

The Benjamin Andrew Footpath Library Limited

ABN 29 128 893 667

DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 31 December 2009.

Directors

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

Sarah Garnett

Jacqueline Lane

Shane McLachlan

Shelley McConaghy

Tamara Belleair-Mayers

Fleur Calvert

Thomas O'Brien (appointed 9 February 2010)

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

Company Secretary

Shelley McConaghy held the position of company secretary at the end of the financial period. Shelley was appointed to the role of company secretary at the date of incorporation and has also held the role of a director of the company since 2 September 2008.

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 and disadvantaged people living in hostels and on the streets, and through community organisations.

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The profit after income tax of the entity amounted to \$21,724 (2008: profit of \$9,007).

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Review of Operations

The company continued with its principal activities of delivering books to homeless and disadvantaged people.

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Future Developments

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

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DIRECTORS' REPORT

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

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

Jacqueline Lane

Qualifications — Fellow AICD

MA 1st Hons Political Science, Auckland University

AICD International Director Course 2008

Mentor, NSW SRD Women in Business Programme, 2000-2004

Member The Executive Connection 2000-2005

Experience — NSW President of Women Chiefs of Enterprise International 2002-04, 2006 (NFP)

Director, Women Chiefs of Enterprises International-National 2002-04

Council member, The Women's College, University of Sydney 2002-present

Director/CEO, Focus Publishing 1989-2008

Publisher, Hallmark Editions Pty Ltd, 2009-present

Shane McLachlan

Qualifications — BA

Experience — Director – Itchy Feet Films Pty Ltd, Shooting Picture Partners Pty Ltd, Black Max Pty Ltd
1982-2007

Shelley McConaghy

Qualifications — Member: Australian Institute of Training & Development (AITD)

Assoc Fellow: Australian Institute of Office Professionals (AIOP)

Experience — Learning Designer, Business and Private Banking, Commonwealth Bank Australia

Tamara Bellear-Mayers

Qualifications — Attendance: Management Capability Development Program, NSW Bullying & Harassment
Prevention, NSW Public Sector Mentoring Program

Experience — Various roles in the NSW State Government including Senior Policy Advisor, Special Projects
Officer, Counter Terrorism and HR Business Consultant.

Fleur Calvert

Qualifications — BA, LLM (PDLP)

Experience — Lawyer responsible for firm's pro bono practice.

Prior member Contemporary Art Committee - National Gallery of Victoria, