



Financial
Basics
Foundation

ANNUAL REPORT 2017





Financial
Basics
Foundation



Financial literacy programs for Australian teachers.

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

The Financial Basics Foundation vision is;

That all young Australians have the knowledge, skills and confidence that will enable them to make informed financial choices and manage their finances now and into the future.

In the last decade, the Foundation has become one of Australia's leading not-for-profit organisations delivering financial literacy initiatives to young people.

We have gained support and endorsement from Government, educational authorities and the corporate sector.



Photo: Katrina Birch, Financial Basics Foundation CEO with students from The Peninsula School

OUR SUPPORTERS

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

SUNCORP

Suncorp is partnering with one of Australia's leading providers of financial literacy programs, 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, we are working to give every young person the knowledge, skills and confidence to manage their money. All of which means a better financial future for our younger generations, their families and our customers.



Collection House Limited co-founded the Financial Basics Foundation more than 15 years ago to help improve the financial literacy of Australian secondary school students and to teach them about the importance of making sound financial decisions. Driven by its unwavering commitment to corporate social responsibility, Collection House continues to proudly support the work of the Foundation with ongoing sponsorship and in-kind support.



The QCoal Foundation partners with leading not-for-profit organisations with a strong track record of performance to deliver programs that enrich rural and remote Queensland communities by addressing the key areas of health, liveability and education.

QCoal Foundation shares Financial Basics Foundation's commitment to shaping the financial future of the next generation and, in particular, those in rural and remote Queensland.

OUR SUPPORTERS CONTINUED



BDO 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, we believe that the most important foundation for success is education. We're 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. They generously provide the Financial Basics Foundation with an annual Independent Audit Report on a no fee basis.



Photo: David Carter, CEO Banking and Wealth, Suncorp, Amanda Pacek, Teacher, Cavendish Road State High School, Katrina Birch, CEO Financial Basics Foundation, Daniel Celm, Teacher, Brisbane Grammar School.

CHAIRPERSON'S ADDRESS

Welcome to the 2017 Financial Basics Foundation Annual General Meeting.

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

This is the second year that I have had the honour to chair our AGM, but can reflect on the 13 years that I have been a part of this board and 15 years that I have been involved in this company.

Along the way, there have been a number of ups and downs in the journey we have travelled and I have used different words to describe how the Financial Basics Foundation has progressed in that time.

The 2017 financial year was one of great contrast from the year before.

A year that saw fantastic opportunities and successes, along with some significant challenges.

It was a year that the Foundation performed exceptionally well, and a year when the team came together to achieve some great outcomes.

Firstly, our focus on strategy and growth has placed us in a good position both financially and strategically. Harnessing our collaborative spirit has enabled us to focus on establishing strong partnerships aimed at delivering transformational outcomes.

We have continued to expand and diversify our resources with the support of our partners, Suncorp and Collection House. Including the successful launch of ESSI Money 2.0; an updated Operation Financial Literacy module on Banking and further development of the Indebtedness material.

We established a partnership with Qcoal Foundation that will enable us to create a program and provide resources for communities in rural and remote Queensland.

BDO joined Financial Basics Foundation as a corporate partner in May 2017. As an accountancy and advisory firm with a heritage in helping businesses grow, and a belief that the most important foundation for success is education, BDO is committed to working with the Foundation to equip young people with strong financial literacy skills and enable them to plan ahead for a bright future.

We are proud of our long history of collaboration and the value our partnerships have brought to the Financial Basics Foundation. Without this collaboration we would not be able to achieve our vision; That every young person in Australia has the knowledge, skills and confidence that will enable them to make informed financial choices and manage their money now, and into the future.

Our brand awareness is growing as we activate both targeted and broad community awareness campaigns. We are growing our online community by investing in resources dedicated to focusing our activity and maximising reach.

The Foundation is now 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 Collection House, Suncorp, QCoal Foundation and BDO.

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

Also, 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 specifically thank our CEO Katrina Birch for her tireless efforts in promoting and managing our Foundation and to all of our staff and other supporters.

Tarryn McMullen,

Acting Chairman

CEO'S REPORT

FBF aims to ensure that all young Australians are financially capable and can manage their finances now and into the future. So, how are we delivering on our vision?

- Today we can proudly boast a membership of 3,515 teachers.
- Operation Financial Literacy and ESSI Money are now used in 1,367 schools across Australia; and
- 125,000 students have played ESSI Money since its release in 2007.

