

# Financial Basics Foundation

Financial Statements for the year ended 30 June 2016

# FINANCIAL BASICS FOUNDATION

ACN 114 612 270

## RESPONSIBLE ENTITIES' REPORT

Your directors present their report together with the financial report of Financial Basics Foundation Limited (the Foundation or FBF) for the financial year ended 30 June 2016 and the auditor's report thereon.

### 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 (appointed 19/5/2016)  
Aaron Street (resigned 7/10/2015)  
Paul Freer (resigned 30/11/2015)  
Julie-Anne Schafer (resigned 11/12/2015)

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 education 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 has:

- Produced a financial literacy resource called Operation Financial Literacy that has been distributed to and used by over 3,000 teachers in 1,300 Australian secondary schools
- Created ESSI Money (Earning Saving Spending and Investing) an online financial literacy simulation game developed for Australian schools. To date, ESSI Money has been played by over 115,000 students with over 37,000 students completing the full 26 week simulation
- Created and published three 'open access' online resources – FLIP's (Financial Literacy in Practice) to date. This year the Foundation released "Slaying the Debt Dragon", a FLIP created to educate young people about the consequences of over-indebtedness
- Hosted a national financial literacy competition (the BOQ ESSI Money Challenge) in September 2015 which saw 5,000 students compete for the chance to win \$1,000 for themselves and \$4,000 for their school
- Conducted a financial literacy quiz as part of the implementation of the BOQ ESSI Money Challenge, 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

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## Review of Operations

The 2015-2016 financial year began as an introspective year: a year of examining and assessing our activities, our viability to sustain the company and our capacity to move forward through the delivery of our programs. It ended as a year of transformations!

One objective for the year was to undertake a range of activities that would broaden our revenue stream, including the implementation of a structured sponsorship acquisition program.

Our partnership with BOQ commenced in 2004 with the aim of creating a single financial literacy teaching resource, Operation Financial Literacy. Our target was to deliver this resource to 100 Australian secondary schools. Having achieved our target many times over, along with developing a suite of new and innovative activities and resources to complement Operation Financial Literacy, this partnership was instrumental in establishing FBF as the leading not-for-profit organisation delivering financial literacy initiatives into secondary schools across Australia.

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 December 2015, after 12 years, our long-standing partnership with BOQ ended.

With our vision to ensure 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"* we commenced the search for a 'transformational' corporate partner.

Our objectives in seeking a new corporate partner were clear.

- To continue to be able to create high quality resources that educate young people about sound financial management principles.
- To secure increased financial and operational resources that would support our strategic objective to achieve financial security.
- To expand operations to include programs for young people between the ages of 12-24, not just those in the secondary school system.
- To develop an integrated partnership that maximized promotion and meaningful engagement
- To expand the reach of Financial Basics Foundation products and messaging to schools and students throughout Australia.
- To provide new opportunities for Financial Basics Foundation to reach new target markets and the broader community with its products and content.

In March 2016, Suncorp joined Collection House 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.

In May 2016, Financial Basics Foundation hosted an event to launch the new three-year partnership with Suncorp at Cavendish Road State High School. The event enabled a direct opportunity to showcase the work of the Financial Basics Foundation and announce the partnership with Suncorp in an authentic environment which generated measureable outcomes including:

- Direct registrations and engagement from the public and Suncorp staff
- An estimated \$50,000+ value of media coverage
- A unique opportunity to collate video and image content for partnership activation

A second objective set for this year was to explore opportunities to fund a new version of ESSI Money. Focusing on this objective was a central activity for the Board and a funding model was established that enabled the activation of this project. By commencing the redevelopment of the ESSI Money game, we acted on the opportunity to take the leap and 'transform' our most popular teaching resource with the latest technology. The 12 month project will see ESSI Money catapulted into the 21 century and transformed into a cutting edge mobile-friendly teaching tool.

