

Financial Literacy Australia Limited

(a company limited by guarantee)

ACN 158 813 891

Financial Report 30 June 2013

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Financial Literacy Australia Limited

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Corporate Information

Financial Literacy Australia Limited

Board Members	Robert Brown Paul Clitheroe Hamish Douglass Craig Dunn Linda Elkins Fiona Guthrie Elaine Henry Anthony Mackay Ian Silk Michael Smith Robert Thomas
Company Secretary	Robert Brown
Registered Office	18-20 Victoria Street Erskineville, NSW 2043
Principal Place of Business	Level 5, 86-100 Market Street Sydney NSW 2000
Auditors	Ernst & Young Level 33, Ernst & Young Centre World Square, 680 George Street Sydney NSW 2000

Directors' Report

Financial Literacy Australia Limited

The directors present this financial report of the company from incorporation to 30 June 2013.

Board Members

The names of the directors in office during the period until the date of this report are:

	Date Appointed	Date of cessation	Board	
			A	B
Robert Brown	5 June 2012	continuing	4	4
Paul Clitheroe	5 June 2012	continuing	4	4
Hamish Douglass	5 June 2012	continuing	3	4
Craig Dunn	5 June 2012	continuing	4	4
Linda Elkins	5 June 2012	continuing	2	4
Fiona Guthrie	5 June 2012	continuing	4	4
Elaine Henry	5 June 2012	continuing	3	4
Anthony Mackay	5 June 2012	continuing	1	4
Ian Silk	5 June 2012	continuing	4	4
Michael Smith	5 June 2012	continuing	3	4
Robert Thomas	5 June 2012	continuing	3	4

A Number of meetings attended

B Number of meetings held during the time the member held office during the year

Company secretary

Robert Brown has been the Company Secretary since 5 June 2012.

Details of directors' qualifications, experience and special responsibilities can be found on pages 5 to 12 of this report.

Principal activities

The company's principal activities during the year were:

- Develop and deliver MoneySmart Week 2012 and plan and organize towards MoneySmart Week 2013) including:
 - National PR campaign.
 - MoneySmart Week Awards program and event
 - Breakfast seminar about research into women's financial decision-making behavior
 - Women and money shopping-centre event.
 - Supporter events held across Australia during the Week.
- Fundraise, through sponsorship.
- Maintain and update the website providing information on MoneySmart Week and tools to help people with their financial situation.

Directors' Report

Financial Literacy Australia Limited

Principal activities *continued*

- Develop a presence in social media including Facebook, Twitter, Pinterest, WordPress and LinkedIn with tools and links to the interactive online tool, the Money Health Check.
- Develop and deliver video and audio material to share with broadcasters and supporters online and on-air.
- Develop and deliver printed material to MoneySmart Week supporters about the Money Health Check, budgeting and where to go for financial help and/or information, as well as promotional material to publicise MoneySmart Week.

Short and Long Term Objectives and Strategy

The company's short and long-term objectives are to:

- Encourage Australians to take action on their finances.
- Increase awareness among Australians about the information and tools available to help them make sound money decisions; and
- Raise awareness of the importance of financial literacy;

The company's strategy for achieving these objectives include:

- Developing and publicising material to engage and motivate Australians to take action on their money situation.
- Publicising stories that demonstrate the benefits of taking control of your finances or developing money skills.
- Fostering partnerships across government, business, education and community sectors to promote financial literacy initiatives.
- Publicly recognize and promote good practice in the design and delivery of financial literacy programs.

Performance Measures

- Number of sponsors and funds raised
- People visiting the MoneySmart Week website
- People doing the Money Health Check
- Number of MoneySmart Week partner events
- People attending MoneySmart Week events

Directors' qualifications, experience and special responsibilities

Name	Qualifications and Experience	Special responsibilities
Paul Clitheroe AM (Chair)	<p><i>Qualification:</i> Bachelor of Arts</p> <p><i>Experience:</i> Paul is executive director of ipac securities, an experienced media commentator and chairman and chief commentator of Money magazine. He is also Chair of the Australian Government's Financial Literacy Board.</p>	Chairman

Directors' Report

Financial Literacy Australia Limited

Directors' qualifications, experience and special responsibilities continued

Name	Qualifications and Experience	Special responsibilities
Robert Brown AM	<p><i>Qualification:</i> Bachelor of Economics and Fellow of the Institute of Chartered Accountants</p> <p><i>Experience:</i> Robert is Independent Chairman of the Australian Defence Force (ADF) Financial Services Consumer Council and a Royal Australian Air Force specialist reservist, with over 30 years experience in the accounting profession. He is also a member of the Australian Government's Financial Literacy Board.</p>	
Hamish Douglass	<p><i>Qualifications:</i> Bachelor of Commerce</p> <p><i>Experience:</i> Hamish Douglass is the Co-Founder, Managing Director and Chief Executive Officer of Magellan Financial Group Limited (MFG). He is a member of the Australian Government Takeovers Panel and a member of the Australian Government's Financial Literacy Board</p>	
Craig Dunn	<p><i>Qualifications:</i> Bachelor of Commerce</p> <p><i>Experience:</i> Craig Dunn is CEO of AMP with more than 14 years experience in the financial services sector. He is a former member of the Consumer and Financial Literacy Taskforce and is also a member of the Australian Government's Financial Literacy Board.</p>	
Linda Elkins	<p><i>Qualifications:</i> Bachelor of Applied Science and a Certificate of Superannuation Management</p> <p><i>Experience:</i> Linda is Executive General Manager for Colonial First State having previously worked as Managing Director of Superannuation at Russell Investments. She is a member of the Australian Government Financial Literacy Board and the Macquarie University Business and Economics Facility Advisory Board.</p>	

