

# The Footpath Library Ltd

ABN 29 128 893 667

## DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 31 December 2015.

### Directors

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

Sarah Garnett

Barbara McKellar

Rhoni Stokes

Richard Bean

James Price (joined February 2015)

Caroline Trotman (joined April 2015)

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

### Information on Directors

#### **Sarah Garnett**

Qualifications AICD Not For Profit Director's course 2009

Experience Director – Itchy Feet Films Pty Ltd, Shooting Picture Partners Pty Ltd

#### **Barbara McKellar**

Qualifications BA, TAFE qualified Literacy and Numeracy volunteer tutor, Advanced Certificate in Executive Coaching, Certificate IV: Workplace Training & Assessment

Experience Consultant, facilitator and coach, specialising in communication, leadership and teamwork.  
Board Member Carriageworks Board 6 years (2007-2012) Acting Chair (2010-2012)  
Director/CEO, Potential Unlimited Learning & Development Solutions Pty Ltd (1993 to present).

#### **Rhoni Stokes**

Qualifications Master of Management; Graduate Diploma in Business Management, Massey University, Albany, Auckland, Bachelor of Arts in Communication, Sturt University, Bathurst

Experience Rhoni Stokes is currently National Manager Communications with Life Without Barriers

#### **Richard Bean**

Qualifications Degree English literature (honours) and philosophy, University of Sydney  
Law degree, University of New South Wales.

Experience Richard Bean is currently Deputy Chairman of the Australian Communications and Media Authority.

#### **James Price**

Qualifications Bachelor of Science degree – 1979 University of Sydney  
Post Graduate Diploma in Marketing – 1994 University of Technology Sydney

Experience James Price is retired. He has held executive leadership positions in Australia, South East Asia and the USA with Pfizer Inc.

#### **Caroline Trotman**

Qualifications Master of Business Administration - Macquarie University  
Graduate Diploma of Applied Finance - Securities Institute of Australia  
Bachelor of Arts - University of Canberra

Experience Caroline Trotman is Executive Director at Swipezy Pty Ltd.

# The Footpath Library Ltd

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## DIRECTORS' REPORT

### Principal Activities

The principal activity of the entity during the financial period was as a charitable organisation involved in the delivery of a regular supply of books to homeless people living in hostels and on the streets, and through community organisations.

The company's short-term objectives are to:

- Provide new and second-hand books to homeless people living in hostels and refuges and to community organisations in Sydney, Brisbane, Melbourne and Perth.
- Encourage literacy
- Change society's attitude to homeless people in our communities

The company's long-term objectives are to:

- Establish literacy projects in homeless hostels and refuges
- Operate mobile services in every city of Australia where The Footpath Library is active

To achieve these objectives, the company has adopted the following strategies:

- The entity strives to attract and retain Board members and volunteers who are committed to working with homeless people. The entity believes that attracting and retaining quality Board members and volunteers will assist with the success of the entity in both the short and long term.
- Board members and volunteers work in partnership with a range of corporate stakeholders, and this is evidenced by ongoing support of the entity's projects and initiatives. The company ensures corporate stakeholders understand and are committed to the objectives of the entity through ongoing communication.

### A summary of the companies major activities include:

- Changed the organisation's structure and employed an Administration Assistant for one day per week.
- Judging and awards of short story competition in April 2015
- Appointed 2 new board members
- Had a successful level of PR
- Increased volunteer positions, including a Homeless Connect Coordinator
- Increased number of libraries by 5
- Distributed over 23,732 books
- Set up CRM software

### Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Sarah Garnett	9	7
Barbara McKellar	9	9
Rhoni Stokes	9	6
Richard Bean	9	9
James Prices	9	8
Caroline Trotman	8	6

**DIRECTORS' REPORT**

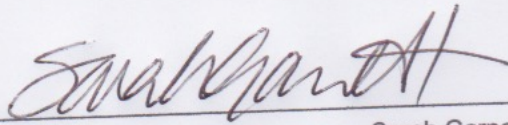
The entity is incorporated under the *Corporations Act 2001* as a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2015, the number of members was 4.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the period ended 31 December 2015 has been received and can be found on page immediately following this directors' report.

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

Director



Sarah Garnett

Dated: 13 April 2016

**The Footpath Library Ltd**  
**ABN 29 128 893 667**

**AUDITOR'S DECLARATION OF INDEPENDENCE**



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**DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF THE FOOTPATH LIBRARY LTD**

As lead auditor of The Footpath Library Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to be 'A J Whyte', written over a circular stamp or seal.

