



2021-2022  
FINANCIAL BASICS FOUNDATION

# ANNUAL REPORT





Financial  
Basics  
Foundation



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.

## In Kind and Pro bono Support

In addition to our corporate partnerships, the in-kind support and voluntary contribution of time and expertise given by generous individuals and organisations enables us to continue our work. In particular, we'd like to acknowledge:



# Financial Basics Foundation

Financial Statements for the year ended 30 June 2022

# FINANCIAL BASICS FOUNDATION

ACN 114 612 270

## DIRECTORS' REPORT

Your directors present their report on the Financial Basics Foundation Limited (the Foundation) for the financial year ended 30 June 2022.

### Directors

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

Philip Cullum (appointed 28 October 2021)  
Brigid Leishman (resigned 9 December 2021)  
Katrina Samios  
Tim Devine  
Norman Hunter  
Kelly Evans  
Nicole Pedwell  
Melissa Witheriff  
Joel White (appointed 11 October 2021)  
Stefanie Wilson (appointed 28 October 2021)

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 designed to educate young people about financial issues; facilitate dialogue and professional development for educators; and establish opportunities for engagement between its sponsors and the communities in which they operate.

Financial Basics Foundation's vision is: financial wellbeing for young Australians.

The Foundation's mission is to enhance young Australian's wellbeing by providing quality independent financial education resources. These include:

- ESSI Money and the Suncorp ESSI Money Challenge
- Operation Financial Literacy
- WebQuests
- Research
- Professional Development for teachers

# FINANCIAL BASICS FOUNDATION

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## DIRECTORS' REPORT

### Review of Operations

Financial Basics Foundation has:

- Hosted a national financial literacy competition (the Suncorp ESSI Money Challenge) in August 2021 which saw 5,382 students compete for the chance to win cash prizes for themselves and for their schools.
- Conducted a national financial literacy survey where over 3,000 secondary school students responded to a series of questions which sought to identify knowledge, skills and trends of young people in relation to their consumer behaviour and financial literacy.
- Released the Financial Literacy of Young Australians research which explores the factors that influence the financial literacy for young Australians and in particular, 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 988 community organisations and educators outside of the secondary school system.
- Published and distributed e-newsletters, blogs and online content to 9,212 subscribers.
- Produced and published ten WebQuests which generated over 59,136 views.

### Reach

8,224 teachers from 1,694 Australian secondary schools are now accessing the Foundation's resources. This represents a year on year growth of 17.4% in teacher registrations and 3.7% increase in registered schools for this financial period. 60.16%\* of all Australian secondary schools are registered as accessing our resources.

\*in 2021 an additional 41 secondary schools were recorded by the ABS, bringing the total number of Australian secondary schools to 2,816.

### ESSI Money Game Statistics

ESSI Money is an online financial literacy game for Australian secondary school students.

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

- 33,361 unique players (year on year increase of 17.55%)
- 10,728 unique students completed the full 26 week simulation (year on year increase of 19.2%)
- 3,279 classes registered (year on year increase of 44.3%)
- 63,027 games registered (year on year increase of 18.5%)
- 15,727 games completed (year on year increase of 20%)

### Effects of COVID-19

The impact and disruption of COVID 19, which was rapid and wide-spread in 2020, stabilised somewhat in the period between July 2021- June 2022. Secondary schools across Australia were better prepared to continue educating their students through remote and distance education when needed and reverted to existing core content rather than seeking to 'fill in' time with other stop gap activities. FBF noted significant demand for its resources during this period.

# FINANCIAL BASICS FOUNDATION

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## DIRECTORS' REPORT

### Review of Operations (continued)

#### ESSI Money Challenge Communications

The Suncorp ESSI Money Challenge was conducted in August 2021 whilst ongoing rolling COVID 19 lockdowns occurred across Australia. Although there was a 4.5% increase in the number of registered classes at 873, unique student player numbers were down by 47% to 5,382 while 3,217 completed games were registered, a decrease of 20% on 2020.

The Challenge was supported by a communications 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

In addition to a mainstream media strategy, the Foundation worked with Sequel PR to devise and develop a creative social media advertising campaign. The Foundation also worked with Suncorp as the presenting partner of this initiative to secure significant levels of publicity in print, broadcast and online media.

A total of 78 media items over 51 days was recorded during the Challenge period, while a further 22 items over 9 days were noted following the conclusion of the Challenge in relation to winner announcements. This included coverage across 38 ABC National and regional radio stations, 23 online and 6 print News Corp articles and with a live interview with Ticker Media Group. In total, the campaign reached an audience of 4,078,600 million.

### Research

#### **Financial Literacy of Young Australians – What is happening and how can we help?**

*The Financial Literacy of Young Australians* research explores why young women have comparatively lower levels of financial literacy than young men. Together with our research partners Suncorp and Griffith University, we wanted to understand the apparent disparity of levels of financial literacy between women and men. In particular, we wanted to understand what was happening in schools that might cause girls to disengage from this skill, and if so, what could be done to address the problem to support all young people to develop these essential life skills.

This research is the first of many which will be known as the Joe Cole Monograph. Joe Cole was Honorary Treasurer of the Financial Basics Foundation for five years, from 2013 and 2018.

Following Joe's untimely death in 2018, the Financial Basics Foundation Board resolved to honour Joe's valued commitment to the financial literacy of young people through establishing a perennial research project, to be called the Joe Cole Monograph.

# FINANCIAL BASICS FOUNDATION

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## DIRECTORS' REPORT

### Review of Operations (continued)

The research shines a light on financial education in secondary schools - what's currently working and what needs to be improved. The researchers made the following six recommendations:

1. Given the importance of financial literacy for student wellbeing, financial literacy education should be elevated within high schools. Ideally this is within a standalone program, however, we should also seek ways to inject principles of financial literacy into as many areas as possible across the curriculum. In particular look for opportunities in the wellbeing/pastoral care area of the school's offerings.
2. The delivery of financial literacy education in Maths needs to be improved. A range of approaches – not limited to calculation activities – should be implemented to address financial literacy.
3. Delivery of financial literacy education should be expanded to subjects outside of Maths and Business, in line with shifting the focus from financial calculations, to financial concepts.
4. A range of assessment methods should be offered to students to enable them to show what they have learnt. Assessment tasks should be varied in nature, going beyond calculations. Tasks could include written pieces, visual or dramatic presentations, or oral explanations. These could be group presentations as well as by individuals.
5. Learning activities should be aligned with the general level of financial experience of the students.
6. Students need more exposure to effective financial strategies, in particular moderation (or control) of spending for saving.

### Launch activities

On 1 March 2022 the Financial Basics Foundation hoped to unveil this important new research with an invitation-only roundtable. A select group of respected community and business leaders, education experts, government representatives and inspiring young future leaders, were invited to engage in a discussion, share their experiences and input their ideas about how we can better equip young Australians with essential financial life skills to help create a more secure financial future for young Australians.

Unfortunately, the roundtable was cancelled due to a flood event in Queensland and northern NSW. An online webinar hosted by the Foundation was conducted in place of the roundtable. 250 attendees registered for the webinar where the researchers presented their findings. A panel discussion with Dr Tracey West and Dr Laura De Zwaan, Mrs Catherine O'Kane, Principal All Hallows' School, and Mr David Berry, CEO Way Forward Debt Solutions formed part of the webinar.

The media campaign reached an estimated audience of 3,537,000 million people with 148 online media stories recorded.

### 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 commenced development of a new digital ecosystem. This will include new branding and 'customer facing' website, along with LMS, CRM and CMS platforms.

This project is expected to take 12 months to complete.



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### Review of Operations (continued)

#### Treasury

The Foundation was engaged by Treasury to write a series of four themed financial literacy factsheets, as part of a wider campaign on money management. These are yet to be published and cover:

- financial goals
- budgeting
- saving
- investing.

#### 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. FBF WebQuests have generated over 59,136 views.

The suite of topics that has now been released include:

- Life Insurance 101
- Time is money
- Superannuation
- The Cost of Credit
- SOS – Safe Online Shopping
- FinTech and the future of banking
- Identifying financial values
- Income and Employment
- Taxation – everyone pays
- Banking – how does it all work?

This is an ongoing initiative with further topics added throughout the year.

#### Impact Measurement

Impact Measurement has now been incorporated across all versions of the ESSI Money game.

The Foundation piloted a series of questions for the first time as part of the 2021 Suncorp ESSI Money Challenge. The survey is not compulsory and only students who complete the full 26 week simulation are asked to complete it. Over 6,000 students have responded to the survey to date .

These questions seek to measure financial literacy knowledge, by using four of the "Big 5" financial literacy questions, along with financial attitudes and behaviours, including measures of confidence and optimism.

#### 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 Corporate Services Pty Ltd, BDO in Australia and Deloitte Consulting Pty Ltd for their ongoing sponsorship and support.

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, the ESSI Money Challenge and our research, and a Support Partner of the Foundation, the partnership with Suncorp focuses on expanding reach and building on activities that increase the Foundation's brand and public awareness.

In 2022-2023 the partnership with Suncorp will expand to include a second piece of research along with the development and creation of a series of financial literacy videos.

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## DIRECTORS' REPORT

BDO in 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.

### Review of Operations (continued)

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.

