



2009

ANNUAL REPORT



Helping to ensure that **all young Australians**
leaving the secondary education system
have an understanding of the credit system and
financial management practices,
so that they can make
informed decisions on their
financial affairs



CHAIRMAN'S REPORT

"Now, more than ever financial education is an essential life skill for all young people. We need to start financial education early with a planned and coherent program throughout the school years so that all young people leaving school have the skills, knowledge and confidence in financial matters to participate fully in society."

Barrie Adams, Chairman Financial Basics Foundation.

The Financial Basics Foundation was established in 2002 by Collection House in response to the need for greater financial literacy amongst young Australians.

The Foundation dream is ***to ensure that all Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so that they can make informed decisions on their financial affairs.***

The completion of the review and update of the Operation Financial Literacy material at the end of last year also included the development of a new module for our Operation Financial Literacy teaching resource. Module 11 - Scams has been incorporated, and as with all of the Foundations resources - the material was written by leading business educators and has been mapped to all state and territory curriculum documents for ease of use in Australian secondary schools.

200 additional schools registered to receive Operation Financial Literacy in the last financial year. Operation Financial Literacy has now been distributed free of charge to some 1500 secondary schools and not-for-profit organisations across Australia.

Released in June 2007 the ESSI Money (Earning, Saving, Spending and Investing) online game had 11,360 registered users within the first 12 months. By June 2008 this figured has grown to over 28,848 registered users. This 'simulation game' prepares young Australians to meet the challenges of financial management in the 'real' world.

The Foundation worked with the game's developers to produce a CD Rom version of ESSI Money to better facilitate access to this important learning tool to regional schools and those schools with limited bandwidth.

The Foundation has maintained a substantial role in the financial education sector with invitations to speak around the country at forums including the Economics and Business Educators Association of NSW and the Australasian Business Educators national and state conferences.

Most rewarding however, is the continued positive praise the Foundation receives from teachers around Australia in response to our programs. Some of these responses have been tabled further in this report.

The global financial crisis has highlighted the need for programs and resources that not only better educate young Australians about sound financial management skills but that help young people engage in their community and to build their own financial capacity. With the lessons learned from this situation the Foundation is working closely with the management of Collection House to utilise these valuable educational tools with staff in the company.

The Foundation continues to maintain a focussed and long term approach to the development and enhancement of our resources and this was a key outcome in 2008.

The Foundation's resources are now also being provided to well known charitable institutions in Australia. Charities that work with young people who are often disengaged from the traditional education system consider financial literacy as a critical life skill.

All of the learning materials and ESSI Money are provided by the Foundation at no cost to schools and charities throughout Australia. This strategy to educate young Australians about sound financial management would not be possible without the generous and continuing support of our corporate partners, Collection House Limited and Bank of Queensland.

The Financial Basics Foundation is a small not-for-profit organisation achieving outstanding success in a number of areas, thanks largely to the dedication and professionalism of its Board of Directors. The contribution of time and knowledge that each board member volunteers in order to guide and manage the Foundation is a testament to their generosity and commitment to the dream of the Foundation. My personal thanks to the Board and staff for their ongoing efforts and hard work.



Barrie Adams PSM FCPA

The Financial Basics Foundation researched, developed and distributed financial literacy resources in order to achieve the Foundation's dream; *helping to ensure that all young Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so that they can make informed decisions on their financial affairs.*

The first major initiative of the Foundation, Operation Financial Literacy – a financial literacy teaching resource for secondary schools has been distributed to 1,426 schools around Australia. The program was extended to eleven modules with information about Scams included as part of the material. The module was designed to provide students with a synopsis of all aspects of scams and how to effectively respond to scams. It provides students with an overview of the scams currently targeting Australian consumers and provides some practical strategies consumers can take to prevent being scammed.

OFL includes the following modules:

- Financial Planning – control your financial success*
- Income – where does it come from?*
- Budgeting*
- Credit and Borrowing*
- Financial Protection and Insurance*
- Taxation*
- Banking*
- Saving and Investing*
- Planning for your Future*
- Mobile Phones – being a wise consumer*
- Scams*

Schools that register to receive Operation Financial Literacy receive two hardcopy folders, containing a complete copy of student and teacher resources for each module, FREE, along with login details to view and download the activities from our website.

A review and update of all of the material was undertaken and the third edition of Operation Financial Literacy was released. The Foundation once again worked with Australian educators to review and assess the content within Operation Financial Literacy in order to ensure that the information is accurate, current and useful to teachers.

Since developing the ESSI Money (Earning, Saving, Spending and Investing) online e-learning game in 2007, over 28,000 students have registered and some 10,742 students have completed the ESSI Money game. Through a 'virtual reality' that simulates 6 months, Students achieve an understanding of how decisions made throughout a time period can have both positive and negative impacts on their financial situation.

The Foundation worked to develop a CD Rom version of the game. This allowed regional and remote schools and those with limited bandwidth capacity to access the game. This additional resource was released in September 2008. 41 schools have registered and received the ESSI Money CD Rom.

For our corporate partners, the game provides an opportunity to be aligned with a truly innovative initiative that has broad community appeal and application. The game has significant educational and commercial application and will secure the Foundation's position as a leader in the provision of financial education resources for young Australians.

In seven years, the Foundation has become one of Australia's leading not-for-profit delivering financial literacy initiatives for young people. We have gained support and endorsement from Government, education and corporate sectors. This has led to increased public recognition and brand awareness.

Operation Financial Literacy started out as a good idea and has grown to be a tool used in over 1400 secondary schools around Australia.

In recognition of the role that those in the finance industry can play in addressing some of the issues associated with a lack of financial literacy, **Bank of Queensland** joined **Collection House** as a Corporate Partner for a 3 year period from

September 2004. Support from Collection House continues as our Founding Partner. Bank of Queensland continues to partner with the Foundation as an Alliance Partner until 2010.

Our partnerships are established with an understanding and acknowledgement that financial literacy is an important life skill for all young Australians and that it is important for those in the finance industry to support sound financial education.

Our partners choose to support the Financial Basics Foundation because of:

- The exceptional quality and value of Operation Financial Literacy and ESSI Money as educational resources that positively impact financial illiteracy for young people
- The synergy between the work of the Foundation and the Brand Personality and Values of these companies
- The opportunity to be involved in programs at both local community and national levels

Collection House and Bank of Queensland are progressive and caring organisations that give back to the broader community through their support of the Foundation's activities.

As a small charitable organisation, the Financial Basics Foundation has achieved outstanding success in delivering financial education to young people. The dedication and values of the Foundation reflect those of our corporate partners and we are grateful for their ongoing support and generosity.

National personal debt levels and youth debt are major issues for our country at the current time. Financial literacy is a life skill that can have far reaching positive social implications. The Foundation is taking a proactive approach to addressing these issues by supporting financial education programs at a very practical level.

Further, the Foundation has gained a reputation within the education, finance and charity sectors for not only delivering outstanding financial literacy programs, but for doing so with integrity, respect, cooperation and efficiency.

The Foundation has also commenced work on the development of a model that will see our programs expand more specifically to include the provision of direct financial relief services for disadvantaged young people. This will include providing access to services that assist and support disadvantaged young people to resolve financial issues and to enhance their understanding of credit, debt and sound financial management practices. Consultation with community organisations has commenced, along with participation in a range of forums directly related to financial capacity building initiatives.