The 2016-2017 financial year was both transformational and collaborative for Financial Basics Foundation. We celebrated 15 years, launched ESSI Money 2.0 and established several new partnerships.

In April 2016, when Suncorp joined Collection House as our new corporate partner we commenced setting in place a series of activities which would enable us to achieve the objectives we had set.

In this, the first year of our partnership with Suncorp we commenced and completed the redevelopment of the ESSI Money game; successfully delivered the Suncorp Bank ESSI Money Challenge and released the updated Banking Module.

Through a series of public relations activities supported by Suncorp we have;

- Increased the number of teacher members engaged with our programs by over 1,000
- Increased the number of ESSI Money users by over 10%
- Increased the number of Operation Financial Literacy Banking Module Downloads by over 10%

In the coming year, we will be focusing on further increasing the engagement with and participation in the ESSI Money Challenge whilst promoting the increased usability of ESSI Money 2.0.

In May 2017, we commenced a partnership with Q-Coal Foundation, focusing on rural and regional communities. We are currently investigating opportunities to deliver professional development workshops for teachers as well as a program aimed at developing financial capacity for certain stakeholders in the Collinsville and Bowen catchment.

Collection House first conceived the idea for Financial Basics Foundation and funded its establishment as an independent not-for-profit in 2002.

Collection House has continued to support the organisation financially and 'in-kind' since its inception. This partnership is a visible demonstration of Collection House's commitment to financial education and improving the financial literacy of young Australians.

The activation of a series of public relations activities along with the further development of the indebtedness school presentation program featured as major components of our partnership activities this year.

With a fresh perspective on our mission and understanding what we do well, Financial Basics Foundation will pursue the following objectives in the next twelve months in order to achieve our vision:

- To create high quality resources which educate young people about sound financial management principles.
- To secure increased financial and operational resources which support our strategic objective to achieve financial security.
- To expand operations to include programs for young people between the ages of 12-24, outside as well as within the secondary school system.
- To expand the reach of Financial Basics Foundation products and messaging to schools and students throughout Australia.
- To implement protocols which enable us to measure our impact and success.

Over the last fifteen 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.

I would like to thank all of those who have contributed to the work of the Financial Basics Foundation.

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

We have developed a philosophy and strategic position consistent with our vision. We have mapped out the activities and defined our role and in the year ahead we will set an agenda for increasing our impact and making a further contribution towards developing the financial capability of all young Australians.

Katrina Birch
CEO

Financial Basics Foundation

Financial Statements for the year ended 30 June 2017

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 2017.

Directors

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

Tarryn McMullen
Katrina Birch
Joseph Cole
Tim Devine
Cale Bennett
Norman Hunter (appointed 10/11/2016)

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

Principal Activities

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

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

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

Financial Basics Foundation has:

- Produced Operation Financial Literacy, a resource that has been distributed to and used by over 3,515 teachers in 1,367 Australian secondary schools.
- Continued to review and update the material within Operation Financial Literacy, in particular, published a new version of the Banking module in this reporting period.
- Created ESSI Money v1.0 (Earning Saving Spending and Investing) an online financial literacy simulation game developed for Australian schools. Since its release in 2007, ESSI Money v1.0 has been played by over 125,000.
- Updated ESSI Money to create and launch version v2.0 in March 2017. Using new technology and an updated interface, ESSI Money 2.0 can be used on mobile devices.
- Hosted a national financial literacy competition (the Suncorp Bank ESSI Money Challenge) in September 2016 which saw over 4,000 students compete for the chance to win \$1,000 for themselves and \$4,000 for their school.
- Conducted a national financial literacy quiz where over 1000 secondary school students responded to a series of questions which sought to identify knowledge, skills and trends of young people in relation to their consumer behaviour and financial literacy.
- Established a strong presence in the professional development arena by presenting at state and local conferences throughout the year.
- Published and distributed e-newsletters, blogs and online content to over 4000 subscribers.

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Review of Operations

The 2016-2017 financial year was both transformational and collaborative for Financial Basics Foundation. We celebrated 15 years, launched ESSI Money 2.0 and established several new partnerships.

A key activity at the beginning of this year was the implementation of a structured sponsorship acquisition program.

As a not-for-profit organisation, our corporate partnerships have always been built on aligned social and commercial interests, as well as a common direction to advance our efforts.

In April 2016, Suncorp Limited joined Collection House Limited as our new corporate partner and we commenced setting in place a series of activities to enable us to achieve the objectives we had set.

By June 2017, we had achieved a number of objectives, including completion of the redevelopment of ESSI Money.

ESSI Money 2.0 still retains the functions of the original game, but with a totally updated appearance as well as new content. This investment not only brings the game in line with current technologies but also allows us to reach students and communities who may not have engaged with the first version of the game.

There are now two levels of ESSI Money. ESSI Money and ESSI Money Plus which offers a higher level of complexity to students.

Within the first year of our partnership with Suncorp we also successfully delivered the Suncorp Bank ESSI Money Challenge and released the updated Banking Module.

Through a series of public relations activities supported by Suncorp we have:

- Increased the number of teacher members engaged with our programs by over 1,000
- Increased the number of ESSI Money users by over 10%
- Increased the number of Operation Financial Literacy Banking Module Downloads by over 10%

In the coming year, we will be focusing on further increasing the engagement with and participation in the ESSI Money Challenge whilst promoting the increased usability of ESSI Money 2.0.

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

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

In May 2017, we commenced a partnership with Q-Coal Foundation, focusing on rural and regional communities.

Through this new partnership, we will work together to better understand the financial literacy deficit in rural and remote communities and investigate effective and innovative ways to address this need. For the Financial Basics Foundation, this partnership means that we will gain valuable insight into otherwise unreachable areas of Queensland.

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Review of Operations (continued)

With a fresh perspective on our mission and understanding what we do well, Financial Basics Foundation will pursue the following objectives in the next twelve months in order to achieve our vision:

- To create high quality resources which educate young people about sound financial management principles.
- To secure increased financial and operational resources which support our strategic objective to achieve financial security.
- To expand operations to include programs for young people between the ages of 12-24, outside, as well as within the secondary school system.
- To expand the reach of Financial Basics Foundation products and messaging to schools and students throughout Australia.
- To implement protocols which enable us to measure our impact and success.

Over the last fifteen 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.

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

Information on Directors

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

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

Tarryn is currently a Director of three not-for-profit Boards, and one private (Pty Ltd) company.

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

Katrina Birch – Director/CEO

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

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

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RESPONSIBLE ENTITIES' REPORT

Joseph Cole B.Bus, CFA – Director/Treasurer

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

Joe is currently Senior Portfolio Manager at Q Super Limited. Prior to this role, Joe was with QIC in Brisbane where he was Portfolio Manager of a quantitative Asian equities hedge fund. He is passionate about financial education and strongly believes in empowering young people to make their own informed financial decisions.

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

Joe was appointed a member and Director of the Foundation on 1 July 2013.

Tim Devine LLB – Director

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

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

Cale Bennett CPA – Director

Cale's professional background encompasses both senior financial roles at some of Australia's largest listed companies and co-founding a Fintech start-up. 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 Head of Group Treasury at Tatts Group Limited, an ASX-100 company.

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

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RESPONSIBLE ENTITIES' REPORT

Norman Hunter - Director

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

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

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

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

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

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

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.

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>
Tarryn McMullen	6	6
Katrina Birch	6	6
Joseph Cole	6	6
Tim Devine	6	5
Cale Bennett	6	5
Norm Hunter	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 2017, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$120 (2016: \$100).

FINANCIAL BASICS FOUNDATION

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RESPONSIBLE ENTITIES' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 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:

Tarryn McMullen
Acting Chairman



Dated this 18 day of OCTOBER 2017



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 2017 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.

A handwritten signature in black ink, appearing to read 'Ben Flaherty'.

Ben Flaherty
Director

Brisbane
18 October 2017

FINANCIAL BASICS FOUNDATION

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenues	2	651,528	367,460
Expenses	3	<u>(489,445)</u>	<u>(421,934)</u>
Surplus/(deficit) before income tax		<u>162,083</u>	<u>(54,474)</u>
Income tax expense	1(g)	-	-
Net surplus/(deficit) for the year attributable to members of the entity		<u>162,083</u>	<u>(54,474)</u>
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		<u>162,083</u>	<u>(54,474)</u>

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION
ACN 114 612 270

BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	489,320	466,095
Receivables	5	19,332	16,344
TOTAL CURRENT ASSETS		<u>508,652</u>	<u>482,439</u>
NON-CURRENT ASSETS			
Property plant and equipment	6	-	3,500
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>3,500</u>
TOTAL ASSETS		<u>508,652</u>	<u>485,939</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	7	40,500	183,770
Provisions	8	20,216	16,316
TOTAL CURRENT LIABILITIES		<u>60,716</u>	<u>200,086</u>
TOTAL LIABILITIES		<u>60,716</u>	<u>200,086</u>
NET ASSETS		<u>447,936</u>	<u>285,853</u>
EQUITY			
Accumulated surplus		<u>447,936</u>	<u>285,853</u>

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 2017

	2017	2016
	\$	\$
Balance at 1 July	285,853	340,327
Surplus/(deficit) for the year	162,083	(54,474)
Balance at 30 June	<u>447,936</u>	<u>285,853</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 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		715,268	386,925
Cash payments from operating activities		(692,720)	(366,684)
Interest received		677	5,673
Net cash provided by (used in) operating activities	10(b)	23,225	25,914
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for intangible assets		-	-
Payments for PPE		-	-
Net cash (used in) investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Funds provided to related parties		-	-
Net cash provided by (used in) financing activities		-	-
Net increase/(decrease) in cash held		23,225	25,914
Cash at the beginning of the year		466,095	440,181
Cash at the end of the year	4	489,320	466,095

The accompanying notes form part of these financial statements.

FINANCIAL BASICS FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 2017 were authorised for issue on 18 October 2017 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 member 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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. An impairment loss of \$3,500 was recognised in the current year (refer to Note 6).

i. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Foundation has decided not to early adopt. These changes are not expected to have a significant impact on the Foundation's financial statements.

FINANCIAL BASICS FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUES	2017	2016
	\$	\$
Sponsorship	405,458	359,583
Financial literacy programs	242,861	-
Interest	529	4,798
Sundry revenue	2,680	2,386
Copyright Reimbursement	-	693
Total Revenues	651,528	367,460

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Consultancy fees	149,813	112,102
Game expenses	177,852	166,577
Payroll	129,981	125,918
Rent	975	3,900
Workcover insurance premium expense	1,919	2,530
Website expenses	1,533	659
Impairment of Property, Plant and Equipment	3,500	-
Sundry expenses	23,872	10,248
Total Expenses	489,445	421,934

KPMG have provided their audit services on an honorary basis.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	489,320	466,095
	489,320	466,095

NOTE 5: RECEIVABLES

Trade receivables	12,209	12,869
Prepayments	5,958	2,647
Financial Basics Community Foundation	1,165	680
Interest accrual	-	148
	19,332	16,344

NOTE 6: PROPERTY PLANT AND EQUIPMENT

Scam module	-	3,500
	-	3,500

The scam module was written off during the year as a result of the software redevelopment project.

FINANCIAL BASICS FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 7: PAYABLES		
Trade payables	7,801	164,270
Creditors accrual	17,700	1,862
Payroll liabilities	12,717	16,053
GST payable	2,282	1,585
	<u>40,500</u>	<u>183,770</u>
NOTE 8: PROVISIONS		
Annual leave provision	20,216	16,316
	<u>20,216</u>	<u>16,316</u>

NOTE 9: EQUITY

The company is limited by guarantee. If the Foundation is wound up, the constitution states that each member of the Foundation is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Foundation. At 30 June 2017, the members of the Foundation stood at 6 (2016: 5).

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 2017

NOTE 10: CASH FLOW INFORMATION	NOTE	2017 \$	2016 \$
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	489,320	466,095
b. Reconciliation of cash flows from operating activities with surplus/(deficit) after income tax			
Surplus/(deficit) after income tax		162,083	(54,474)
Impairment of Property, Plant and Equipment		3,500	-
Changes in assets and liabilities:			
(Increase)/decrease in receivables		323	(1,074)
(Increase)/decrease in prepayments		(3,311)	(2,647)
Increase/(decrease) in payables		(143,270)	78,095
Increase/(decrease) in provisions		3,900	6,014
Net cash provided by operating activities		23,225	25,914

NOTE 11: 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 8 to 16 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 2017 and of its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Tarryn McMullen
Acting Chairman



Dated this

18

day of

October

2017



Independent Auditor's Report

To the members of the 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 2017, 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 2017.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Foundation.

Basis for opinion

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

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

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

Emphasis of matter – basis of preparation and restriction on use

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

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

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

Other information

Other Information is financial and non-financial information in Financial Basics Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors is 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 an audit opinion or 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. 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.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining 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. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. Concluding 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.
- vi. Evaluating 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.

Ben Flaherty

Director

Brisbane

18 October 2017