Deloitte Consulting has agreed to assist FBF on a pro bono basis to facilitate a strategic planning session to update the existing business strategy. This session will be conducted in August 2022.

### Strategic Plan

The Foundation is reviewing its current strategic plan to develop a new plan and priorities. This work will be completed in FY23.

### 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.
- To develop a strategic approach to our IT and digital needs to ensure sustainability and growth.

### Information on Directors

#### *Philip Cullum – Chair*

Philip is principal of Consumer-wise Consulting, working on strategy, policy, engagement and governance. In addition to the Financial Basics Foundation he is a Board member of the Clean Energy Council, Consumer Action, and Consumers' Federation of Australia. He is also a member of the Customer Owned Banking Code Compliance Committee and the expert panel at the financial ombudsman AFCA, and he chairs the independent Customer Advisory Panel for the Victorian energy networks Powercor, Citipower and United Energy.

Philip is a graduate of the AICD. He previously worked at the Australian Energy Regulator, the Australian Competition and Consumer Commission and the UK energy regulator Ofgem. In the UK he also held senior roles at three consumer organisations and was an associate partner at Accenture.

Philip was appointed as a member and Director of the Foundation on 28 October 2021.

#### *Katrina Samios – Director/CEO*

Katrina has worked in the youth sector for over 30 years, with experience in government and not-for-profit organisations.

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

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### DIRECTORS' REPORT

#### *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.

#### *Norman Hunter OAM - Director*

Norm Hunter is the principal consultant of Thinkit Through, an educational consultancy with a particular focus on leadership, strategic thinking, mentoring and writing. He was founding Co-Principal, then Principal of Hillbrook Anglican School. Norm is a Fellow of the Australian Council for Educational Leaders and the Australian College of Educators.

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.

#### *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, 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 an Advisory Board member of the Service Innovation Alliance (SIA) at 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, Healthcare, Insurance, Mobility, 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.

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### DIRECTORS' REPORT

#### *Joel White - Director*

Joel is a Non-Executive Director specialising in digital technology and transformation.

Joel works with financial services and consumer organisations in his role as a Director at Deloitte Digital, and mentors in the technology start-up/scale-up space.

Within his practice area, Joel has a passion for data privacy, consent and the ethical use of customer data and is working with FBF to provide guidance on key digital initiatives.

Joel was appointed as a member and Director of the Foundation on 11 October 2021.

#### *Stefanie Wilson – Director*

Stefanie is a strategist, business leader and experienced entrepreneur, with over 20 years industry experience.

As the founder of Luminair (a Certified BCorp company, which has created over \$900m in economic impact for the Australian economy), Stefanie's mantra is 'Strategy as a force for good'.

Stefanie contributes to a number of boards, is a Federal Government appointed 'expert mentor', consulting strategist, executive advisor and a mentor for both the Minerva Sports Network and also Women In Technology.

Passionate about changing the game; Stefanie stands behind considered collaborations, impactful outcomes and 'progress over perfection'.

Stefanie was appointed as a member and Director of the Foundation on 9 December 2021.

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

#### **Company Secretary**

Nicole Pedwell has held the position of Company Secretary from March 2020.

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



## FINANCIAL BASICS FOUNDATION

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### DIRECTORS' REPORT

#### Meetings of the Board of Directors

During the financial year 7 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>
Philip Cullum (appointed 28 October 2021)	4	4
Brigid Leishman (resigned 9 December 2021)	3	2
Katrina Samios	7	7
Tim Devine	7	6
Norman Hunter	7	5
Kelly Evans	7	6
Nicole Pedwell	7	7
Melissa Witheriff	7	6
Joel White (appointed 11 October 2021)	5	3
Stefanie Wilson (appointed 28 October 2021)	4	3

The Foundation is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2022, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$180 (2021: \$140).

#### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 11 of the financial report.

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



Philip Cullum  
Chair

Dated this 22nd day of December 2022



# 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 2022 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  
22 December 2022

## FINANCIAL BASICS FOUNDATION

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### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenues	2	502,521	613,285
Expenses	3	<u>(595,848)</u>	<u>(516,300)</u>
<b>Net surplus/(Deficit) for the year attributable to members of the entity</b>		<u>(93,327)</u>	<u>96,985</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income attributable to members of the entity</b>		<u>(93,327)</u>	<u>96,985</u>

The accompanying notes form part of these financial statements.