Increased engagement with our founding partner, Collection House (CLH), enabled us to activate a program for Collection House staff to become more aware of, and better engaged in the Foundation's work. CLH staff members were introduced to a number of FBF's resources and invited to contribute content that would form the basis of a new resource around the topic of indebtedness and the consequences of not meeting financial commitments. The creation of a comprehensive resource which supports and provides teachers with strategies and activities to deliver this content was seen as critical due to the lack of current and practical classroom resources which address over-indebtedness.

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## RESPONSIBLE ENTITIES' REPORT

The first, in a series of resources about this topic – Slaying the Debt Dragon - was circulated for review in June 2015 and released as an 'open access' resource through the Financial Basics Foundation website in August 2015. This teaching resource, produced as part of the Collection House/Financial Basics Foundation partnership program, brings practical knowledge and real-world insight of the consequences of over-indebtedness to secondary school students.

This initiative was expanded to explore the opportunity to establish a staff volunteer program with a focus on presenting this material in the classroom. The vision of the volunteer program is to have trained Collection House volunteers visit secondary schools in their local area to deliver a debt literacy lesson based on the key points extracted from the debt literacy FLIP and subsequent module. An initial trial of the program was conducted in two schools with very positive results. We are now considering options for a broader trial of the material at other secondary schools, using Collection House staff as volunteers to help deliver the lesson in classrooms.

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

Now, with our resources in almost 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.

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:

- Complete the redevelopment of the new ESSI Money game
- Conduct a national marketing and public relations campaign to launch the new ESSI Money Game to market
- Complete the review and rewrite the Banking module within Operation Financial Literacy
- Provide a new resource as part of our FLIP (Financial Literacy in Practice) series which will complement the Banking module
- Deliver the national financial literacy competition ESSI Money Challenge
- Develop and implement a social media strategy that will increase awareness and reach of the Financial Basics Foundation
- Continue to explore opportunities to implement research and evaluation protocols to measure outcomes, ensure program rigor and produce evidence to further support the work of the Foundation
- Increase our reach in the education sector by achieving the following targets:
  - Increase the number of registered schools by 10%
  - Increase the number registered teachers by 15%
  - Increase the number of participants completing the ESSI Money Challenge by 10%
  - Increase the number of classes registered to participate in the ESSI Money Challenge by 10%

The team at FBF is focussed and cohesive, and looks forward to contributing and delivering on the key objectives set by the Board.

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## RESPONSIBLE ENTITIES' REPORT

### Information on Directors

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

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

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

*Katrina Birch – Director/CEO*

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

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

*Joseph Cole B.Bus, CFA – Director/Treasurer*

Joe 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 thirteen 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 19 May 2016.

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## RESPONSIBLE ENTITIES' REPORT

*Aaron Street – former Director/Treasurer*

Aaron is a Partner of KPMG Australia.

He has over 18 years experience, with the past 13 years with KPMG in providing a range of accounting, taxation and general business advisory services to a broad range of private clients.

Mr Street resigned as a Director of Financial Basics Foundation on 7 October 2015 on the appointment of KPMG as auditor.

*Paul Freer ACIB MAICD - former Director*

Paul was appointed as Chief Operating Officer for Collection House in March 2013 overseeing the Group's business divisions of Lion Finance, MCC, Reliance Legal Group and Collection House International.

He has over 25 years of experience across financial services incorporating over 13 years in General Management leadership positions covering Receivables Management, Risk Management, Corporate and Retail Banking and Fund Management. During his career Paul has gained international experience throughout Africa, Europe, the Indian Ocean, the Middle East, the USA and the UK working with organisations such as Barclays Plc, Lloyds Bank Plc, Fleet Financial Group Inc and National Commercial Bank of Saudi Arabia.

Paul was appointed as a member and Director of the Foundation on 21 August 2014.

Mr Freer resigned as a Director of Financial Basics Foundation on 30 November 2015.

