

The Footpath Library Ltd

ABN: 29 128 893 667

Financial statements

For the year to 31 December 2023

Directors' report

The directors present their report on The Footpath Library Ltd (herein "Footpath Library") for the year to 31 December 2023. In order to comply with the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*, the directors report as follows:

Directors

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

Sarah Garnett
Barbara McKellar
Penny Mapp
Dean Isreb (ceased January 2023)
David Anthony
Shelley Norton
Victoria Adams
Raj Pillay (appointed February 2023)

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

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: 31 March 2024

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	2023	2022
Revenue	284,992	265,905
Personnel expenses	(221,863)	(179,269)
Administrative expenses	(30,337)	(24,761)
Insurance expenses	(3,896)	(4,678)
Other expenses	(35,800)	(21,085)
Net (deficit) / surplus before income tax	<u>(6,904)</u>	<u>36,112</u>
Income tax	-	-
Other comprehensive income after income tax	-	-
Total comprehensive (deficit) / surplus	<u>(6,904)</u>	<u>36,112</u>

Statement of financial position

As at 31 December 2023

	Note	2023	2022
Assets			
Current assets			
Cash		211,782	216,429
Receivables		5,453	2,926
Term deposits		313,955	313,955
Total current assets		<u>531,190</u>	<u>533,310</u>
Non-current assets			
Property, plant and equipment	(2)	-	2,662
Total non-current assets		<u>-</u>	<u>2,662</u>
Total assets		<u>531,190</u>	<u>535,972</u>
Liabilities			
Current liabilities			
Payables		15,977	17,208
Employee benefits		9,977	6,624
Total current liabilities		<u>25,954</u>	<u>23,832</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>25,954</u>	<u>23,832</u>
Net assets		<u>505,236</u>	<u>512,140</u>
Equity			
Retained surplus		505,236	512,140
Total equity		<u>505,236</u>	<u>512,140</u>

Statement of changes in equity
For the year ended 31 December 2023

	Retained surplus
Balance at 1 Jan 2023	512,140
Deficit for the year	(6,904)
Balance at 31 Dec 2023	<u>505,236</u>
Balance at 1 Jan 2022	476,028
Surplus for the year	36,112
Balance at 31 Dec 2022	<u>512,140</u>

Statement of cash flows

For the year ended 31 December 2023

	2023	2022
Cash flows from operating activities		
Donations and grants received	272,705	264,121
Interest received	12,287	1,784
Payments to suppliers and employees	(289,639)	(214,668)
Net cash from operating activities	<u>(4,647)</u>	<u>51,237</u>
Cash flows from investing activities		
Investment in term deposits	<u>-</u>	<u>(1,562)</u>
Net cash from investing activities	<u>-</u>	<u>(1,562)</u>
Cash flows from financing activities		
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash	<u>(4,647)</u>	<u>49,675</u>
Cash at the beginning of the year	<u>216,429</u>	<u>166,754</u>
Cash at the end of the year	<u>211,782</u>	<u>216,429</u>

Notes to the financial statements

The financial statements cover The Footpath Library Ltd (herein "Footpath Library") as an individual entity, incorporated and domiciled in Australia. 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.

The financial statements were authorised for issue on 31 March 2024 by the directors of Footpath Library.

1) Statement of significant accounting policies

Financial Reporting Framework

The directors have prepared the financial statements on the basis that Footpath Library is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. Footpath Library is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

Footpath Library has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

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) Financial instruments

Financial instruments are recognised initially on the date that Footpath Library becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Footpath Library classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless Footpath Library changes its business model for managing financial assets.

Amortised cost

Footpath Library's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

Financial Assets

- financial assets measured at amortised cost

- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, Footpath Library considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Footpath Library's historical experience and informed credit assessment and including forward looking information.

Footpath Library uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to Footpath Library in full, without recourse to Footpath Library to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to Footpath Library in accordance with the contract and the cash flows expected to be received.

Financial liabilities

Footpath Library measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of Footpath Library comprise trade payables.

d) 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.

e) GST

Footpath Library is registered for 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

f) 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.

g) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements 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 Footpath Library.

Key estimates included:

(a) Impairment

Footpath Library assesses impairment at the end of each reporting period by evaluating conditions and events specific to Footpath Library that may be indicative of impairment triggers

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

As indicated in Note 1(c), the Footpath Library reviews the useful life of plant and equipment on annual basis.

(c) 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

	2023	2022
Plant and Equipment		
At cost	28,000	28,000
Less accumulated depreciation	(28,000)	(25,338)
Net carrying amount	<u>-</u>	<u>2,662</u>

3) Contingencies

In the opinion of the directors, Footpath Library did not have any contingencies at 31 December 2023 (31 December 2022: none)

4) 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 NSW 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 12, 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 2023 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 2022.



Sarah Garnett
Director

Date signed: 31 March 2024