

The Footpath Library Ltd

ABN: 29 128 893 667

Financial statements

For the year to 31 December 2021

Directors' report

The directors present their report on The Footpath Library Ltd (herein "Footpath Library") for the year to 31 December 2021.

Directors

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

Sarah Garnett
Barbara McKellar
Penny Mapp
Dean Isreb
David Anthony
Shelley Norton (commenced January 2021)
Victoria Adams (commenced August 2021)

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.



Sarah Garnett
Director



Penny Mapp
Director

Date signed: 24 March 2022

Statement of comprehensive financial performance

For the year ended 31 December 2021

	2021	2020
Revenue	443,790	147,463
Personnel expenses	(101,288)	(66,949)
Administrative expenses	(17,824)	(25,973)
Insurance expenses	(3,798)	(3,624)
Other expenses	(20,270)	(15,036)
Net surplus before income tax	<u>300,610</u>	<u>35,881</u>
Income tax	-	-
Other comprehensive income after income tax	-	-
Total comprehensive surplus	<u>300,610</u>	<u>35,881</u>

Statement of financial position

As at 31 December 2021

	Note	2021	2020
Assets			
Current assets			
Cash		166,754	177,615
Receivables		978	-
Term deposits		312,393	-
Total current assets		<u>480,125</u>	<u>177,615</u>
Non-current assets			
Property, plant and equipment	(2)	<u>5,462</u>	<u>8,262</u>
Total non-current assets		<u>5,462</u>	<u>8,262</u>
Total assets		<u>485,587</u>	<u>185,877</u>
Liabilities			
Current liabilities			
Payables		6,999	10,459
Employee benefits		<u>2,560</u>	-
Total current liabilities		<u>9,559</u>	<u>10,459</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>9,559</u>	<u>10,459</u>
Net assets		<u>476,028</u>	<u>175,418</u>
Equity			
Retained surplus		<u>476,028</u>	<u>175,418</u>
Total equity		<u>476,028</u>	<u>175,418</u>

Statement of changes in equity
For the year ended 31 December 2021

	Retained surplus
Balance at 1 Jan 2021	175,418
Surplus for the year	300,610
Balance at 31 Dec 2021	<u>476,028</u>
Balance at 1 Jan 2020	139,537
Surplus for the year	35,881
Balance at 31 Dec 2020	<u>175,418</u>

Statement of cash flows

For the year ended 31 December 2021

	2021	2020
Cash flows from operating activities		
Donations and grants received	443,651	147,286
Interest received	139	177
Payments to suppliers and employees	(142,258)	(100,038)
Net cash from operating activities	<u>301,532</u>	<u>47,425</u>
Cash flows from investing activities		
Investment in term deposits	(312,393)	5,333
Net cash from investing activities	<u>(312,393)</u>	<u>5,333</u>
Cash flows from financing activities		
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash	<u>(10,861)</u>	<u>52,758</u>
Cash at the beginning of the year	<u>177,615</u>	<u>124,857</u>
Cash at the end of the year	<u>166,754</u>	<u>177,615</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:

Class of Fixed Asset	Depreciation Rate
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 became registered for GST from 1 June 2021.

Revenue, expenses and assets are recognised gross of the amount of GST during the unregistered period and net of the amount of GST during the registered period.

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

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires Footpath Library to exercise its judgement in the process of applying the Footpath Library's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Footpath Library makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, will seldom equal the related actual results. The estimates and assumptions used in the current year are unlikely to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key estimates included:

(a) Estimate of asset lives, residual lives and depreciation methods

Property, plant and equipment are depreciated over their useful lives taking into account residual values. Useful lives are affected by technology innovations. Future market conditions determine residual values. Depreciation and amortisation is calculated on a straight-line basis which may not represent the actual usage of the asset.

(b) Employee entitlements

Footpath Library starts to provide for long service leave liabilities (LSL) when an employee has completed five years of service. This will be affected by future events as there is no certainty that Footpath Library has to pay out the non-current liabilities. When the employee reaches ten years of service the liability is treated as current as the Footpath Library has an obligation to pay the employee their entitlement on termination or when requested.

2) Property, Plant and Equipment

	2021	2020
Plant and Equipment		
At cost	28,000	28,000
Less accumulated depreciation	<u>(22,538)</u>	<u>(19,738)</u>
Net carrying amount	<u>5,462</u>	<u>8,262</u>

3) Contingencies

In the opinion of the directors, Footpath Library did not have any contingencies at 31 December 2021 (31 December 2020: 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 2021. 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
771a The Scenic Road
Macmasters Beach 2251

Directors' declaration

In accordance with a resolution of the directors of The Footpath Library Ltd, the directors of the Footpath Library 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 Footpath Library; and
 - b. give a true and fair view of the financial position of Footpath Library as at 31 December 2021 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that Footpath Library 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.



Sarah Garnett
Director

Date signed: 24 March 2022