*Julie-Anne Schafer – former Chairman/Director*

Ms Schafer is an accomplished Director with experience across a broad range of industries. She has worked in a number of Non-Executive Director roles with a focus on business outcomes, customers, risk management and governance.

She is currently a Non-Executive Director of Collection House Limited, Catholic Church Insurance and Aviation Australia Pty Ltd.

Ms Schafer was previously the Chair of RACQ and RACQ Insurance, with former directorships including Queensland Rail and was Commissioner of the National Transport Commission. She was a Non-Executive Director of the Territory Insurance Office prior to its sale. Ms Schafer is a facilitator for the Australian Institute of Company Directors in Governance, Strategy and Risk Management. She is also a member of the Australian and New Zealand Institute of Insurance and Finance.

Ms Schafer was appointed to the Board of Financial Basics Foundation on 30 October 2014 and elected as Chairman on the 4 December 2014.

Ms Schafer resigned as Director and Chairman of the Financial Basics Foundation on 11 December 2015.

### **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.

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## RESPONSIBLE ENTITIES' REPORT

### Meetings of the Board of Directors

During the financial year 8 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    | 8                                  | 8                                      |
| Katrina Birch      | 8                                  | 8                                      |
| Joseph Cole        | 8                                  | 7                                      |
| Tim Devine         | 8                                  | 7                                      |
| Cale Bennett       | 2                                  | 2                                      |
| Aaron Street       | 2                                  | 1                                      |
| Paul Freer         | 3                                  | 3                                      |
| Julie-Anne Schafer | 3                                  | 3                                      |

The Foundation is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2016, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is \$100 (2015: \$140).

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 7 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 2016



**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 Financial Basics Foundation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- 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
- no contraventions of any applicable code of professional conduct in relation to the audit.

*KPMG*

KPMG

*Scott Guse*

Scott Guse  
Partner

Brisbane  
18 October 2016



# FINANCIAL BASICS FOUNDATION

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

|   | Note | 2016<br>\$             | 2015<br>\$              |
|---|------|------------------------|-------------------------|
| Revenues  | 2    | 367,460                | 120,402                 |
| Expenses  | 3    | <u>(421,934)</u>       | <u>(374,046)</u>        |
| <b>Deficit before income tax</b>  |      | <u><b>(54,474)</b></u> | <u><b>(253,644)</b></u> |
| Income tax expense  | 1(h) | -                      | -                       |
| <b>Net deficit for the year attributable to members of the entity</b>   |      | <u><b>(54,474)</b></u> | <u><b>(253,644)</b></u> |
| Other comprehensive income  |      | -                      | -                       |
| <b>Total comprehensive income attributable to members of the entity</b> |      | <u><b>(54,474)</b></u> | <u><b>(253,644)</b></u> |

The accompanying notes form part of these financial statements.

# FINANCIAL BASICS FOUNDATION

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## BALANCE SHEET AS AT 30 JUNE 2016

|                                  | Note | 2016<br>\$     | 2015<br>\$     |
|----------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                    |      |                |                |
| <b>CURRENT ASSETS</b>            |      |                |                |
| Cash and cash equivalents        | 4    | 466,095        | 440,181        |
| Receivables                      | 5    | 16,344         | 12,623         |
| <b>TOTAL CURRENT ASSETS</b>      |      | <u>482,439</u> | <u>452,804</u> |
| <b>NON-CURRENT ASSETS</b>        |      |                |                |
| Property plant and equipment     | 6    | 3,500          | 3,500          |
| <b>TOTAL NON-CURRENT ASSETS</b>  |      | <u>3,500</u>   | <u>3,500</u>   |
| <b>TOTAL ASSETS</b>              |      | <u>485,939</u> | <u>456,304</u> |
| <b>LIABILITIES</b>               |      |                |                |
| <b>CURRENT LIABILITIES</b>       |      |                |                |
| Payables                         | 7    | 183,770        | 105,675        |
| Provisions                       | 8    | 16,316         | 10,302         |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <u>200,086</u> | <u>115,977</u> |
| <b>TOTAL LIABILITIES</b>         |      | <u>200,086</u> | <u>115,977</u> |
| <b>NET ASSETS</b>                |      | <u>285,853</u> | <u>340,327</u> |
| <b>EQUITY</b>                    |      |                |                |
| Accumulated surplus              |      | <u>285,853</u> | <u>340,327</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 2016

