

2019-2020
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.

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.



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

2020 has been a challenging year for everyone but despite this FBF has driven some significant outcomes which we should be proud of.

- We once again ran the Suncorp ESSI Money Challenge which, despite the distractions of COVID19 delivered higher numbers than ever before.
- We have seen growth in both teacher and student registration numbers.
- We ran and published a national financial literacy survey with 1300 responses.
- We published the Financial Rules of Thumb, six Webquests and more and received good reach and publicity across all our events.
- We made changes to our board to build sustainability and to prepare us for the future.

Board changes and capability build

We welcomed a new Company Secretary to our board in February 2020. Nicole Pedwell is currently the Company Secretary for CUA and brings with her an exceptional knowledge of governance and board procedures. We are already seeing the value of her contribution with the introduction of a new board portal, new and improved documentation and the implementation of a Whistleblower's Policy.

Our long-standing board member, Tarryn McMullen will step down from the board at the end of calendar year 2020. Tarryn has been with FBCF and FBF as the inaugural staff member in 2002 and then as a director from December 2004. She has made a substantial contribution over that time and will be sorely missed

In 2021 we will bring on two additional board members. The first, Melissa Witheriff joins us in October. She has a strong background in innovation and customer centred design and has recently joined Avonade as their Director, Regional Innovation Lead. We have yet to identify the second additional board member.

Our major strategic focus for 2021 will be the development of a digital roadmap. The work we did in 2020 on understanding our current state strengths and weaknesses will help inform this work. We have engaged a digital strategy agency to support this work. In addition to this, we will continue to seek new funding and sponsorships.

Brigid Leishman
Chairperson

CEO's Report

Financial Basics Foundation is a trusted independent charity. We provide free financial literacy resources to Australian educators. Our hope and our vision is financial wellbeing for young Australians, and what we do – our mission - is to enhance the financial capability of young Australians by providing quality independent financial education resources.

In reflecting upon outputs over the previous 12 month period, it is clear that the results of our work, our outcomes continue to deliver on our vision.

The impact and disruption of COVID 19 has been rapid and wide-spread. By mid-March 2020, secondary schools across Australia commenced planning and developing the infrastructure to continue educating their students through remote and distance education. At this time we noted a significant increase in demand for our resources specifically during the period from January to June 2020 compared to the same period in 2019.

- 57% increase in teacher registrations
- 167% increase in registered EM classes
- 29% increase in unique EM players
- 25% increase in registered EM games

This data clearly shows that thousands of Australian educators trust the Foundation's resources. It speaks to the flexibility, usefulness and effectiveness of the materials provided, particularly ESSI Money, and signifies the value and quality it delivers for teachers.

5967 teachers from 1624 Australian secondary schools are now accessing the Foundations resources. This represents growth of almost 25% in teacher registrations and 4.85% in the total number of registered schools for this financial period. Total reach for all Australian secondary schools now stands at 58.5%.

Once again, the Suncorp ESSI Money Challenge which was conducted in August 2019 proved to be a great success with 5650 students taking part. The Challenge was supported by a dynamic public relations campaign including the development of a creative and comprehensive suite of materials as part of a Teacher Resource Kit. In total, the campaign reached an audience of 1.3 million with an equivalent advertising value of \$234,000.

Ryan Menner and Chrisann Lee from the Queensland University of Technology (QUT) Business School were commissioned by the Foundation, to write a discussion paper exploring the current structure of the Australian financial education system and global practice and research, to inform opportunities within the Australian system for financial education.

The paper provided several avenues for developing financial education in Australia beyond the curricula and is intended to provide impetus for policymakers and educators to develop a more structured yet collaborative financial education system in Australia.

This year the Foundation also partnered with researchers from Griffith University to undertake a piece of research which will focus on Young Women and Low Financial Literacy – What is happening and how can we help?

Following a considerable delay in receiving approval from the Queensland Department of Education to conduct the research and then the impact of COVID 19, the research was put on hold - we anticipate completion of the study in early 2021.