OPERATION FINANCIAL LITERACY

	JUNE 2008		JUNE 2009
<u>Total Number of Schools registered with the Foundation</u>	1232	Australia wide	1426
<u>Total National Secondary Schools</u>	3260		
<u>State by State</u>	11	ACT	15
	203	NSW	250
	15	NT	18
	384	QLD	428
	104	SA	122
	53	TAS	69
	309	VIC	348
	146	WA	176



ESSI MONEY GAME STATISTICS

ESSI Money Game Statistics as at	June 2008	June 2009
Total Registered Online Classes:	890	1,620
Total Registered Users:	11,365	28,565
Total Registered CD-ROM Schools:	3	41
Total Registered CD-ROM Classes:	6	48
Number of Users Completed the Game	Unknown at time	10,742

Registered Users State	No. of Classes	No. of Schools
ACT	16	7
NSW	175	75
NT	8	5
QLD	493	83
SA	114	53
TAS	126	44
VIC	511	215
WA	177	76

ESSI Money -
Earning, Saving, Spending and Investing



ESSI MONEY WEBSITE STATISTICS

Visitor overview

- 6,863 Visits
- 5,539 Absolute Unique Visitors
- 23,008 Page views
- 79.79% or 5,476 of all visits are from New Visitors
- 20.21% or 1,387 are Returning Visitors
- 6,863 visits from 45 Countries/territories including Australia, United States, New Zealand, Austria, China, United Kingdom, Japan, Iran, India and Canada

POSITIVE PRAISE FOR THE WORK OF THE FOUNDATION

Our school used ESSI Money for the first time last year as part of our compulsory Year 10 programme "Enterprise & Management" which focuses on careers and financial literacy.

Last year ESSI Money was a huge success and our students thoroughly enjoyed the game. We actually had problems controlling the students in regard to them not going ahead. It is a practical, extremely relevant and highly engaging programme, and I would like to commend you for putting together such a motivational educational tool.

We plan to use it again this year in Term 4, for all 220 Year 10 students, and I am sure it will be just as successful as last year. It has been written into our E&M programme, and I look forward to using it this year, and into the future.

Thank you once again, Emma Lowry, Brisbane Girls Grammar (Qld)

WOW!! What a great learning tool. Our 3 Year 10 Business Education classes have been using ESSI Money. We just designed our whole financial planning unit around ESSI Money.

The students were actively engaged every lesson and couldn't wait to 'play' each lesson. We created a booklet where they could record their journey and then the presented this for assessment. I can't speak highly enough about this. All of our teachers thought it was a great way to present this unit and it even caught the interest of our less academic boys who couldn't wait to earn, save, spend and invest. Also loved the ups and downs of the games - the jobs not obtained, the scams that drained bank accounts, the computer viruses. A job well done and a great big thank-you from St Mary's. We will be using this again and again for our Year 10 unit.

Janet

The students really enjoy the game and it has provided many opportunities for some great lessons. Thank you.

Annie (Qld)

I have used ESSI Money with two classes and the students really enjoyed doing it. They became very involved in the game and I heard them talking about it outside class. They were also keen to get back into it after the first lesson and saw it as a real challenge to try to improve their financial position. Thank you for providing such a relevant and worthwhile resource. The students enjoy the format and develop better financial literacy skills at the same time.

Maira (Qld)

Many thanks for this opportunity and I appreciate the drive and commitment shown by the creators. I heard about your website listening to a lady being interviewed on a radio station, whilst in U.S., a couple of years ago!

William (Vic)

Thank you so much for this! I appreciate you following this up for me. All of my classes have really enjoyed the game - the challenge is set to beat \$16 000!

Emma (Qld)

Thank you it is a very good game, students loved it.

Mervat (Vic)

I have played the game so I could see what was in it before using it with the students. It is an excellent resource and I think it will be a good way get students thinking about things and they will learn a lot on the way. I got quite "hooked" wanting to see what happened next!

Liz (Qld)

BOARD OF DIRECTORS

The names and details of the directors in office at any time during or since the end of the year are:

Barrie Adams PSM, FCPA – Chairman/Director

Barrie has extensive experience in both the private and public sectors. For over nine years (until 31st March 2000), Barrie was the Queensland Regional Commissioner for the Australian Securities and Investments Commission (ASIC). Since leaving ASIC, he has been appointed to a number of company boards and is chairman or member of a number of Compliance Committees, particularly in the financial services industry.