Directors' Report

Financial Literacy Australia Limited

Directors' qualifications, experience and special responsibilities continued

Name	Qualifications and Experience	Special responsibilities
Fiona Guthrie	<p><i>Qualifications:</i> Bachelor of Arts (Psychology) and an MBA (Finance)</p> <p><i>Experience:</i> Fiona Guthrie is the Executive Director of Financial Counselling Australia, the peak body for financial counsellors in Australia. Fiona is a member of the Australian Competition and Consumer Commission Consumer Consultative Committee; the Queensland Consumers' Association; and the Australian Government's Financial Literacy Board.</p>	
Elaine Henry OAM	<p><i>Qualifications:</i> Honorary Doctorate of Letters UNSW, Bachelor of Science with first class honours.</p> <p><i>Experience:</i> Elaine Henry has been a leader in the non-profit sector for the past 25 years; formerly as the Executive Director of the Cancer Council (NSW) and until the end of 2010 as Chief Executive of The Smith Family. Elaine was a member of the Consumer and Financial Literacy Taskforce, the Financial Literacy Foundation and is now a member of the Australian Government's Financial Literacy Board.</p>	
Anthony Mackay	<p><i>Qualifications:</i> Tony has a Bachelor of Economics and a Bachelor of Education and an MA in the Economics of Education.</p> <p><i>Experience:</i> Tony Mackay is Executive Director of the Melbourne-based Centre for Strategic Education, Australia. Tony is Chair of the Board of Directors of the Innovation Unit Ltd. England; an OECD Senior Consultant for the Schooling For Tomorrow Project, Improving School Leadership Project, and a member of the Australian Government's Financial Literacy Board.</p>	

Directors' Report

Financial Literacy Australia Limited

Directors' qualifications, experience and special responsibilities continued

Name	Qualifications and Experience	Special responsibilities
Ian Silk	<p><i>Qualifications:</i> Bachelor of Economics, a Diploma of Financial Services, and a Postgraduate Diploma in Labor Relations Law.</p> <p><i>Experience:</i> Ian Silk is the Chief Executive of AustralianSuper; Australia's largest superannuation fund. He is a member of the Financial Services Advisory Council to the Treasurer, a member of the ASIC External Advisory Board, and member of the Australian Financial Literacy Advisory Board. He is a Director of the Australian Council of Superannuation Investors, and Industry Super Australia.</p>	
Michael Smith OBE	<p><i>Qualifications:</i> Bachelor of Economic Sciences</p> <p><i>Experience:</i> Michael Smith is Chief Executive Officer of Australia and New Zealand Banking Group Limited (ANZ). He is Chairman of the Australian Bankers' Association and a Member of both the Business Council of Australia and the Asia Business Council. Mr Smith is a Director of the Institute of International Finance; a Member of the Board of the International Monetary Conference; and a Member of the Financial Literacy Advisory Board.</p>	
Robert Thomas	<p><i>Qualifications:</i> Bachelor of Law and Commerce and Fellow of the Australian Institute of Company Directors</p> <p><i>Experience:</i> Robert is a director of the Bank of China (Australia). He is also is also a member of the Law Society of New South Wales and a member of the Board of Financial Literacy Australia.</p>	

Directors' Report

Financial Literacy Australia Limited

Members' guarantees

The company 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 \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2013 the collective liability was \$110.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 14 of the financial report.

Signed in accordance with a resolution of the directors.



PAUL CLITHEROE
Chair

Sydney

Date 6/11/13



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Auditor's Independence Declaration to the Directors of Financial Literacy Australia Limited

In relation to our audit of the financial report of the Financial Literacy Australia Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Darren Handley-Greaves
Partner
6 November 2013

Statement of Comprehensive Income

for the year ended 30 June 2013
Financial Literacy Australia Limited

	Note	2013 \$
Revenue	3	243,922
Expenses		
Administration expenses		(220,647)
Employee benefits expense	4	(83,721)
Event expenses		(5,049)

Net deficit for the year		(65,495)
		=====
Other comprehensive income		-

Total comprehensive income attributable to the members of the company		(65,495)
		=====

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

for the year ended 30 June 2013
Financial Literacy Australia Limited

	Note	2013 \$
ASSETS		
Current assets		
Cash and cash equivalents	5	207,175
Trade and other receivables	6	110,000
Other assets	7	610

Total current assets		317,785

TOTAL ASSETS		317,785
		=====
LIABILITIES		
Current liabilities		
Trade and other payables	8	53,280
Income in advance	9	330,000

