



2018-2019  
FINANCIAL BASICS FOUNDATION

# ANNUAL REPORT



The Financial Basics Foundation is a trusted independent charity.

The Financial Basics Foundation vision is financial wellbeing for young Australians.

This is achieved through our mission to enhance the financial capability of young Australians by providing quality independent financial education resources.

Financial Literacy resources for Australian teachers.

## 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 financial 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.



**Presenting Partner ESSI Money and ESSI Money Challenge; Support Partner Financial Basics Foundation**

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.



## Support Partner

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.

# Chairperson's Address

Welcome to the 2019 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 following Katrina's address.

## **Company Performance**

Although I have only been a director and Chair of the Foundation for a short period of time, I am pleased to report on a successful year. With a focus on growth and sustainability, we have been able to capitalise on the opportunities provided by our corporate partners to expand the reach and impact of the Foundation.

Revelations from the Banking Royal commission earlier this year have further validated 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. To that end, in early 2020 we will release the findings of two pieces of research which commenced this year. Firstly, partnering with Griffith University to focus on the financial literacy of young women and secondly, working with QUT to release a discussion paper about the opportunities that exist in the Australian education system to increase the opportunities for more financial literacy in the classroom.

Encouraging young people to develop an understanding of sound money management behaviours, such as ensuring they ask the right questions, keeping track of where their money is and thinking critically about the risks and rewards of certain financial decisions, gives them the tools which will help them manage their finances now and into the future. This in its essence is our mission and drives the strategic decision making for our organisation.

## **Moving Forward**

I believe the Foundation's strength and ability to deliver sustainable growth over the long term will depend on a number of things:

- Continuing to create high quality, innovative resources.
- Developing a strategic approach to our IT and digital needs.
- Diversifying our income streams to increase financial and operational resources.
- Increase the profile of Financial Basics Foundation to key stakeholders throughout Australia.
- Implementing protocols which enable us to measure and report on our impact and success.

The Foundation is in a sound financial position. Shortly, we will have an opportunity to review the financial performance.

I would like to take this opportunity once again to thank our partners Suncorp, QCoal Foundation, BDO and KPMG.

Without your ongoing contribution, the Foundation would not be where it is today. We appreciate the financial and in-kind support provided each year.

To my fellow board members, thank you for your willingness to contribute your services and expertise voluntarily. Please know that your time and input are valued. I would like to thank our CEO Katrina Birch for her tireless efforts in promoting and managing our Foundation.

And finally, it would not be possible to achieve all that we do without the hard work and efforts of our small but dedicated team of staff and consultants. Thank you.

Brigid Leishman  
Chairperson



Image: Anthony Micallef, Headmaster, Brisbane Grammar School; Megan Marshall, Acting Head of Economics, Brisbane Grammar School, Sam; Nick and Digby, Tim Devine, Director Financial Basics Foundation, Anne Nunan, Senior Project Manager, Financial Basics Foundation.

# CEO's Report

Financial Basics Foundation's vision is financial wellbeing for young Australians. We remain committed to this vision and continue to work with our corporate partners on a range of programs and activities aimed at reaching as many young Australians as possible. Our relationships allow us to maintain our independence - as they are built on a foundation of trust, respect, transparency and mutual benefits.

Capitalising on the opportunities provided by our partnerships, the Foundation has been able to expand our reach and improve outcomes in financial education across Australia. This year we activated a number of programs which bring into focus a greater understanding of the impact of our programs and activities.

A teacher membership growth of 16% in this financial period takes the total number of registered teachers to 4,785. While a 3% increase in registered schools to 1,549 which represents 57% of all Australian secondary schools accessing our resources. This year, over 17,700 individual students played ESSI Money powered by Suncorp. The game was played 34,413 times with 9,693 completing the full 26-week simulation.

Once again, the Suncorp ESSI Money Challenge, conducted in August 2018, proved to be a great success with 4,580 students taking part. The Challenge was supported by a dynamic public relations campaign focusing on local, state and national mainstream media, as well as verticals covering education, parents and financial issues. In total, the campaign reached an audience of 1 million and an equivalent advertising value of \$275,000.

Work has commenced on the development of a new resource, aimed at encouraging parents to engage in financial conversations with their teenagers. We are working with Suncorp and their creative agencies to bring our Rules of Thumb to life. 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. I would like to take this opportunity to personally thank the team at Suncorp and acknowledge their commitment to our work and support of our goal of building the financial capability of young Australians.

Distributed in May 2019, 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 62.88% strongly agree and 31.06% agree that financial literacy should have a more significant presence in the Australian curriculum.

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, 98% of respondents strongly agreed or agreed with the statement that OFL is a valuable and effective teaching resource for developing students' financial literacy. 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.

When asked whether they agreed or disagreed with the following statements, 62% of teachers responded that they strongly agree that ESSI Money provides an opportunity to engage students in conversations about financial concepts, with a further 35% agreeing with this statement.

Furthermore, 56% of respondents who use ESSI Money strongly agree with the statement that ESSI Money is a useful and effective teaching resource for developing students' financial literacy. 69% of respondents stated that they would recommend ESSI Money to colleagues.

Teacher feedback suggests that the Foundation is making a difference in hundreds of schools for thousands of students across Australia. Educators overwhelmingly appreciate the Foundation's resources and the service we provide.

Early in the year, we engaged Griffith University to undertake a piece of research which will focus on the financial literacy of young women. The main aim is to examine whether the financial literacy levels of young women is a product of their ability to understand financial concepts or of social construction. Arguably, financial literacy is not only influenced by the knowledge and skills acquired by individuals but also by social and cultural ways of thinking and being. In this research, the financial literacy and capability of young women will be measured, along with their knowledge and attitudes to financial decision-making in the household, at school, and amongst peers.

The purpose of this research is to examine the financial literacy of Australian school students. The basis for this study is the belief that current financial literacy education can be improved by considering circumstances specific to the individual such as gender and cultural factors. The findings which will become the first of a series of monographs dedicated to the memory of Joe Cole, will be released in the first half of 2020.

Our partnership with Q-Coal Foundation (QCF) continues with stage 2 of the Ca\$hEd Up – Developing Financial Skills for Life trial program commencing in January 2019. Further information about the activities and outcomes of the Ca\$hEd Up program are contained in the reports of the Financial Basics Community Foundation.

BDO Australia continue to support our work through the provision of in-kind professional services including our bookkeeping and payroll functions. I would like to acknowledge Bernard Curran and the partners at BDO for their generosity and ongoing support.

Over the last seventeen 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.

Looking forward, we will pursue a number of objectives in the next 12 months in order to achieve our vision.

These include:

- The continued development and expansion of our core business of providing educators with the tools, resources and skills they need to bring financial literacy education into every school, to build the financial capability of young Australians.
- An increased focus on innovation and digital development of our resources along with a more strategic approach to our IT requirements.
- Increased marketing and public relations activities,
- Implementation of protocols which enable us to measure our impact and success, and
- Further development of sponsorship program.

It was a pleasure to welcome Brigid Leishman to the board earlier this year and is an honour to be guided and supported by you in my role as CEO. Thank you also to each of the Directors, who always give so generously of their time, skills and expertise in support of the work of the Foundation.

Of course, to our small but dedicated and brilliant program team – Damian, Anne, Alex and Chloe – thank you for another outstanding year, for being flexible and working incredibly hard and for bringing your sense of humour and passion to our work each and every day.

I'm looking forward to 2020.

Katrina Birch  
CEO



# Financial Basics Foundation

Financial Statements for the year ended 30 June 2019

# 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 2019.

### Directors

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

Brigid Leishman (appointed 10 April 2019)  
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: financial wellbeing for young Australians.

### Financial Basics Foundation has:

- Produced Operation Financial Literacy, a resource that has been distributed to and used by over 4,785 teachers in 1,549 Australian secondary schools.
- Updated the material within Operation Financial Literacy including the banking and mobile phone modules during this reporting period.
- Hosted a national financial literacy competition (the Suncorp ESSI Money Challenge) in August 2018 which saw 4,580 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.
- Engaged researchers from Griffith University to undertake a piece of research to explore factors that influence the financial literacy for young women.
- 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 391 community organisations and educators outside of the secondary school system.
- Published and distributed e-newsletters, blogs and online content to 5,235 subscribers.

# FINANCIAL BASICS FOUNDATION

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## RESPONSIBLE ENTITIES' REPORT

### Review of Operations

The 2018-2019 financial year was one of growth and development, with a clear focus on establishing research activities along with a framework for gathering information and data to enable the Foundation to better measure and report on the outcomes and impact of our activities. Capitalising on the opportunities provided by our partnerships, the Foundation was able to expand the reach and improve outcomes in financial education across Australia with a greater focus on understanding the impact of our activities.

Sponsorship is the key revenue source for the Foundation and the board has invested in sponsorship acquisition services with a view to increasing contributions. The investment delivered a significant increase in sponsorship revenue primarily from a major partnership with Suncorp together with smaller partnerships from BDO and QCoal Foundation. The Foundation offers its corporate partners key opportunities and properties at a whole of business level as well as cost effective opportunities to align with a specific program or campaign.

A teacher membership growth of 16% in this financial period takes the total number of registered teachers to 4,785. While a 3% increase in registered schools to 1,549 which represents 57% of all Australian secondary schools accessing our resources. This year, over 17,700 individual students played ESSI Money powered by Suncorp. The game was played 34,413 times with 9,693 completing the full 26 week simulation.

Once again, the Suncorp ESSI Money Challenge conducted in August 2018, proved to be a great success with 4,580 students taking part, and 8,567 games being registered. The Challenge was supported by a dynamic public relations campaign focusing on local, state and national mainstream media, as well as verticals covering education, parents and financial issues. The Foundation worked with Suncorp as the presenting partner of this initiative to secure significant levels of publicity in print, broadcast and online media. This included coverage across the ABC news, 7 News Queensland, 3AW radio, Fiveaa Adelaide, Triple M Bendigo, Inner West Courier, Sydney, Caboolture Herald, South East Advertiser and The New Daily website. In total, the campaign reached an audience of 1 million and an equivalent advertising value of \$275,000.

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 May 2019, 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 show that 62.88% strongly agree and 31.06% agree that financial literacy should have a more significant presence in the Australian curriculum.

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

- 80% believe it is important for organisations such as Suncorp to support the work of charities such as the Financial Basics Foundation in developing the financial capability of young people.
- 75.85% understand the Financial Basics Foundation is an independent charity but recognise Suncorp as the principal sponsor the ESSI Money game.
- 83.87% reported the biggest benefit of using Operation Financial Literacy was an increased knowledge and understanding of everyday financial concepts.
- 55% have used ESSI Money within the last year.

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, 98% of respondents strongly agreed or agreed with the statement that OFL is a valuable and effective teaching resource for developing students' financial literacy. 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.

# FINANCIAL BASICS FOUNDATION

ACN 114 612 270

## RESPONSIBLE ENTITIES' REPORT

### Review of Operations (continued)

When asked whether they agreed or disagreed with the following statements, 62% of teachers responded that they strongly agree that ESSI Money provides an opportunity to engage students in conversations about financial concepts, with a further 35% agreeing with this statement. Furthermore, 56% of respondents who use ESSI Money strongly agree with the statement that ESSI Money is a useful and effective teaching resource for developing students' financial literacy. 69% of respondents stated that they would recommend ESSI Money to colleagues.

Teacher member feedback suggests that the Foundation is making a difference in hundreds of schools for thousands of students across Australia. Teachers overwhelmingly appreciate the Foundation's resources and the services provided.

The Foundation has partnered with researchers from Griffith University to complete a piece of research which will focus on the financial literacy of young women, as research prior to the introduction of the Australian Curriculum shows that this cohort has lower financial literacy levels. The main aim is to examine whether the financial literacy levels of young women are a product of their ability to understand financial concepts or of social construction. Arguably, financial literacy is not only influenced by the knowledge and skills acquired by individuals but also by social and cultural ways of thinking and being. In this research, the financial literacy and capability of young women will be measured, along with their knowledge and attitudes to financial decision-making in the household, at school, and amongst peers. This information on the financial literacy of young women will then be compared with results for young males to help identify areas to improve financial literacy education for marginalised cohorts.

The purpose of this research is to examine the financial literacy of Australian school students. The basis for this study is the belief that current financial literacy education can be improved by considering circumstances specific to the individual such as gender and cultural factors. The findings will be released in the first half of 2020.