Barrie has been a director of Collection House Limited since November 2002 and Chairman of the Audit & Risk Management Committee of that company since January 2003. Barrie is currently Chairman of Infocus Ltd and its associated companies and is also Chairman of its Audit and Risk Committee.

In January 2000 he was awarded a Public Service Medal for his work as Regional Commissioner of ASIC and is a fellow of CPA Australia.

Julie Tealby B.Bus, CPA CIA - Secretary/ Director

Julie is the Internal Audit Manager for Collection House Limited and previously held positions of Financial Controller and Company Secretary for five years until September 2000.

Prior to this she held financial and management accounting positions with an international consulting engineering firm as well as a consultant to the CEO of Collection House Limited.

Tarryn McMullen MBA B.Bus Grad. Cert Bus (Philanthropy and Non-Profit Studies) – Director

Tarryn is currently the Head of Group Strategy & Managing Director's Office at the Bank of Queensland.

She has several years experience in the not-for-profit industry, including being the inaugural staff member of Financial Basics Foundation (formerly Collection House Foundation), and working in fundraising and marketing for the Royal Children's Hospital Foundation.

Sandra Kenman - B.Ed LL.B – Director

Sandra Kenman has extensive experience working with secondary schools, curriculum authorities, and resource development agencies. She manages her own consultancy business which provides advice to educational groups at local, state and national levels. Sandra has degrees in Education and Law.

Dr Adrian McCullagh GAICD – Director

Adrian is a director and Chief Technology Officer with a Software company located in Brisbane. He is a director of "Careflight" Queensland and the State Government owned corporation, "ilab Pty Ltd". Adrian has degrees in Law and Computer Science as well as a Ph.D. in electronic commerce law. He is a graduate of the Australian Institute of Company Directors and recently retired as a lawyer after 22 years in private practice.

DIRECTOR'S REPORT

Your directors present their report on the Financial Basics Foundation Limited (the Foundation) for the financial year ended 30 June 2009.

Operating Results

The operating net profit of the foundation during the financial year was \$51,961 (2008: \$89,586).

Principal Activities

The Foundation researched, developed and distributed financial literacy resources in order to achieve the Foundation's dream: *helping to ensure that all young Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so that they can make informed decisions on their financial affairs.*

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Significant Changes in State of Affairs

No significant change in the nature of these activities occurred during the year.

Matters Subsequent to the End of the Financial Year

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 future financial years.

Review of Operations

"Now, more than ever financial education is an essential life skill for all young people. We need to start financial education early with a planned and coherent program throughout the school years so that all young people leaving school have the skills, knowledge and confidence in financial matters to participate fully in society." Barrie Adams, Chairman Financial Basics Foundation.

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The Foundation continues to receive positive praise from teachers around Australia in response to our programs.

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The Foundation continues to maintain a focussed and long term approach to the development and enhancement of our resources and this was a key outcome in 2008.

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The Financial Basics Foundation is a small not-for-profit organisation achieving outstanding success in a number of areas, thanks largely to the dedication and professionalism of its Board of Directors. The contribution of time and knowledge that each board member volunteers in order to guide and manage the Foundation is a testament to their generosity and commitment to the dream of the Foundation.

Financial literacy is becoming a critical life skill and the Financial Basics Foundation is at the forefront in the provision of material to better educate young Australians in this area. The Financial Basics Foundation does not provide financial advice, but rather, information that empowers young people to make their own informed financial decisions, or to know when they need to seek professional advice in order to make the right decision.

The Foundation will be guided in the year ahead by a strategic plan that ensures continued growth and development of our resources and work in the area of financial literacy education.