Total current liabilities		383,280

TOTAL LIABILITIES		383,280
		=====
NET LIABILITIES		(65,495)
		=====
FUNDS		
Unrestricted funds		(65,495)

TOTAL FUNDS		(65,495)
		=====

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Funds

for the year ended 30 June 2013
Financial Literacy Australia Limited

	UNRESTRICTED FUNDS
	2013
	\$
Balance at 1 July 2012	-
Net deficit for the year	(65,495)
Other comprehensive income for the year	-
Balance at 30 June 2013	----- (65,495) =====

The above statement of changes in funds should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2013
Financial Literacy Australia Limited

	Note	2013 \$
Cash flows from operating activities		
<i>Receipts</i>		
Receipts from sponsorships		463,922
<i>Payments</i>		
Payments to suppliers and employees		(256,747)

Net cash inflow from operating activities		207,175

Net increase in cash and cash equivalents held		207,175
Cash and cash equivalents at the beginning of the year		-

Cash and cash equivalents at the end of the financial year	5	207,175
		=====

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

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Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

1 Corporate information

The financial statements of the not for profit company for the period ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors.

2 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group interpretations.

The directors have elected to apply the following Accounting Standards in advance of their effective dates:

- AASB 1053 *Application of Tiers of Australian Accounting Standards*; and
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

These Accounting Standards are not required to be applied until annual reporting periods beginning on or after 1 July 2013.

AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements:

- Tier 1 – Australian Accounting Standards
- Tier 2 – Australian Accounting Standards – Reduced Disclosure Requirements

AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by Tier 2 entities or inserting RDR paragraphs requiring simplified disclosures for Tier 2 entities.

The company complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

The adoption of these Standards has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no other impact on the current or prior year financial statements.

Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

2 Summary of significant accounting policies continued

(a) **Basis of preparation** continued

Historical cost convention

The financial statements have been prepared on the basis of historical cost except for the following:

- Plant and equipment is measured at fair values less accumulated depreciation and any impairment losses
- Available for sale financial assets are measured at fair value

Cost is based on the fair values of the consideration given in exchange for assets.

Currency

The financial statements are presented in Australian dollars, which is the company's functional currency.

(b) **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

2 Summary of significant accounting policies *continued*

(c) Revenue recognition

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Amounts disclosed are net of goods and services tax (GST). Revenue is recognised for business activities as follows:

Revenue from In-kind donations

In-kind donations are included at the fair value to the company where this can be quantified by a 3rd party bearing the cost.

Revenue from sponsorships

Revenue from sponsorships is recognised in the period to which the sponsorships relate.

Investment income

Investment income comprises interest. Interest income is recognised as it accrues, using the effective interest rate method.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is recognised in the income statement.

Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

2 Summary of significant accounting policies *continued*

(f) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The notional amount of the payables is deemed to reflect fair value.

(g) Taxation

Income tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST is not recoverable from the ATO, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Trade receivables and trade payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as operating cash flows.

(h) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The company's continued existence is ultimately dependent upon the success of future productions, sponsorships and donations.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

2 Summary of significant accounting policies *continued*

(i) Income in advance

The Liability for income in advance is the unutilised amounts of sponsorships received on the condition that specified services are delivered or conditions are fulfilled. The services are usually fulfilled within 12 months of receipt of the sponsorships. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

	2013
	\$
3 Revenue	
Revenue from operating activities	
Sponsorships	62,250
Other income	
In kind donations	181,672
Total revenue and other income	243,922
4 Employee benefits expense	
Contractor fees	83,721

Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

2013
\$

5 Cash and cash equivalents

Cash at bank and on hand	207,175
	=====

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balance per statement of cash flows	207,175
	=====

6 Trade and other receivables

Current

Trade Debtors	110,000
	=====

7 Other assets

Current

Prepaid Expenses	610
	=====

8 Trade and other payables

Net GST payable	22,582
Accrued charges	30,698

	53,280
	=====

Notes to the Financial Statements

for the year ended 30 June 2013
Financial Literacy Australia Limited

	2013 \$
9 Income in advance	
Sponsorships	290,000
Awards sponsorships	40,000
	<u>330,000</u>

10 Related parties and related party transaction

(a) Director's Compensation

The director's act in an honorary capacity and receive no compensation for their services.

(b) Transactions with Director – Related Entities

There were no related parties transactions.

(c) Key Management Personnel Compensation

	2013 \$
Key management personnel compensation	<u>83,721</u>

Directors' Declaration

The directors of the company declare that:

- (a) The attached financial statements and notes thereto comply with Australian Accounting Standards.
- (b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company.
- (c) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.
- (d) There are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the directors



PAUL CLITHEROE
Chair

Sydney

Dated

6 / 11 / 13



Building a better
working world

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Independent auditor's report to the members of Financial Literacy Australia Limited

We have audited the accompanying financial report of Financial Literacy Australia Limited which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards -- Reduced Disclosure Requirements and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that 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 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 our 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, we consider internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors², as well as evaluating the overall presentation of the financial report.

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 professional accounting bodies.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Financial Literacy Australia Limited as of 30 June 2013 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

Ernst & Young

Darren Handley-Greaves
Sydney
6 November 2013