Our partnership with Q-Coal Foundation (QCF) continues with an expansion of the Ca\$hEd Up – Developing Financial Skills for Life trial program commencing in January 2019. Further information about the activities and outcomes of the Ca\$hEd Up program are contained in the financial reports of the Financial Basics Community Foundation.

Over the last seventeen 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.
- Increase our profile and expand the reach of Financial Basics Foundation products and messaging to key stakeholders throughout Australia.
- To implement protocols which enable us to measure our impact and success.
- Continuing to improve and expand current offerings, including conference presentations, Professional Development for teachers and engagement through social media.

Develop a strategic approach to our IT and digital needs to ensure sustainability and growth.

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 improve financial knowledge in order to build financial capability.

# FINANCIAL BASICS FOUNDATION

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## RESPONSIBLE ENTITIES' REPORT

### Review of Operations (continued)

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

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

### Information on Directors

#### *Brigid Leishman GAICD/MBA – Chair*

Brigid has lived and worked in four countries and has over 30 years experience in financial services. She has deep experience in business leadership and governance.

Until October 2019 she was the Chief Operating Officer for CUA, a member owned organisation and Australia's largest credit union.

Brigid is passionate about financial literacy and currently sponsors the financial inclusion program at CUA.

Brigid was appointed as a member and Director of the Foundation on 10 April 2019.

#### *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 over 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).

#### *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.

## FINANCIAL BASICS FOUNDATION

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### RESPONSIBLE ENTITIES' REPORT

#### Information on Directors (continued)

##### *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 is currently Group General Manager Finance at Corporate Travel Management Limited, an ASX-200 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 Certificate of Teaching KGTC, 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. He has been awarded QUT Education Faculty Alumni of the Year 2019, ACEL Queensland Excellence in Educational Leadership Award 2010, Australian College of Educators Queensland Medal 2007, and Order of Australia in 2007.

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

ACN 114 612 270

## RESPONSIBLE ENTITIES' REPORT

### Meetings of the Board of Directors

During the financial year 5 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>
Brigid Leishman	1	1
Tarryn McMullen	5	5
Katrina Birch	5	5
Tim Devine	5	5
Cale Bennett	5	2
Norman Hunter	5	4
Kelly Evans	4	4

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 2019, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$140 (2018: \$120).

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 8 of the financial report.

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



Brigid Leishman  
Chairman

Dated this 20<sup>th</sup> day of November 2019



# 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 2019 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  
20 November 2019



## FINANCIAL BASICS FOUNDATION

ACN 114 612 270

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenues	2	489,771	416,511
Expenses	3	<u>(349,024)</u>	<u>(430,731)</u>
<b>Surplus/(Deficit) before income tax</b>		<u>140,747</u>	<u>(14,220)</u>
Income tax expense	1(g)	-	-
<b>Net surplus/(Deficit) for the year attributable to members of the entity</b>		<u>140,747</u>	<u>(14,220)</u>
Other comprehensive income		-	-
<b>Total comprehensive income attributable to members of the entity</b>		<u>140,747</u>	<u>(14,220)</u>

The accompanying notes form part of these financial statements.

## FINANCIAL BASICS FOUNDATION

ACN 114 612 270

### BALANCE SHEET AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	672,982	502,504
Receivables	5	8,912	27,564
<b>TOTAL CURRENT ASSETS</b>		<u>681,894</u>	<u>530,068</u>
<b>TOTAL ASSETS</b>		<u>681,894</u>	<u>530,068</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	6	70,470	67,977
Provisions	7	36,961	28,375
<b>TOTAL CURRENT LIABILITIES</b>		<u>107,431</u>	<u>96,352</u>
<b>TOTAL LIABILITIES</b>		<u>107,431</u>	<u>96,352</u>
<b>NET ASSETS</b>		<u>574,463</u>	<u>433,716</u>
<b>EQUITY</b>			
Accumulated surplus		<u>574,463</u>	<u>433,716</u>

The accompanying notes form part of these financial statements.