|                           | 2016           | 2015           |
|---------------------------|----------------|----------------|
|                           | \$             | \$             |
| Balance at 1 July         | 340,327        | 593,971        |
| Deficit for the year      | (54,474)       | (253,644)      |
| <b>Balance at 30 June</b> | <u>285,853</u> | <u>340,327</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 2016

|  | Note | 2016<br>\$     | 2015<br>\$      |
|--|------|----------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |                |                 |
| Cash receipts from operating activities                    |      | 386,925        | 123,781         |
| Cash payments from operating activities                    |      | (366,684)      | (172,634)       |
| Interest received  |      | 5,673          | 10,848          |
| <b>Net cash provided by (used in) operating activities</b> | 10   | <u>25,914</u>  | <u>(38,005)</u> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                 |      |                |                 |
| Cash received from investing activities                    |      | -              | -               |
| <b>Net cash provided by investing activities</b>           |      | <u>-</u>       | <u>-</u>        |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                 |      |                |                 |
| Cash received from financing activities                    |      | -              | -               |
| <b>Net cash provided by financing activities</b>           |      | <u>-</u>       | <u>-</u>        |
| <b>Net increase/(decrease) in cash held</b>                |      | 25,914         | (38,005)        |
| Cash at the beginning of the year                          |      | 440,181        | 478,186         |
| <b>Cash at the end of the year</b>                         | 4    | <u>466,095</u> | <u>440,181</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 2016

### 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 2016 were authorised for issue on 18 October 2016 by the Directors of the Foundation.

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

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

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

#### Accounting Policies

##### a. Revenues

Donations to the Foundation are recognised as revenue on receipt.

Fundraising revenues are recognised as revenue as soon as the net proceeds of the function or activity can be calculated.

Interest revenue is recognised as it accrues using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST).

##### b. Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturity of three months or less.

##### c. Receivables

Trade and other receivables are recognised and carried at original invoice amounts. Receivables expected within 12 months of the end of the reporting period are classified as current assets. All other receivables classified as non-current assets.

# FINANCIAL BASICS FOUNDATION

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### e. 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.

#### f. 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.

#### g. 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.

#### h. 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.

#### i. 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 \$123,188 was recognised in the prior year.

#### j. 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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

| <b>NOTE 2: REVENUE</b>  | <b>2016</b>    | <b>2015</b>    |
|-------------------------|----------------|----------------|
|                         | <b>\$</b>      | <b>\$</b>      |
| Sponsorship             | 359,583        | 109,250        |
| Interest                | 4,798          | 10,575         |
| Sundry revenue          | 2,386          | 204            |
| Copyright Reimbursement | 693            | 373            |
| <b>Total Revenue</b>    | <b>367,460</b> | <b>120,402</b> |

### NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

#### Expenses

|                       |                |                |
|-----------------------|----------------|----------------|
| Consultancy fees      | 112,102        | 71,913         |
| Game expenses         | 166,577        | 36,467         |
| Payroll               | 125,918        | 110,497        |
| Rent                  | 3,900          | 3,900          |
| Workcover             | 2,530          | 3,207          |
| Website expenses      | 659            | -              |
| Bad debts written-off | -              | 299            |
| Sundry expenses       | 10,248         | 24,575         |
| Impairment loss       | -              | 123,188        |
| <b>Total Expenses</b> | <b>421,934</b> | <b>374,046</b> |

KPMG have provided their audit services on an honorary basis. In 2015, PKF Hacketts provided their audit services on an honorary basis.