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 held during period</i>	<i>Meetings attended during period</i>
Barrie Adams	8	8
Julie Tealby	8	7
Tarryn McMullen	8	6
Sandra Kenman	8	7
Adrian McCullagh	8	6

Dividends Paid or Recommended

By virtue of the constitution of the Foundation the income and property of the company shall be applied solely towards the promotion of the objects and purpose of the company and no portion shall be paid or transferred directly or indirectly by way of bonus, dividend or otherwise howsoever by way of profit to the member of the company.

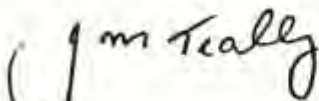
Officers' and Auditors' Indemnification

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Foundation.

Auditor's Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this Directors' Report.

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



Julie Tealby
Director

Dated this 29 day of October 2009

29 October 2009

The Board of Directors
Financial Basics Foundation Limited
Level 7, 515 St Pauls Terrace
FORTITUDE VALLEY QLD 4006


Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Financial Basics Foundation Limited.

As lead audit partner for the audit of the financial report of Financial Basics Foundation Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully



Hacketts DFK

Liam Murphy
Audit Partner

Brisbane

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$
Revenues from ordinary activities	2	180,129	226,513
Expenses from ordinary activities	3	(128,168)	(136,927)
Profit from ordinary activities		51,961	89,586
Income tax expense		-	-
Net Profit after income tax expense attributable to members of the Company		51,961	89,586
Total changes in equity other than those resulting from transactions with owners as owners		51,961	89,586

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	4	552,179	497,604
Receivables	5	51,986	45,158
Other assets	6	944	-
TOTAL CURRENT ASSETS		605,109	542,762
NON-CURRENT ASSETS			
Property plant and equipment	7(a)	4,415	112,999
Intangible assets	7(b)	123,188	14,604
		127,603	127,603
TOTAL ASSETS		732,712	670,366
CURRENT LIABILITIES			
Payables	8	22,636	8,978
Other payables	9	218,915	222,188
TOTAL CURRENT LIABILITIES		241,551	231,166
TOTAL LIABILITIES		241,551	231,166
NET ASSETS		491,161	439,200
EQUITY			
Retained profits		491,161	439,200

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 2009

	2009	2008
	\$	\$
Opening retained earnings	439,200	349,614
Gain for the year	51,961	89,586
Closing retained earnings	491,161	439,200

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR END JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		170,321	226,606
Cash payments from operating activities		(114,510)	(127,949)
Interest received		2,036	1100
Net cash provided by operating activities	13	57,847	99,757
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for intangible assets		-	(10,450)
Payments for PPE		-	(4,415)
Net cash (used in) financing activities		-	(14,865)
CASH FLOW FROM FINANCING ACTIVITIES			
Funds provided to related parties		(3,272)	(217,188)
Net cash provided by (used in) financing activities		(3,272)	(217,188)
Net increase in cash held		54,575	302,080
Cash at beginning of year		497,604	195,524
Cash at end of year	4	552,179	497,604

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The directors have determined that the Company is not a reporting entity.

Financial Basics Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the *Corporations Act 2001*, and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application of Standards

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

a. **Receivables**

Trade and other receivables are recognised and carried at original invoice amounts.

b. **Payables**

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 company.

c. **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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

d. **Revenues**

Donations to the Company 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.

e. **Cash**

Cash consists of cash at bank and on short term deposit.

f. **Income tax**

No provision for income tax has been made in the financial report as the Foundation is exempt from income tax under Section 50.5 of the Income Tax Assessment Act 1997.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**g. Intangible assets – software**

Software is recorded at cost, and is carried at cost less any accumulated amortisation or impairment losses. It is assessed annually for impairment.

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 group.

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. Value-in-use or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The financial report was authorised for issue on 29 October 2009 by the board of directors.

