continue to pursue its mission with objectives that ensure we continue to create high quality resources which educate young people about sound financial management principles.

In the year ahead, we will strengthen our position on measurement and look towards implementing protocols which will enable us to better measure our outcomes, impact and success. We will seek to secure increased financial and operational resources which support our strategic objective to achieve financial security. We will expand operations to include programs for young people between the ages of 12-24, outside as well as within the secondary school system.

With our resources in over half of all secondary schools in Australia, the Financial Basics Foundation, our people and our initiatives, are measured by the criteria we set that enable us to be a great organisation – creating superior resources, which have a distinctive impact and lasting endurance. We measure each initiative by its ability to engage young people to develop financial skills in order to build financial capability.

Thank you to the Directors, our teacher members and the FBF team for their ongoing support and contribution.

Katrina Birch
CEO

Financial Basics Foundation

Financial Statements for the year ended 30 June 2018

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

RESPONSIBLE ENTITIES' REPORT

Your directors present their report on the Financial Basics Foundation Limited (the Foundation) for the financial year ended 30 June 2018.

Directors

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

Tarryn McMullen
Katrina Birch
Joseph Cole (ceased 3 July 2018)
Tim Devine
Cale Bennett
Norman Hunter
Kelly Evans (appointed 28 September 2018)

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

Financial Basics Foundation is a national financial literacy charity which aims to teach young Australians, between the ages of 12-24 years, the basics of effective financial management. The Foundation provides Australian secondary schools with free, quality resources and programs that foster sound financial attitudes and behaviours.

Financial Basics Foundation pursues its mission and engages its networks through a series of programs which are designed to educate young people about financial issues; facilitate dialogue and professional development for educators; and establish opportunities for engagement between our sponsors and the communities in which they operate.

Financial Basics Foundation's vision is: that all young Australians are financially capable and can manage their finances now and into the future.

Financial Basics Foundation has:

- Produced Operation Financial Literacy, a resource that has been distributed to and used by over 4,100 teachers in 1,513 Australian secondary schools.
- Regularly updated the material within Operation Financial Literacy. Specifically, the *Insurance – Managing Risk* module was completed and published in this reporting period.
- Launched ESSI Money v2.0 (ESSI Money powered by Suncorp) in March 2017. Using new technology and an updated interface, ESSI Money 2.0 can now be used on mobile devices. 15,538 students played the ESSI Money game during this financial period.
- Hosted a national financial literacy competition (the Suncorp ESSI Money Challenge) in August 2017 which saw 3,328 students compete for the chance to win cash prizes for themselves and for their schools.
- Conducted a national financial literacy survey where over 1,000 secondary school students responded to a series of questions 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.
- Provided its resources and support to over 289 community organisations and educators outside of the secondary school system.
- Published and distributed e-newsletters, blogs and online content to 4,431 subscribers.

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Review of Operations

The 2017-2018 financial year was one of growth and progress. Capitalising on the opportunities provided by new partnerships, the Foundation was able to expand its activities and amplify outcomes.

A membership growth of 18.75% in this financial period takes the total number of registered teachers to 4,142. A 2.6% increase in registered schools to 1,513 represents over 55% of all Australian secondary schools accessing our resources. More than 15,500 students played ESSI Money powered by Suncorp, an increase of over 41% from the previous period. A total of 8,780 completed games represents a 42% increase.

The Suncorp ESSI Money Challenge was conducted in September 2017 and proved to be an outstanding success with 821 students taking part, with an increase in both the number of registered and completed games from the previous year. The Challenge was bolstered by a dynamic public relations campaign. The Foundation worked with Suncorp as the presenting partner of this initiative to secure unprecedented levels of publicity in print, broadcast and online media. This included coverage across the ABC network on channel 24, Hack on Triple J, Behind the News, regional radio and the evening news bulletins in most states. Within 24 hours of the ABC's Financial Basics Foundation quiz going live, 21,000 people engaged and the news story attracted 8,000 Facebook views. In total, the campaign garnered 49 media clips reaching an audience of 2.8 million and an equivalent advertising value of \$598,000.

The support provided by Suncorp enables the Foundation to reach a large audience to promote our resources and increase awareness of the work that we do.

Distributed in November 2017, our biannual member survey sought to gain insight into the teacher's perspective of the work undertaken by the Foundation and the value of the resources which it provides. The survey results showed that 97.89% of teacher members believe that schools have an obligation to develop students' financial literacy.