### NOTE 4: CASH ASSETS

|              |                |                |
|--------------|----------------|----------------|
| Cash at bank | 466,095        | 440,181        |
|              | <b>466,095</b> | <b>440,181</b> |

### NOTE 5: TRADE & OTHER RECEIVABLES

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Trade receivables                     | 12,869        | 11,600        |
| Prepayments                           | 2,647         | -             |
| Financial Basics Community Foundation | 680           | -             |
| Interest accrual                      | 148           | 1,023         |
|                                       | <b>16,344</b> | <b>12,623</b> |

# FINANCIAL BASICS FOUNDATION

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

|   | 2016         | 2015         |
|---|--------------|--------------|
|   | \$           | \$           |
| <b>NOTE 6: PROPERTY PLANT AND EQUIPMENT</b> |              |              |
| Office equipment                            | 915          | 915          |
| Accumulated Depreciation                    | (915)        | (915)        |
| Scam module                                 | 3,500        | 3,500        |
|   | <u>3,500</u> | <u>3,500</u> |

### NOTE 7: PAYABLES

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Trade payables                        | 164,270        | 3,549          |
| Financial Basics Community Foundation | -              | 90,000         |
| Creditors accrual                     | 1,862          | 814            |
| Payroll liabilities                   | 16,053         | 8,420          |
| GST payable                           | 1,585          | 2,892          |
|                                       | <u>183,770</u> | <u>105,675</u> |

### NOTE 8: PROVISIONS

|                        |               |               |
|------------------------|---------------|---------------|
| Annual leave provision | 16,316        | 10,302        |
|                        | <u>16,316</u> | <u>10,302</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 2016, the members of the Foundation stood at 5 (2015: 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 as and when they fall due.



## FINANCIAL BASICS FOUNDATION

ACN 114 612 270

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

| NOTE 10: CASH FLOW INFORMATION  | NOTE | 2016<br>\$ | 2015<br>\$ |
|---|------|------------|------------|
| <b>a. Reconciliation of Cash</b>  |      |            |            |
| 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    | 466,095    | 440,181    |
| <b>b. Reconciliation of cash flows from operating activities with deficit after income tax</b>  |      |            |            |
| Deficit after income tax  |      | (54,474)   | (253,644)  |
| <b>Non-cash flows in deficit:</b>   |      |            |            |
| Impairment Loss   |      | -          | 123,188    |
| <b>Changes in assets and liabilities:</b>   |      |            |            |
| (Increase)/decrease in trade & other debtors  |      | (1,074)    | 2,994      |
| (Increase)/decrease in prepayments  |      | (2,647)    | -          |
| Increase/(decrease) in creditors and other payables   |      | 78,095     | 88,372     |
| Increase/(decrease) in provisions   |      | 6,014      | 1,085      |
| Net cash provided by (used in) operating activities   |      | 25,914     | (38,005)   |

#### 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 18 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 2016 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



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Dated this

18

day of

October

2016

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## **Independent audit report to the members of Financial Basics Foundation Limited**

We have audited the accompanying financial report, being a special purpose financial report, of Financial Basics Foundation Limited (the Company), which comprises the balance sheet as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the Company.

This audit report has also been prepared for the members of the Company pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) (collectively the Act and Regulation).

### *Directors' responsibility for the financial report*

The Directors of the Company are responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the ACNC, and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the ACNC, and is appropriate to meet the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine necessary 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.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report, being a special purpose financial report, based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards to the extent described in Note 1 and the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

*Auditor's opinion*

In our opinion, the financial report of Financial Basics Foundation Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Basis of accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the ACNC. As a result, the financial report may not be suitable for another purpose.

*KPMG*

KPMG

*Scott Guse*

Scott Guse

Partner

Brisbane

18 October 2016