**A J Whyte**  
Director

**BDO Audit Pty Ltd**

Brisbane, 13 April 2016

# The Footpath Library Ltd

ABN 29 128 893 667

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Revenue	2b	71,201	109,174
Insurance expenses	2a	(3,851)	(3,579)
Administrative expenses	2a	(21,535)	(26,245)
Other expenses	2a	(14,713)	(8,041)
Payroll expenses	2a	(71,453)	(78,095)
Loss before income tax		(40,351)	(6,786)
Income tax expense		-	-
Loss for the year		(40,351)	(6,786)
Other comprehensive income after income tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<b>(40,351)</b>	<b>(6,786)</b>
Total comprehensive income attributable to members of the entity		<b>(40,351)</b>	<b>(6,786)</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

### ASSETS

#### CURRENT ASSETS

Cash	3	94,638	124,996
Prepayments		1,613	1,474
TOTAL CURRENT ASSETS		96,251	126,470

#### NON-CURRENT ASSETS

Plant & Equipment	4	23,345	26,992
TOTAL NON-CURRENT ASSETS		23,345	26,992
TOTAL ASSETS		119,596	153,462

### LIABILITIES

Payables	5	6,485	-
TOTAL LIABILITIES		6,485	-

NET ASSETS		<b>113,111</b>	<b>153,462</b>
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### EQUITY

Retained Earnings		113,111	153,462
TOTAL EQUITY		<b>113,111</b>	<b>153,462</b>

The accompanying notes should be read in conjunction with these financial statements.

The Footpath Library Ltd

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STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from external sources		69,705	107,564
Payments to suppliers		(101,559)	(113,972)
Interest received		1,496	1,610
Net cash generated from operating activities	6	<b>(30,358)</b>	<b>(4,798)</b>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		-	-
Payments for plant and equipment		-	-
Net cash used in investing activities		-	-
Net decrease in cash held		(30,358)	(4,798)
Cash at the beginning of the financial year		124,996	129,794
Cash at the end of the financial year	3	<b>94,638</b>	<b>124,996</b>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained Earnings \$	Total \$
<b>Balance at 31 December 2013</b>	<b>160,248</b>	<b>160,248</b>
<b>Comprehensive income</b>		
Loss for the year	(6,786)	(6,786)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(6,786)</b>	<b>(6,786)</b>
<b>Balance at 31 December 2014</b>	<b>153,462</b>	<b>153,462</b>
<b>Comprehensive income</b>		
Loss for the year	(40,351)	(40,351)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(40,351)</b>	<b>(40,351)</b>
<b>Balance at 31 December 2015</b>	<b>113,111</b>	<b>113,111</b>

The accompanying notes should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the members. The company is not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared in accordance with the requirements of the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

AASB 101: Presentation of Financial Statements

AASB 107: Statement of Cash Flows

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 110: Events after the End of the Reporting Period

AASB 1048: Interpretation and Application of Standards

AASB 1054: Australian Additional Disclosures

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

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The directors have determined that the accounting policies described below, which are consistent with those of previous periods unless otherwise stated, are appropriate to meet the needs of members.

The financial statements were authorised for issue on 12 April 2016 by the directors of the company.

**Accounting Policies**

**a. Revenue**

The company receives contributions of goods and services as charitable gifts in kind. These goods and services have a nil replacement value as they would be replaced by other donated goods and services. Revenue from the donation of these goods and services is not included in the financial statements other than as defined under donations and bequests.

Revenue from donations and bequests is recognised when control of the revenue is obtained.

**b. Employee Benefits**

***Short-term employee benefits***

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related services. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be apaid when the liabilities are settled.

**c. Cash**

Cash include cash on hand and deposits held at-call with banks.

**d. Goods and Services Tax (GST)**

The organisation is not registered for GST, and earns no revenue with a GST component. Revenues and expenses are recognised at their gross amount, inclusive of GST where applicable. Cash flows are presented in the Statement of Cashflows on a gross basis.

**e. Income Tax**

The company has Deductible Gift Recipient status and is exempt from the income tax provisions of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f. Motor Vehicle**

The motor vehicle is measured on the cost basis less depreciation and any impairment losses. The motor vehicle was contributed to the entity at no cost, and has been valued and recognised in the financial statements at its fair value at the date it was contributed.