In line with our strategic objective to develop an approach to the Foundation's IT and digital needs we started work this year to understand our current state strengths and weaknesses which was presented in an IT architecture report delivered in Jan 2020.

The board is now working to produce a digital roadmap in line with the recommendations from this report.

The Foundation's work to create high quality resources that educate young people about sound financial management principles expanded with the development of a new suite of resources called WebQuests. FBF WebQuests have generated 13,000 views during this period.

This is an ongoing initiative with further topics planned in coming months.

We also developed a toolkit of practical activities based on five simple financial rules of thumb to help build the financial capability of young people. Working in partnership with Suncorp, the Foundation developed a series of articles and family activity sheets which are contained and delivered through Suncorp's social media and customer channels.

Financial Basics Foundation aligns with like-minded organisations and has a long history of successful partnerships that support delivery of its mission.

Suncorp's partnership with Financial Basics Foundation demonstrates Suncorp's commitment to developing the financial capability of young people. This year, the partnership with Suncorp focused on developing new and innovative programs and resources, expanding reach and building on activities that increase the Foundation's brand and public awareness.

The financial impact that COVID 19 had on many individuals and families, highlighted the importance of financial literacy and improved financial capability. The Foundation worked with Suncorp to provide access to a number of valuable tools and resources to help their customers during this time. This included the Financial Rules of Thumb and the relaxation of the agreement permitting Suncorp customers access to the ESSI Money Family Challenge through the Suncorp website, as well as the Suncorp App.

BDO Australia supports the work of the Foundation by providing in-kind accounting, bookkeeping and advisory services. This partnership has enabled us to build organisational capacity and adds value to the work we do to build the financial capability of young Australians.

As the Founding Donor, Collection House remains an important and valued part of our history. Collection House continues to provide ongoing in-kind support.

The decision was taken by extra-ordinary meeting on Tuesday 17 March 2020 to not renew the sponsorship agreement with QCoal Foundation (QCF) following the conclusion of the current agreement on 31 March 2020. The Board remains grateful to QCF for its support of FBF and in particular the Ca\$hEd Up Program which is currently being delivered by Financial Basics Community Foundation.

In line with the strategic objective to secure increased financial and operational resources, the Foundation has commenced activities in line with the acquisition plan to acquire additional corporate partners.

I would like to take this opportunity to welcome Nicole and Melissa to the board this year. 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. I call on each of you in your areas of expertise – mostly outside of board meetings - and I could not perform my role without your expertise and guidance. Kelly in particular in the lead up to the AGM – I know you have spent many many hours working with KPMG and BDO in preparing the financials for reporting. Thank you.

Once again, to our program team – Damian, Anne, Alex and Chloe – which some of you got a chance to meet in zoom meetings this year - thank you for another outstanding year, for being flexible and working incredibly hard each and every day.

And finally, to Tarryn – who started it all - the Foundation and even my employment here. Come she said. A few hours a week she said. Have I got a job for you...Tarryn and I have actually known each other for about 20 years – before FBF was even an idea in her head – and I know we will remain friends and someone that I can call on for advice and direction when I need it for years to come. Tarryn, your passion for organisations that do social good, that are credible and impactful has been what has guided the growth and development of this organisation – and I know the many others

that you have been involved with. I have thoroughly enjoyed working with you, learning from you and laughing with you. It has been an absolute joy having you as a director / acting Chair and being part of this journey with you. As Anne said – what are we going to do without you.

Thank you for your incredible contribution – I promise, we will look after your legacy and always make you proud to say that you were an integral part of FBF's story.

Financial Basics Foundation will continue to pursue its strategic objectives in 2021 in order to achieve its vision. These include:

- To create high quality resources
- To secure increased financial and operational resources
- To increase our profile and expand the reach
- To implement protocols which enable us to measure our impact and success
- To continually improve and expand current offerings,
- To develop a strategic approach to our IT and digital needs to ensure sustainability and growth.

Thank you.

Katrina Samios
CEO



Financial Basics Foundation CEO, Katrina Samios at a high school.