## FINANCIAL BASICS FOUNDATION

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### BALANCE SHEET AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	718,276	783,555
Receivables	5	9,408	11,042
<b>TOTAL CURRENT ASSETS</b>		<u>727,684</u>	<u>794,597</u>
<b>TOTAL ASSETS</b>		<u>727,684</u>	<u>794,597</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	6	108,420	65,626
Provisions	7	46,315	62,695
<b>TOTAL CURRENT LIABILITIES</b>		<u>154,735</u>	<u>128,321</u>
<b>TOTAL LIABILITIES</b>		<u>154,735</u>	<u>128,321</u>
<b>NET ASSETS</b>		<u>572,949</u>	<u>666,276</u>
<b>EQUITY</b>			
Accumulated surplus		<u>572,949</u>	<u>666,276</u>

The accompanying notes form part of these financial statements.



## FINANCIAL BASICS FOUNDATION

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July	666,276	569,291
Surplus/(deficit) for the year	(93,327)	96,985
<b>Balance at 30 June</b>	<u>572,949</u>	<u>666,276</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 2022

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from operating activities		552,824	689,717
Cash payments from operating activities		(618,103)	(558,500)
<b>Net cash provided by (used in) operating activities</b>	9(a)	(65,279)	131,217
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for intangible assets		-	-
Payments for PPE		-	-
<b>Net cash (used in) investing activities</b>		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Funds provided to related parties		-	-
<b>Net cash provided by (used in) financing activities</b>		-	-
<b>Net increase/(decrease) in cash held</b>		(65,279)	131,217
Cash at the beginning of the year		783,555	652,338
<b>Cash at the end of the year</b>	4	<u>718,276</u>	<u>783,555</u>

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 2022

### 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 10, 12 Creek Street, Brisbane QLD 4000.

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 2022 were authorised for issue on 22 December 2022 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. Revenue and income

*Revenue recognition policy for revenue from contracts with customers (AASB 15)*

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The customer for these contracts is the funding provider.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Foundation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

# FINANCIAL BASICS FOUNDATION

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### *Government Grant income*

Government Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied.

#### *Interest revenue*

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.

#### **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.



# FINANCIAL BASICS FOUNDATION

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### **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. 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.

## FINANCIAL BASICS FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>NOTE 2: REVENUES</b>		
Sponsorship	441,900	405,169
Donations	42,810	186,362
Consulting	17,768	20,235
Sundry revenue	-	1,472
Copyright reimbursement	43	47
<b>Total Revenues</b>	<u>502,521</u>	<u>613,285</u>

	2022	2021
	\$	\$
<b>NOTE 3: EXPENSES</b>		
Consultancy fees	118,146	107,133
Game expenses	131,719	119,931
Payroll	245,662	234,856
Accounting fees	15,000	15,000
Public relations	34,650	27,300
Workcover	3,418	3,094
Website expenses	29,259	3,056
Sundry expenses	17,994	5,930
<b>Total Expenses</b>	<u>595,848</u>	<u>516,300</u>

#### Auditor Remuneration

KPMG have provided their audit services on an honorary basis.

	2022	2021
	\$	\$
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	718,276	783,555
	<u>718,276</u>	<u>783,555</u>

	2022	2021
	\$	\$
<b>NOTE 5: RECEIVABLES</b>		
Trade receivables	8,250	1,093
Financial Basics Community Foundation	1,158	1,169
GST receivable	-	8,780
	<u>9,408</u>	<u>11,042</u>

## FINANCIAL BASICS FOUNDATION

ACN 114 612 270

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

<b>NOTE 6: PAYABLES</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade payables	62,909	31,023
Accruals	-	20,801
Payroll liabilities	14,014	13,802
GST payable	31,497	-
	<u>108,420</u>	<u>65,626</u>

  

<b>NOTE 7: PROVISIONS</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Annual leave provision	23,063	42,642
Long service leave provision	23,252	20,053
	<u>46,315</u>	<u>62,695</u>

#### 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 2022, the members of the Foundation stood at 9 (2021: 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 2022

<b>NOTE 9: CASH FLOW INFORMATION</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>a. Reconciliation of cash flows from operating activities with surplus/(deficit) after income tax</b>		
Surplus/(deficit) after income tax	(93,327)	96,985
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in receivables	1,634	33,614
Increase/(decrease) in payables	42,794	1,178
Increase/(decrease) in provisions	(16,380)	(560)
Net cash provided by (used in) operating activities	<u>(65,279)</u>	<u>131,217</u>

#### NOTE 10: EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to year end, the Foundation has received donations totalling \$320,547. No other 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 12 to 21 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 2022 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.

Philip Cullum  
Chair



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Dated this                    22<sup>nd</sup> day of December 2022



# Independent Auditor's Report

To the members of Financial Basics Foundation

## Report on the audit of the Financial Report

### Opinion

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

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

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2022, 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. Statement of financial position as at 30 June 2022.
- 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 [qualified] 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 Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



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

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

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

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

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

## Responsibilities of the Directors

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 Group and 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  
22 December 2022