Key Findings include (all statistics refer to % of respondents):

- 60% believe that it is *quite important* that Financial Basics Foundation is an independent non for profit organization.
- 94.37% believe that it is *quite important* that Financial Basics Foundation resources are provided free of charge.
- 87.59% have used Operation Financial Literacy within the last 5 years, with 66.31% using it in the last 12 months.
- 76% have used ESSI Money within the last 5 years with 56% using it in the last 12 months.

Members reported that they are always on the lookout for high quality, cost effective resources which are mapped to the Australian curriculum, saving valuable time for them as teachers, and assisting their students to achieve learning outcomes. Where an OFL module has been used by an educator, it is rated between *valuable* to *extremely valuable* in over 90% of cases. FBF's commitment to continually review, update and improve this resource is validated not only because of the frequency and level of use, but more importantly because of the value it holds for educators across Australia.

77% of respondents stated that their students were either *extremely engaged and interested* or *very engaged and interested* when playing ESSI Money. Furthermore, 72% of respondents who use ESSI Money rated it as either Extremely Valuable or Very Valuable, with a further 24% rating the game as Valuable.

Member feedback suggests that the Foundation is making a difference in hundreds of schools for thousands of students around Australia. Members overwhelmingly appreciate the Foundation's resources and the services provided.

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RESPONSIBLE ENTITIES' REPORT

Review of Operations (continued)

Student feedback is also positive, with 93% of the 1,178 students surveyed as part of the 2017 Suncorp ESSI Money Challenge, saying that ESSI Money is a fun way to learn about financial issues. Additionally, 93% indicated that they have learnt some important concepts about managing money while playing ESSI Money, and a further 75% indicated that they had applied some of these concepts in their own life.

The quality of the Foundation's resources was also recognised this year by the following awards:

- The Horizon Interactive Awards are for outstanding achievement in interactive media production. ESSI Money powered by Suncorp won an excellence award in interactive media production in two categories - Training and E-Learning and Games.
- The Good Design Awards® honours design innovation in Australia. ESSI Money powered by Suncorp won the Digital Design category of the prestigious Good Design Award ®.
- The Australian Institute of Training and Development Excellence awards recognise outstanding achievement in learning and development and in organisational development. ESSI Money powered by Suncorp won the Best Use of Gamification/Simulation for Learning Award.

Collection House conceived the idea for Financial Basics Foundation and funded its establishment as an independent not-for-profit in 2002. Collection House has continued to support the Foundation financially and 'in-kind' since its inception. This partnership is a visible demonstration of Collection House's commitment to financial education and improving the financial capability of young Australians.

A key deliverable of Collection House's (CLH) 2015-16 Corporate Social Responsibility (CSR) program was to work in partnership with the Financial Basics Foundation (FBF) to deliver debt literacy programs in secondary schools. This deliverable is built on the long-term CLH/FBF partnership program to establish a classroom presentation, specifically designed to address over-indebtedness. The presentation is delivered by a volunteer from CLH and is designed to be integrated as part of a package of lesson resources that were created as a component of this partnership.

Feedback on the classroom presentation and its delivery was very positive and reinforced the merit of the lesson topic while providing an opportunity to refine some of the program's content. 74% of students indicated an improved rating in their knowledge and understanding of credit and how to choose credit wisely as a result of this presentation. 67.65% of students indicated that their understanding of this topic had improved to the point that they selected that they would plan ahead and save to be able to buy something when they don't have enough cash or savings. This represents a 20.59% improvement from the results of the survey conducted prior to the presentation.

91.66% of the students who attended indicated that the information presented in the session was useful to them. One third of the students found this information relevant for their stage of life, and a further 31.66% found this information to be very relevant or extremely relevant. This is an outstanding outcome and underscores the benefit to students of having access to this presentation. All students surveyed were senior students in Years 11 or 12, and they have clearly engaged with the importance of understanding the real-life implications of debt before leaving school. 90% of students responded that they would recommend this presentation for other students, an overwhelming endorsement for the program.

100% of teachers indicated that they would both recommend this program to colleagues and that they would like the presentation to run again in their schools.

In May 2017, our partnership with Q-Coal Foundation (QCF) commenced with a focus on gaining a better understanding of the financial literacy deficit in rural and remote communities and investigating effective and innovative ways to address this need. For the Foundation, this partnership enables us to activate our work with the Financial Basics Community Foundation to gain valuable insight into rural and regional areas of Queensland.

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RESPONSIBLE ENTITIES' REPORT

Review of Operations (continued)

At the end of our first year, staff from the Foundation and QCF visited regional Queensland to conduct interviews and professional development training sessions with teachers and community workers in the field. Feedback gathered from the interviews and ongoing research will inform the ongoing development of the Ca\$hed Up – Developing Financial Skills for Life program.

In March 2018, the Ca\$hed Up pilot program was rolled out by Financial Basics Community Foundation (FBCF) to year 7 students in Collinsville State High School. Year 7 students from St Catherine's in Proserpine, Capricornia School of Distance Education along with a number of other regional schools will be participating in the pilot program in Terms 3 and 4. This is due for completion in December 2018.

Over the last sixteen years, the Financial Basics Foundation has established a strong presence within the education and finance communities. The social impact of our programs and the benefits realised within the community represent true success when measured against social well-being criteria.

Financial Basics Foundation will pursue the following objectives in the next twelve months in order to achieve our vision:

- To create high quality resources which educate young people about sound financial management principles.
- To secure increased financial and operational resources which support our strategic objective to achieve financial security.
- To expand operations to include programs for young people between the ages of 12-24, outside as well as within the secondary school system.
- To expand the reach of Financial Basics Foundation products and messaging to schools and students throughout Australia.
- To implement protocols which enable us to measure our impact and success.
- Spotlighting teachers to throw a light on FBF members who are doing great work around financial literacy in schools.
- Spotlighting schools which proactively take a lead in building the financial capability of their students through innovative and engaging courses.
- Continuing to improve and expand current offerings, including conference presentations, Professional Development for teachers and engagement through social media.
- Develop a resource which enables young people to learn independently through the use of digital tools as well as packaged lesson materials for schools.

With our resources in over half of all secondary schools in Australia, the Financial Basics Foundation, our people and our initiatives, are measured by the criteria we set that enable us to be a *great organisation* – creating superior resources, which have a distinctive impact and lasting endurance. We measure each activity by its ability to engage young people to develop financial skills in order to build financial capability.

The Foundation will continue to provide educators and young people with the tools, resources and skills they need to bring financial literacy education into every school.

Congratulations to the Directors, our corporate partners, members and staff of the Foundation for an incredibly successful year.

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Information on Directors

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

Tarryn was the inaugural staff member of Financial Basics Foundation (formerly Collection House Foundation) and has 15+ years experience in fundraising and marketing roles for several not-for-profits.

Tarryn is currently a Director of three NFP Boards, and one private (Pty Ltd) company.

Tarryn was appointed as a member and Director of the Foundation on 14 December 2004.

Katrina Birch – Director/CEO

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).

Joseph Cole B.Bus, CFA – Director/Treasurer

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

Joe was 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 was passionate about financial education and strongly believed in empowering young people to make their own informed financial decisions.

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

Joe was appointed a member and Director of the Foundation on 1 July 2013, and ceased as a member and Director on 3 July 2018.

Tim Devine LLB – Director

Tim is a lawyer with over seventeen years' experience providing legal advice on corporate and commercial matters in top-tier law firms and as in-house counsel.

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

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RESPONSIBLE ENTITIES' REPORT

Cale Bennett CPA – Director

Cale's professional background encompasses both senior financial roles at some of Australia's largest listed companies and co-founding Fintech start-ups. His eclectic experience is fuelled by a strong interest in technology as an enabler and a commitment to life-long learning. Cale believes that financial literacy is a key ingredient in enabling young people to live the life they want to.

Cale was previously Group General Manager Finance at Tatts Group Limited, an ASX-100 company.

Cale was appointed as a member and Director of the Foundation on the 16 May 2016.

Norman Hunter - Director

Norm Hunter is the principal consultant of Thinkit Through, an educational consultancy with a particular focus on leadership, strategic thinking, mentoring and writing.

Norm has a Bachelor of Arts from the University of Queensland, and a Master of Education (Leadership and Management) from the University of Southern Queensland.

Norm was a founding Co-Principal, then Principal of Hillbrook Anglican School, serving for a period of 21 years. In 2010 Norm was awarded the ACEL Queensland Excellence in Educational Leadership Award.

Norm has been widely involved in education committees and other bodies at state and national levels, including Independent Schools Queensland's Education Committee. He served as a principal representative on the Queensland Anglican Schools Commission for several years, and chaired the Queensland Board of Secondary School Studies Social Sciences Syllabus Advisory Committee for six years.

He has led a research forum for the Strategic Research Division of the Queensland Education Department based on Schools Speaking for Themselves, and his recent work has included a review and a report for a Queensland independent school which has introduced a new learning management model.

Norm was appointed as a member and Director of the Foundation on 10 November 2016.

Kelly Evans CA – Director/Treasurer

Kelly is a Chartered Accountant with over fifteen years' experience in external audit and financial reporting and is currently the Financial Reporting Manager for an ASX-200 company.

Kelly was appointed as a member and Director of the Foundation on 28 September 2018.

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 24 October 2012 and still holds the position.

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

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Meetings of the Board of Directors

During the financial year 4 meetings of directors were held. Attendances by each director during the year were as follows:

<i>Director</i>	<i>Directors Meetings</i>	
	<i>Meetings eligible to attend</i>	<i>Meetings attended during period</i>
Tarryn McMullen	4	3
Katrina Birch	4	4
Joseph Cole	4	4
Tim Devine	4	4
Cale Bennett	4	2
Norm Hunter	4	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 2018, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$120 (2017: \$120).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 9 of the financial report.

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



Tarryn McMullen
Acting Chairman

Dated this 21st day of November 2018



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of the Financial Basics Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Ben Flaherty
Partner

Brisbane
21 November 2018

FINANCIAL BASICS FOUNDATION

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenues	2	416,511	651,528
Expenses	3	<u>(430,731)</u>	<u>(489,445)</u>
Surplus/(Deficit) before income tax		<u><u>(14,220)</u></u>	<u><u>162,083</u></u>
Income tax expense	1(g)	-	-
Net surplus/(Deficit) for the year attributable to members of the entity		<u><u>(14,220)</u></u>	<u><u>162,083</u></u>
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		<u><u>(14,220)</u></u>	<u><u>162,083</u></u>

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION

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BALANCE SHEET AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	502,504	489,320
Receivables	5	27,564	19,332
TOTAL CURRENT ASSETS		<u>530,068</u>	<u>508,652</u>
TOTAL ASSETS		<u>530,068</u>	<u>508,652</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	6	67,977	40,500
Provisions	7	28,375	20,216
TOTAL CURRENT LIABILITIES		<u>96,352</u>	<u>60,716</u>
TOTAL LIABILITIES		<u>96,352</u>	<u>60,716</u>
NET ASSETS		<u>433,716</u>	<u>447,936</u>
EQUITY			
Accumulated surplus		<u>433,716</u>	<u>447,936</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Balance at 1 July	447,936	285,853
Surplus/(deficit) for the year	(14,220)	162,083
Balance at 30 June	<u>433,716</u>	<u>447,936</u>

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		441,656	715,268
Cash payments from operating activities		(428,472)	(692,720)
Interest received		-	677
Net cash provided by (used in) operating activities	9(b)	<u>13,184</u>	<u>23,225</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		13,184	23,225
Cash at the beginning of the year		489,320	466,095
Cash at the end of the year	4	<u>502,504</u>	<u>489,320</u>

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial Basics Foundation (the Foundation) is a Company limited by guarantee domiciled in Australia. The Foundation's registered office and principal place of business is Level 7, 525 Flinders Street, Melbourne.

The Foundation is a not-for-profit entity and primarily is involved in developing financial literacy resources for Australian secondary schools. The Financial Basics Foundation pursues its mission and engages its networks through a series of programs which are designed to educate Australian secondary school students about financial issues; facilitate dialogue and professional development for educators, and establish opportunities for engagement between our sponsors and the communities in which they operate.

In the opinion of the Directors, the Foundation is not publicly accountable nor a reporting entity. The financial statements of the Foundation have been drawn up as special purpose financial statements for distribution to members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-For-Profits Commission Act 2012*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical cost.

These financial statements are presented in Australian dollars which is the Foundation's functional currency. The financial statements for the financial year ended 30 June 2018 were authorised for issue on 21 November 2018 by the directors of the Foundation.

The special purpose financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-For-Profits Commission Act 2012* and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs).

The special purpose financial statements include only the disclosure requirements of the following AASBs and those disclosures considered necessary by the directors to meet the needs of members

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048 *Interpretation and Application of Standards*
- AASB 1054 *Australian Additional Disclosures*

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 are classified as current assets. All other receivables classified as non-current assets.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

d. 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.

e. 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.

f. 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.

g. 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.

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 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.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i. New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board (AASB) has issued a number of new and revised Accounting Standards and Interpretations that have mandatory application dates in future reporting periods. Earlier application is permitted, however the Foundation has not early adopted these new or amended standards in preparing these financial statements. The expected impact of these Standards are set out below:

AASB 1058 Income from Not-for-Profit Entities and *AASB 15 Revenue from Contracts with Customers* will become effective from the reporting period beginning 1 July 2019. The Foundation has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts.