Financial Basics Foundation

Financial Statements for the year ended 30 June 2020

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 2020.

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
Tarryn McMullen
Katrina Birch
Tim Devine
Cale Bennett
Norman Hunter
Kelly Evans
Nicole Pedwell (appointed 5 February 2020)
Melissa Witheriff (appointed 8 October 2020)

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.

Review of Operations

Financial Basics Foundation has:

- Continued to update and republish Operation Financial Literacy.
- Hosted a national financial literacy competition (the Suncorp ESSI Money Challenge) in August 2019 which saw 5,650 students compete for the chance to win cash prizes for themselves and for their schools.
- Conducted a national financial literacy survey where over 1,400 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 the 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 654 community organisations and educators outside of the secondary school system.
- Published and distributed e-newsletters, blogs and online content to 6,621 subscribers.
- Commenced production of a student workbook with supporting teacher notes and solutions to supplement the ESSI Money game.
- Produced and published six WebQuests which generated over 13,000 views.

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RESPONSIBLE ENTITIES' REPORT

Review of Operations (continued)

Reach

5,967 teachers from 1,624 Australian secondary schools are now accessing the Foundations resources. This represents growth of almost 25% in teacher registrations and 4.85% in the total number of registered schools for this financial period. Total reach for all Australian secondary schools now stands at 58.5%.

ESSI Money Game Statistics

ESSI Money and ESSI Money Plus game statistics for this financial year are:

- 25,262 individual students have played
- 9,000 individual students have completed the full 26 week simulation
- 1,985 classes have been registered
- 48,388 games have been registered
- 13,725 games have been completed

Effects of COVID-19

The impact and disruption of COVID-19 has been rapid and wide-spread. By mid-March, secondary schools across Australia commenced planning and developing the infrastructure to continue educating their students through remote and distance education. Although it is difficult to assess exactly to what degree and extent the Foundation's resources are used within a school or classroom setting, FBF noted a significant increase in demand for its resources during the period from January to June 2020 compared to the same period in 2019.

- 57% increase in teacher registrations
- 167% increase in registered classes
- 29% increase in unique players
- 25% increase in registered games

This data clearly shows that thousands of Australian educators trust the Foundation's resources. It speaks to the flexibility, usefulness and effectiveness of the materials provided, particularly ESSI Money, and signifies the value and quality it delivers for teachers.

ESSI Money Challenge Public Relations

Once again, the Suncorp ESSI Money Challenge which was conducted in August 2019, proved to be a great success with 5,650 students taking part, and 10,656 games being registered. The Challenge was supported by a dynamic public relations campaign designed to:

- heighten public awareness of the Challenge and its supporters
- help boost the number of competition registrations
- highlight the importance of developing the financial capability of young Australians

Research

Discussion Paper – Exploring Opportunities in Financial Education in Australia

Ryan Menner and Chrisann Lee from the Queensland University of Technology (QUT) Business School were commissioned by the Foundation, to write a discussion paper exploring the current structure of the Australian financial education system and global practice and research, to inform opportunities within the Australian system for financial education.

The Foundation believes that ensuring best practice in financial education in schools, communities and families is essential for the future financial wellbeing of all Australians. The discussion paper advocated for the need for financial literacy to be a stand-alone subject for Australian high school students in order to better prepare them for the real world.

The paper provided several avenues for developing financial education in Australia beyond the curricula and is intended to provide impetus for policymakers and educators to develop a more structured yet collaborative financial education system in Australia.

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RESPONSIBLE ENTITIES' REPORT

Review of Operations (continued)

Young Women and Low Financial Literacy – What is happening and how can we help?

The Foundation partnered with researchers from Griffith University to undertake a piece of research which will focus on the financial literacy of young women. Previous assessments and research show that this cohort has low financial literacy levels. 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.

Following a considerable delay in receiving approval from the Queensland Department of Education to conduct the research, the board agreed to provide an extension to the researchers until June 2020 to complete the study. Regrettably, as a result of COVID-19, the research was once again put on hold from March 2020. We anticipate completion of the study in early 2021.

IT Strategy

In line with our strategic objective to develop an approach to the Foundation's IT and digital needs in order to ensure sustainability and growth, the Foundation engaged a consultant to scope and document the technology architecture of the FBF Website, ESSI Money, and the ESSI Money Challenge. The report was received in January 2020 and included:

- all relevant information from the bottom (infrastructure) to the top (front-end web technologies) of the technology stack and how they each stitch together;
- identification of alternative technology/digital service providers;
- requirements for ongoing development of ESSI Money;
- risks and mitigation strategies and a framework of recommendations for future technology investments.

The board is now working to produce a digital roadmap in line with the recommendations from this report.

New Resources

WebQuests

The Foundation's work to create high quality resources that educate young people about sound financial management principles expanded with the development of a new suite of resources. A WebQuest is an inquiry-oriented online tool which encourages self-paced learning for students. WebQuest lessons can be taught in under an hour and each topic is aligned with an Operation Financial Literacy module. FBF WebQuests have generated 13,000 views during this period.

The first suite of topics is:

- Taxation – everyone pays
- Banking – how does it all work?
- Fintech and the future of banking
- Identifying financial values
- Income and Employment

This is an ongoing initiative with further topics planned in coming months.

Financial Rules of Thumb

Financial Basics Foundation developed a toolkit of practical activities based on five simple financial rules of thumb to help build the financial capability of young people. The financial rules of thumb focus on teaching teens simple and practical behaviours around planning for the use of money. Working in partnership with Suncorp, the Foundation developed a series of articles and family activity sheets which are contained and delivered through Suncorp's social media and customer channels.

Impact Measurement

Ongoing work to implement protocols which enable the Foundation to measure its impact and success include:

- finalisation of a Theory of Change,
- consultation with and involvement in ASIC's Financial Capability Monitoring and Evaluation workshops
- commencement of a process to capture and analyse ESSI Money game play data

This work is ongoing and will remain a key focus area for the Foundation moving forward.

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Review of Operations (continued)

Sponsorship

Financial Basics Foundation aligns with like-minded organisations and has a long history of successful partnerships that support delivery of its mission. The Board would like to take this opportunity to thank Suncorp and BDO Australia for their ongoing and generous sponsorship.

Suncorp's partnership with Financial Basics Foundation demonstrates Suncorp's commitment to developing the financial capability of young people. As the Presenting Partner of ESSI Money and Support Partner of the Foundation, this year, the partnership with Suncorp focused on developing new and innovative programs and resources, expanding reach and building on activities that increase the Foundation's brand and public awareness. Joint campaigns also focussed on generating a positive shift in teacher engagement and satisfaction, as well as an increase in students playing and successfully completing ESSI Money.

The financial impact that COVID-19 had on many individuals and families, highlighted the importance of financial literacy and improved financial capability. The Foundation worked with Suncorp to provide access to a number of valuable tools and resources to help their customers during this time. This included the Financial Rules of Thumb and the relaxation of the agreement permitting Suncorp customers access to the ESSI Money Family Challenge through the Suncorp website, as well as the Suncorp App.

BDO Australia supports the work of the Foundation by providing in-kind accounting, bookkeeping and advisory services. This partnership has enabled us to build organisational capacity and adds value to the work we do to build the financial capability of young Australians.

Collection House Limited founded the Financial Basics Foundation in 2002. As the Founding Donor, Collection House remains an important and valued part of our history. Collection House continues to provide ongoing in-kind support.

The decision was taken by extra-ordinary meeting on Tuesday 17 March 2020 to not renew the sponsorship agreement with QCoal Foundation (QCF) following the conclusion of the current agreement on 31 March 2020.

Fundamentally, QCF's proposed agreement caused the Board concern that the time and resources required to meet QCF's expectations is out of balance with its proposed level of investment. The Board determined that continuing the partnership with QCF at the current financial level, while trying to balance this with other more significant funders, would be too onerous and would likely lead to dissatisfaction from both sides.

The Board remains grateful to QCF for its support of FBF and in particular the Ca\$hEd Up Program being delivered by Financial Basics Community Foundation.

The Foundation is working with external consultants to develop a sustainable plan and proposition for acquiring and managing new partnerships to support our work. In line with the strategic objective to secure increased financial and operational resources, the Foundation has commenced activities in line with the acquisition plan to acquire additional corporate partners.

Strategic Objectives

Financial Basics Foundation will continue to pursue its strategic objectives in order to achieve its vision:

- To create high quality resources that educate young people about sound financial management principles.
- To secure increased financial and operational resources that support our strategic objective to achieve financial security.
- To 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.
- To continually improve and expand current offerings, including conference presentations, Professional Development for teachers and engagement through social media.
- To develop a strategic approach to our IT and digital needs to ensure sustainability and growth.

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Information on Directors

Brigid Leishman GAICD/MBA – Chair

Brigid has over 30 years of executive and leadership experience in the financial services sector.

She now runs her own coaching and consulting business.

Brigid has lived and worked in four countries. She developed and led a multi award winning company in Fiji.

More recently, Brigid was the COO at CUA. Prior to leaving CUA to start her own business, she led the development of a strategic roadmap for robotics and AI.

Brigid is a New Zealander by birth and is now an Australian citizen. She has an MBA (Dist), is a GAICD and a member of the Australian Coaching Association.

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

Tarryn McMullen GAICD/MBA – Director

Tarryn was the inaugural staff member of Financial Basics Foundation (formerly Collection House Foundation). She has 15+ years' experience across both the not-for-profit and for-profit sectors, including fundraising and marketing roles for several not-for-profits, and strategy, marketing and communications roles for listed entities.

Tarryn is currently a Director of three NFP Boards.

Tarryn was appointed as a member and Director of the Foundation on 14 December 2004, and will be retiring from the Board at the end of 2020.

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 an experienced lawyer who has provided legal advice on corporate and commercial matters in private practice 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 (UQ) and a Master of Education - Leadership and Management – (USQ). He is a Fellow of both the Australian Council for Educational Leaders and the Australian College of Educators.

Norm was a founding Co-Principal, then Principal of Hillbrook Anglican School, serving for a period of 21 years. He has been awarded the QUT Education Faculty Alumni of the Year 2019, ACEL Queensland Excellence in Educational Leadership Award, Australian College of Educators Queensland Medal, and the Order of Australia for his work in educational leadership.

Norm has been widely involved in education leadership at state and national levels, including the national board of the Australian College of Educators, Vice President of the Queensland Branch of the Australian Council for Educational Leaders, and chair of the Griffith University Centre for Educational Leadership & Management for several years.

More recently he engages in school reviews for Education Queensland and the Catholic and independent school sectors.

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-100 company.

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

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Information on Directors (continued)

Nicole Pedwell – Director/Secretary

Nicole is a qualified Company Secretary, corporate governance and communications professional. Nicole has over 20 years' investor and stakeholder relations experience in both global and domestic financial services entities. Nicole holds a Bachelor of International Business from Griffith University, a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and is a graduate of the Australian Institute of Company Directors.

Nicole is Company Secretary to Credit Union Australia Ltd, CUA Health Limited, Credicorp Insurance Pty Ltd, CUA Management Pty Ltd and Credicorp Finance Pty Ltd.

Nicole joined the Boards of Financial Basics Foundation and Financial Basics Community Foundation in March 2020.

Melissa Witheriff - Director

Melissa is a non-executive director specialising in Organisational Strategy, Digital Innovation and Enterprise culture. She is currently a board member of the Service Innovation Alliance (SIA) Advisory Board for the University of Queensland.

She has more than 25 years of senior leadership experience across non-for-profit, government and corporate environments. Her experience spans sectors such as Finance, Insurance, Mobility (Transport and Road infrastructure), Public Works, ICT, Education and Retail. Melissa is a highly experienced digital innovator, transforming ideas from concept to commercialisation within corporate environments.

Melissa was appointed as a member and Director of the Foundation on 8 October 2020.