## FINANCIAL BASICS FOUNDATION

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Balance at 1 July	433,716	447,936
Surplus/(deficit) for the year	140,747	(14,220)
<b>Balance at 30 June</b>	<u>574,463</u>	<u>433,716</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 2019

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from operating activities		556,333	441,656
Cash payments from operating activities		(385,855)	(428,472)
<b>Net cash provided by (used in) operating activities</b>	9(b)	<u>170,478</u>	<u>13,184</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for intangible assets		-	-
Payments for PPE		-	-
<b>Net cash (used in) investing activities</b>		<u>-</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Funds provided to related parties		-	-
<b>Net cash provided by (used in) financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash held</b>		170,478	13,184
Cash at the beginning of the year		502,504	489,320
<b>Cash at the end of the year</b>	4	<u><u>672,982</u></u>	<u><u>502,504</u></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 2019

### 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 2019 were authorised for issue on 20 November 2019 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 2019

### 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.

#### i. Change in accounting policies

AASB 9 *Financial Instruments* became effective from the reporting period beginning 1 July 2018. The main impacts of the standards on the Foundation are that they will change the requirements for the classification, measurement, impairment and disclosures associated with financial assets.

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.

Given the Foundation does not hold complex financial instruments or long dated receivables, there was no material impact on its financial statements on application on 1 July 2018.

# FINANCIAL BASICS FOUNDATION

ACN 114 612 270

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### j. 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. AASB 15 replaces AASB 118 *Revenue* and contains a single model that applies to contracts with customers and two approaches to recognising revenue; at a point in time, or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much, and when revenue is recognised. Under AASB 1058, the timing of income recognition depends on whether a not-for-profit transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset received by an entity.

Management is currently in the process of assessing the impact of these standards and transitional disclosure will be included in the Foundation's financial statements for the year ended 30 June 2020.

<b>NOTE 2: REVENUES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Sponsorship	415,000	381,944
Consulting	64,970	32,080
Sundry revenue	2,000	1,227
Copyright Reimbursement	7,801	1,260
<b>Total Revenues</b>	<b>489,771</b>	<b>416,511</b>

# FINANCIAL BASICS FOUNDATION

ACN 114 612 270

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

<b>NOTE 3: PROFIT FROM ORDINARY ACTIVITIES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Profit from ordinary activities has been determined after:		
<b>Expenses</b>		
Consultancy fees	56,029	72,680
Game expenses	17,881	89,429
Payroll	224,679	201,953
Accounting fees	15,172	15,400
Public relations	7,875	24,521
Rent	-	975
Workcover	3,212	3,205
Website expenses	2,272	2,391
Sundry expenses	21,904	20,177
<b>Total Expenses</b>	<b>349,024</b>	<b>430,731</b>

KPMG have provided their audit services on an honorary basis.

### NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	672,982	502,504
	<u>672,982</u>	<u>502,504</u>

### NOTE 5: RECEIVABLES

Trade receivables	7,525	23,062
GST receivable	-	3,400
Financial Basics Community Foundation	1,387	1,102
	<u>8,912</u>	<u>27,564</u>

### NOTE 6: PAYABLES

Trade payables	6,742	43,955
Payroll liabilities	25,895	24,022
GST payable	37,833	-
	<u>70,470</u>	<u>67,977</u>

### NOTE 7: PROVISIONS

Annual leave provision	36,961	28,375
	<u>36,961</u>	<u>28,375</u>



# FINANCIAL BASICS FOUNDATION

ACN 114 612 270

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 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 2019, the members of the Foundation stood at 7 (2018: 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	<u>672,982</u>	<u>502,504</u>
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#### b. Reconciliation of cash flows from operating activities with surplus/(deficit) after income tax

Surplus/(deficit) after income tax		140,747	(14,220)
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#### Changes in assets and liabilities:

(Increase)/decrease in trade & other receivables		18,652	(14,190)
(Increase)/decrease in prepayments		-	5,958
Increase/(decrease) in creditors and other payables		2,493	27,477
Increase/(decrease) in provisions		<u>8,586</u>	<u>8,159</u>
Net cash provided by (used in) operating activities		<u>170,478</u>	<u>13,184</u>

### 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 9 to 17 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 2019 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.

Brigid Leishman  
Chairman



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Dated this                    20<sup>th</sup> day of November 2019



# 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 the 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 2019, 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 2019
- ii. Statement of profit or loss and other comprehensive, 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 opinion is not modified in respect of this matter.

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.

### 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.

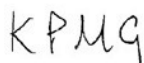
Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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



Ben Flaherty  
Partner

Brisbane  
20 November 2019