The depreciable amount of the motor vehicle is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

**g. New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The company does not expect these changes in reporting requirements to have a material effect on the company's financial statements when they are first applied.

**h. Critical Accounting Estimates and Judgments**

There are no critical accounting estimates and judgements incorporated into the financial statements.



The Footpath Library Ltd

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<b>NOTE 2: PROFIT BEFORE INCOME TAX</b>		
<b>a. Expenses</b>		
Subscriptions	1,056	1,630
Insurance	3,851	3,579
Administration	21,535	26,245
ASIC late fees	-	(299)
Employee benefits expense	4,975	-
Seminar & Training	3,343	595
Motor Vehicle expenses	1,692	2,468
Depreciation	3,647	3,647
Payroll	71,453	78,095
	<b>111,552</b>	<b>115,960</b>
<b>b. Significant Revenue</b>		
The following significant revenue items are relevant in explaining the financial performance of the company:		
Grants	30,300	26,000
Bequests	-	50,000
Third party event	22,600	-
Donations	16,805	31,564
	<b>69,705</b>	<b>107,564</b>
<b>NOTE 3: CASH</b>		
Cash at bank	<b>94,638</b>	<b>124,996</b>
<b>NOTE 4: PLANT &amp; EQUIPMENT</b>		
Motor Vehicle	28,000	28,000
Less accumulated depreciation	(5,738)	(2,938)
	<b>22,262</b>	<b>25,062</b>
Computer Equipment	3,393	3,393
Less accumulated depreciation	(2,310)	(1,463)
	<b>1,083</b>	<b>1,930</b>
Total Plant and Equipment	<b>23,345</b>	<b>26,992</b>

**The Footpath Library Ltd**  
**ABN 29 128 893 667**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5: TRADE &amp; OTHER PAYABLES</b>		
<b>Current</b>		
Provision for annual leave	4,975	-
Trade Payables	1,510	-
Total Trade & Other Payables	<u>6,485</u>	<u>-</u>

**NOTE 6: CASH FLOW INFORMATION**

**Reconciliation of cash flow from operations with loss after income tax**

Loss after income tax	(40,351)	(6,786)
Adjustments to loss after income tax:		
Depreciation	3,647	3,647
Changes in operating assets and liabilities:		
Decrease / (Increase) in prepayments	(139)	(377)
(Decrease) / Increase in accounts payable	1,510	(1,282)
(Decrease) / Increase in provisions	4,975	-
Cash flows generated from operating activities	<u>(30,358)</u>	<u>(4,798)</u>

**NOTE 6: ENTITY DETAILS**

The registered office and principal place of business of the company is:

101 Bungan Head Road  
Newport NSW 2106

**NOTE 7: MEMBERS' GUARANTEE**

The entity 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 outstandings and obligations of the company. At 31 December 2015, the number of members was 4.

DIRECTORS' DECLARATION

The directors have determined that the company 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.

The directors of the company declare that:

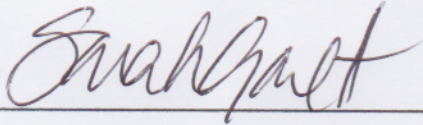
A. The financial statements and notes:

- i. comply with Australian Accounting Standards as described in Note 1 to the financial statements; and
- ii. give a true and fair view of the financial position as at 31 December 2015 and of the performance for the period ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.

B. In the directors' opinion there are reasonable grounds to believe that the company 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.

Director



Sarah Garnett

Dated: 13 April 2016

## INDEPENDENT AUDITOR'S REPORT

To the directors of The Footpath Library Limited

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of The Footpath Library Limited, which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The board directors of the registered entity are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors' determine is necessary to enable the preparation and fair presentation of a 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 have 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 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 responsible entities' 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 registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the responsible entities, 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.

### **Basis for Qualified Opinion**

As is common for organisations of this type, it is not practical for the company to maintain an effective system of internal control over donations until their initial entry in the accounting records. Accordingly, our audit in relation to this type of income was limited to the entries recorded.

### **Qualified Opinion**

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had the limitation on the scope of our work as discussed in the Basis for Qualified Opinion paragraph not existed, the financial report presents fairly, in all material respects, the financial position of The Footpath Library Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with the accounting policies outlined in Note 1 to the financial statements.

### **Basis of Accounting**

Without further 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 to meet the needs of the members. As a result, the financial report may not be suitable for another purpose.

**BDO Audit Pty Ltd**

BDO



**A J Whyte**

Director

Brisbane, 13 April 2016