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 held the position of Company Secretary from October 2012 to March 2020. From March 2020, Nicole Pedwell holds the position of Company Secretary.

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

Meetings of the Board of Directors

During the financial year 6 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	6	6
Tarryn McMullen	6	6
Katrina Birch	6	6
Tim Devine	6	6
Cale Bennett	6	6
Norman Hunter	6	2
Kelly Evans	6	5
Nicole Pedwell	3	3

The Foundation is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$160 (2019: \$140).

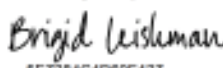
FINANCIAL BASICS FOUNDATION

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Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 10 of the financial report.

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

DocuSigned by:

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Brigid Leishman
Chairman

Dated 12/20/2020



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 2020 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

Ben Flaherty
Partner

Brisbane
20 December 2020

FINANCIAL BASICS FOUNDATION

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 [#] \$
Revenues	2	558,986	489,771
Expenses	3	(549,793)	(350,631)
Surplus/(Deficit) before income tax		<u>9,193</u>	<u>139,140</u>
Income tax expense	1(g)	-	-
Net surplus/(Deficit) for the year attributable to members of the entity		<u>9,193</u>	<u>139,140</u>
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		<u>9,193</u>	<u>139,140</u>

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore comparative information is presented using the previous standards relating to revenue.

[#]Comparative information has been restated in relation to a prior period error. Refer to note 1 (k) for further details.

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION
ACN 114 612 270

BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 \$	2019 [#] \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	652,338	672,982
Receivables	5	44,656	8,912
TOTAL CURRENT ASSETS		<u>696,994</u>	<u>681,894</u>
TOTAL ASSETS		<u>696,994</u>	<u>681,894</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	6	64,448	70,470
Provisions	7	63,255	51,326
TOTAL CURRENT LIABILITIES		<u>127,703</u>	<u>121,796</u>
TOTAL LIABILITIES		<u>127,703</u>	<u>121,796</u>
NET ASSETS		<u>569,291</u>	<u>560,098</u>
EQUITY			
Accumulated surplus		<u>569,291</u>	<u>560,098</u>

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore comparative information is presented using the previous standards relating to revenue.

[#]Comparative information has been restated in relation to a prior period error. Refer to note 1 (k) for further details.

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019[#]
	\$	\$
Balance at 1 July	560,098	420,958
Surplus/(deficit) for the year	9,193	139,140
Balance at 30 June	<u>569,291</u>	<u>560,098</u>

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore comparative information is presented using the previous standards relating to revenue.

[#]Comparative information has been restated in relation to a prior period error. Refer to note 1 (k) for further details.

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		568,958	556,333
Cash payments from operating activities		(589,600)	(385,855)
Net cash provided by (used in) operating activities	9(a)	<u>(20,644)</u>	<u>170,478</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		(20,644)	170,478
Cash at the beginning of the year		672,982	502,504
Cash at the end of the year	4	<u>652,338</u>	<u>672,982</u>

The comparatives have not been restated on adoption of AASB 15 / AASB 1058 and therefore comparative information is presented using the previous standards relating to revenue.

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 2020**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 2020 were authorised for issue on 1 December 2020 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 are recognised as revenue when the Foundation gains control of the asset.

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 2020

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

Except for the new accounting standards noted below, the Foundation has consistently applied the accounting policies set out in Note 1 to all periods presented in these financial statements. The Foundation has initially applied AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, including any consequential amendments to other standards, from 1 July 2019.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The key changes to the Foundation's accounting policies and the impact on the financial report from applying AASB 15 and AASB 1058 are described below:

- The Foundation has applied AASB 15 and AASB 1058 using the modified retrospective (cumulative catch-up) method which means the comparative information has not been restated and continues to be reported under AASB 118 and related interpretations.

The transition impact of adopting AASB 15 and AASB 1058 is not material and no transition adjustments have been posted.