NOTE 2: REVENUE	2009	2008
	\$	\$
Operating activities		
Donations	-	984
Sponsorship	146,667	337,199
Sundry revenue	31,226	5,827
Interest	2,236	517
Total Revenue	180,129	226,513

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Advertising	-	5,490
Consultancy fees	42,280	49,299
Game expenses	13,746	14,123
Operation financial literature (OFL)	10,000	6,743
Postage	418	3,640
Printing expenses – OFL	20,823	9,211
Printing and stationery	1,540	970
Public relations	-	26,095
Rent	1,950	6,825
Sundry expenses	12,186	11,110
Legal Fees	25,039	-
Workcover	186	3,421
Total Expenses	128,168	136,927

	2009 \$	2008 \$
NOTE 4: CASH ASSETS		
Cash at bank	552,179	497,604
	<u>552,179</u>	<u>497,604</u>

NOTE 5: TRADE & OTHER RECEIVABLES		
Trade debtors	48,819	42,928
GST receivable	3,167	2,230
	<u>51,986</u>	<u>45,158</u>

NOTE 6: OTHER ASSETS		
ABN Withholding Credits	944	-
	<u>944</u>	<u>-</u>

NOTE 7(a): PROPERTY PLANT and EQUIPMENT		
Capital work in progress	-	108,584
Office equipment	915	915
Scam module	3,500	3,500
	<u>4,415</u>	<u>112,999</u>

NOTE 7(b): INTANGIBLE ASSETS		
ESSI Money Game Software	123,188	14,604
	<u>123,188</u>	<u>14,604</u>

Capital work in progress related to the construction of web-based software, ESSI Money, which was completed during the financial year and transferred to intangible assets.

NOTE 8: PAYABLES		
Trade Creditors	16,606	-
GST payable	6,030	8,978
	<u>22,636</u>	<u>8,978</u>

NOTE 9: OTHER CREDITORS		
Loan payable – Finance Essentials Foundation Trust	-	5,000
Loan Finance Essentials Ltd	218,915	217,188
	<u>218,915</u>	<u>222,188</u>

NOTE 10: EQUITY

The company is limited by guarantee. If the company is wound up, the constitution states that each member of the company is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30th June 2009, the members of the company stood at 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 finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manage the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since prior year. The strategy of the entity is to ensure that sufficient cash is on hand to meet trade and sundry payables.

NOTE 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.

NOTE 12: CONTINGENT LIABILITIES

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

	2009	2008
	\$	\$
NOTE 13: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash at Bank	<u>552,179</u>	<u>497,604</u>
b. Reconciliation of Net Cash provided by Operating Activities to Profit from Ordinary Activities after Income Tax		
Profit from ordinary activities	<u>51,961</u>	<u>89,586</u>
Changes in assets and liabilities:		
(Increase)/decrease in trade & other debtors	(7,772)	1,193
Increase/(decrease) in creditors	<u>13,658</u>	<u>8,978</u>
Net cash provided by operating activities	<u>57,847</u>	<u>99,757</u>

NOTE 14: SEGMENT INFORMATION

The foundation operates in one business segment, being the provision of financial literacy strategies, and in one geographical segment, being Australia.

NOTE 15: ACCOUNTING POLICIES

The following accounting standards issued or amended and are applicable to the entity but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1.1.2009

NOTE 16: ENTITY INFORMATION

Registered office of the company is:

Level 7, 515 St Pauls Terrace
FORTITUDE VALLEY QLD 4006

The principal place of business is:

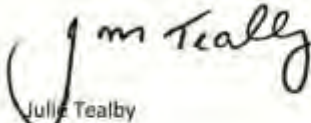
Level 7, 477 Collins Street
Melbourne Vic 3000

DIRECTORS' 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.

1. The financial statements and notes are in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the Foundation.
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.


Julie Tealby
Director

Dated this 29 day of October 2009

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FINANCIAL BASICS FOUNDATION

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Financial Basics Foundation Limited (the Foundation), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Foundation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 judgment, 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members.

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 Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Financial Basics Foundation Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Foundation's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.



Hacketts DFK

Dated at Brisbane, 29th October 2009

Liam Murphy

Partner