AASB 9 Financial Instruments will become effective from the reporting period beginning 1 July 2018. The main impacts of these standards on the Foundation are that they will change the requirements for the classification, measurement, impairment and disclosures associated with financial assets. The Foundation has commenced reviewing its financial assets against the new AASB 9 classification, measurement and impairment requirements.

Another impact of AASB 9 relates to calculating impairment losses for receivables. Assuming no substantial change in the nature of the Foundation's financial assets, the implementation of AASB9 is not considered to have a material impact.

The Foundation has undertaken a preliminary impact assessment regarding the adoption of AASB9. Given the Foundation does not hold complex financial instruments or long dated receivables, it does not expect any material impact on its financial statements on application on 1 July 2018.

	2018	2017
	\$	\$
NOTE 2: REVENUES		
Sponsorship	381,944	405,458
Financial literacy programs	-	242,861
Interest	-	529
Consulting	32,080	2,680
Sundry revenue	1,227	-
Copyright Reimbursement	1,260	-
Total Revenues	<u>416,511</u>	<u>651,528</u>

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
Expenses		
Consultancy fees	72,680	149,813
Game expenses	89,429	177,852
Payroll	201,953	129,981
Accounting fees	15,400	2,695
Public relations	24,521	300
Rent	975	975
Workcover	3,205	1,919
Website expenses	2,391	1,533
Asset write-off	-	3,500
Sundry expenses	20,177	20,877
Total Expenses	<u>430,731</u>	<u>489,445</u>

KPMG have provided their audit services on an honorary basis.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	502,504	489,320
	<u>502,504</u>	<u>489,320</u>

NOTE 5: RECEIVABLES

Trade receivables	23,062	12,209
Prepayments	-	5,958
GST receivable	3,400	-
Financial Basics Community Foundation	1,102	1,165
	<u>27,564</u>	<u>19,332</u>

NOTE 6: PAYABLES

Trade payables	43,955	7,801
Creditors accrual	-	17,700
Payroll liabilities	24,022	12,717
GST payable	-	2,282
	<u>67,977</u>	<u>40,500</u>

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE	2018 \$	2017 \$
NOTE 7: PROVISIONS		
Annual leave provision	28,375	20,216
	28,375	20,216

NOTE 8: 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 2018, the members of the Foundation stood at 6 (2017: 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 Directors ensure that the overall risk management strategy is in line with this objective.

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: CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

Cash at Bank	4	502,504	489,320
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b. Reconciliation of cash flows from operating activities with surplus/(deficit) after income tax

Surplus/(deficit) after income tax		(14,220)	162,083
Loss on write-off		-	3,500

Changes in assets and liabilities:

(Increase)/decrease in trade & other receivables		(14,190)	323
(Increase)/decrease in prepayments		5,958	(3,311)
Increase/(decrease) in creditors and other payables		27,477	(143,270)
Increase/(decrease) in provisions		8,159	3,900
Net cash provided by (used in) operating activities		13,184	23,225

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

RESPONSIBLE ENTITIES' 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 10 to 19 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 2018 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.

Tarryn McMullen
Acting Chairman



Dated this

21st day of November 2018



Independent Auditor's Report

To the members of Financial Basics Foundation

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of the Financial Basics Foundation (the Foundation).

In our opinion, the accompanying **Financial Report** of Financial Basics Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2018, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Balance sheet as at 30 June 2018.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Foundation.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Foundation in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Directors financial reporting responsibilities under the *ACNC Act 2012*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose.

Our report is intended solely for the members of the Foundation and ACNC and should not be used by any other party. We disclaim any assumption of responsibility for any reliance on this Auditor's Report, or on the Financial Report to which it relates to any person other than the members of the Foundation and ACNC. Our opinion is not modified in respect of this matter.

Other information

Other Information is financial and non-financial information in Financial Basics Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Determining that the basis of preparation described in Notes 1 to the Financial Report is appropriate to meet the requirements of the ACNC. The basis of preparation is also appropriate to meet the needs of the members.
- iii. Implementing necessary internal control 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.
- iv. Assessing the Foundation's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit 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 registered Foundation's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Foundation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG



Ben Flaherty
Partner
Brisbane
21 November 2018

In Memoriam

Joe Cole



Joe was a highly valuable and respected member of the board and the contribution and impact that he made towards the growth and development of the Financial Basics Foundation over the past five years has been significant.

Joe was a wonderful treasurer who brought joy and humour to our meetings. His work helped the company move forward in numerous ways. He will not soon be forgotten.

Joe was a remarkable man and everyone at Financial Basics is better for having known him. He will be greatly missed.