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

k. Correction of error in relation to the provision for long service leave

The Foundation had not previously recorded a provision for long service leave, resulting in an understatement in the provision and payroll expense in 2019 and 2018. Given an employee has met the service conditions to be presently entitled to long service leave, an adjustment was made to reflect this liability as at 30 June 2020, 30 June 2019 and 30 June 2018.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Balance Sheet (extract)

	30 June 2019	Increase/ (Decrease)	30 June 2019 (Restated)	30 June 2018	Increase/ (Decrease)	1 July 2018 (Restated)
	\$	\$	\$	\$	\$	\$
Provisions	36,961	14,365	51,326	28,375	12,758	41,133
Total current liabilities	107,431	14,365	121,796	96,352	12,758	109,110
Accumulated surplus	574,463	(14,365)	560,098	433,716	(12,758)	420,958

Statement of profit or loss and other comprehensive income (extract)

	2019	Profit Increase/(Decrease)	2019 (Restated)
	\$	\$	\$
Revenue	489,771	-	489,771
Expenses	(349,024)	(1,607)	(350,631)
Surplus/(Deficit) before income tax	140,747	(1,607)	139,140

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUES	2020	2019
	\$	\$
Revenue recognised under AASB 1058 Income of Not-for-Profit Entities		
Sponsorship	401,840	415,000
Donations	29,909	-
Consulting	51,310	64,970
Cash flow boost	66,930	-
Sundry revenue	-	2,000
Copyright reimbursement	8,997	7,801
Total Revenues	558,986	489,771

NOTE 3: EXPENSES	2020	2019[#]
	\$	\$
Consultancy fees	91,024	56,029
Game expenses	133,413	17,881
Payroll	241,586	226,286
Accounting fees	15,040	15,172
Public relations	28,350	7,875
Workcover	3,090	3,212
Website expenses	22,165	2,272
Sundry expenses	15,125	21,903
Total Expenses	549,793	350,631

KPMG have provided their audit services on an honorary basis.

[#]Comparative information has been restated in relation to a prior period error. Refer to note 1 (k) for further details.

NOTE 4: CASH AND CASH EQUIVALENTS	2020	2019
	\$	\$
Cash at bank	652,338	672,982
	652,338	672,982

NOTE 5: RECEIVABLES	2020	2019
	\$	\$
Trade receivables	5,641	7,525
Financial Basics Community Foundation	1,170	1,387
Cash flow boost	37,845	-
	44,656	8,912

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6: PAYABLES	2020	2019
	\$	\$
Trade payables	12,763	6,742
Accruals	1,676	-
Payroll liabilities	15,882	25,895
GST payable	34,127	37,833
	<u>64,448</u>	<u>70,470</u>

NOTE 7: PROVISIONS	2020	2019[#]
	\$	\$
Annual leave provision	46,185	36,961
Long service leave provision	17,070	14,365
	<u>63,255</u>	<u>51,326</u>

[#]Comparative information has been restated in relation to a prior period error. Refer to note 1 (k) for further details.

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 2020, the members of the Foundation stood at 8 (2019: 7).

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.

FINANCIAL BASICS FOUNDATION

ACN 114 612 270

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: CASH FLOW INFORMATION	2020	2019
	\$	\$
a. Reconciliation of cash flows from operating activities with surplus/(deficit) after income tax		
Surplus/(deficit) after income tax	9,193	139,140
Changes in assets and liabilities:		
(Increase)/decrease in trade & other receivables	(35,744)	(18,652)
Increase/(decrease) in creditors and other payables	(6,022)	2,493
Increase/(decrease) in provisions	11,929	10,193
Net cash provided by (used in) operating activities	<u>(20,644)</u>	<u>170,478</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.

NOTE 11: CONTINGENT LIABILITIES

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

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 11 to 20 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:
 - a. complying with Accounting Standards as described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - b. giving a true and fair view of the Foundations financial position as at 30 June 2020 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.

DocuSigned by:

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Brigid Leishman

Chairman

Dated this 12/20/2020



Independent Auditor's Report

To the members of Financial Basics Foundation

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 2020, 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 2020
- 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.

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

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 registered 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 registered 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 December 2020

