

# The Footpath Library Ltd

ABN: 29 128 893 667

## Financial statements

For the year to 31 December 2020

## **Directors' report**

The directors present their report on The Footpath Library Ltd (herein "Footpath Library") for the year to 31 December 2020.

### **Directors**

The following were directors during the year and to the date of this report are:

Sarah Garnett

Nicolas Deloux (left May 2020)

Barbara McKellar

Penny Mapp

Dean Isreb (commenced March 2020)

David Anthony (commenced March 2020)

### **Principal activities**

The principal activity of The Footpath Library during the year was the delivery of a regular supply of books to people experiencing homelessness via mobile library services that operated on the streets in Sydney, Melbourne and Perth.

Signed in accordance with a resolution of the board of directors.

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Sarah Garnett  
Director

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Barbara McKellar  
Director

Date signed:

**Statement of comprehensive financial performance**

For the year ended 31 December 2020

	<b>2020</b>	<b>2019</b>
Revenue	147,463	94,990
Personnel expenses	(66,949)	(10,302)
Administrative expenses	(25,973)	(15,681)
Insurance expenses	(3,624)	(3,584)
Other expenses	(15,036)	(5,553)
Net surplus before income tax	<u>35,881</u>	<u>59,870</u>
Income tax	-	-
Other comprehensive income after income tax	-	-
Total comprehensive surplus	<u>35,881</u>	<u>59,870</u>

**Statement of financial position**

As at 31 December 2020

	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>			
Current assets			
Cash		177,615	124,857
Term deposits		-	5,333
Total current assets		<u>177,615</u>	<u>130,190</u>
Non-current assets			
Property, plant and equipment	(2)	<u>8,262</u>	<u>11,061</u>
Total non-current assets		<u>8,262</u>	<u>11,061</u>
Total assets		<u>185,877</u>	<u>141,251</u>
<b>Liabilities</b>			
Current liabilities			
Payables		<u>10,459</u>	<u>1,714</u>
Total current liabilities		<u>10,459</u>	<u>1,714</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>10,459</u>	<u>1,714</u>
Net assets		<u>175,418</u>	<u>139,537</u>
<b>Equity</b>			
Retained surplus		<u>175,418</u>	<u>139,537</u>
Total equity		<u>175,418</u>	<u>139,537</u>

**Statement of changes in equity**

For the year ended 31 December 2020

	<b>Retained surplus</b>
Balance at 1 Jan 2020	139,537
Surplus for the year	35,881
Balance at 31 Dec 2020	<u>175,418</u>
Balance at 1 Jan 2019	79,667
Surplus for the year	59,870
Balance at 31 Dec 2019	<u>139,537</u>

**Statement of cash flows**

For the year ended 31 December 2020

	<b>2020</b>	<b>2019</b>
Cash flows from operating activities		
Donations and grants received	147,286	94,735
Interest received	177	255
Payments to suppliers and employees	(100,038)	(30,606)
Net cash from operating activities	<u>47,425</u>	<u>64,384</u>
Cash flows from investing activities		
Investment in term deposits	5,333	(108)
Net cash from investing activities	<u>5,333</u>	<u>(108)</u>
Cash flows from financing activities		
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash	<u>52,758</u>	<u>64,276</u>
Cash at the beginning of the year	<u>124,857</u>	<u>60,581</u>
Cash at the end of the year	<u>177,615</u>	<u>124,857</u>

## Notes to the financial statements

### 1) Statement of significant accounting policies

The directors' have prepared the financial statements on the basis that The Footpath Library Ltd (herein "Footpath Library") is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Footpath Library is a company limited by guarantee, incorporated and domiciled in Australia. Footpath Library is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

The financial statements are presented in Australian Dollars. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Basis of preparation

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.

Footpath Library is incorporated under the *Corporations Act 2001* as a company limited by guarantee. If Footpath Library is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of Footpath Library.

## Accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below:

### a) Revenue

Donations and grants of cash are recorded as revenue when received.

Footpath Library receives contributions of goods and services as charitable gifts in kind. These goods and services are not included in the financial statements.

Footpath Library receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, Footpath Library recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

Footpath Library recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

When Footpath Library received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, Footpath Library:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Footpath Library:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, Footpath Library recognises income in profit or loss when or as it satisfies its obligations under the contract.

### **Interest Income**

Interest income is recognised using the effective interest method.

### **b) Cash and Cash Equivalents**

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

### **c) Property, Plant and Equipment**

#### **Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.

#### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to Footpath Library commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	5–15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**d) GST**

Footpath Library is not registered for GST.

Revenue, expenses and assets are recognised gross of the amount of GST.

**e) Income Tax**

No provision for income tax has been raised as Footpath Library is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**f) Critical Accounting Estimates and Judgments**

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

## 2) Property, Plant and Equipment

	2020	2019
<b>Plant and Equipment</b>		
At cost	28,000	28,000
Less accumulated depreciation	(19,738)	(16,939)
Net carrying amount	<u>8,262</u>	<u>11,061</u>

## 3) Contingencies

In the opinion of the directors, Footpath Library did not have any contingencies at 31 December 2020 (31 December 2019: none)

## 4) Events after the reporting period

### COVID-19 Disclosure

The Australian economy has been severely impacted by the effects of COVID-19 since March 2020. Footpath Library has assessed the effects of the COVID 19 pandemic occurring and has concluded that there will be no material impacts on the Footpath Library's operations or performance due to this subsequent event at the time of signing.

## 5) Registered Office and Principal Place of Business

The registered office and principal place of business of the Footpath Library is:

Footpath Library  
101 Bungan Head Road  
Newport NSW 2106

## Directors' declaration

In accordance with a resolution of the directors of The Footpath Library Ltd, the directors of the Registered Entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 3 to 11, satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and:
  - a. comply with Australian Accounting Standards applicable to the Entity; and
  - b. give a true and fair view of the financial position of the Registered Entity as at 31 December 2020 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

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Sarah Garnett  
Director

Date signed: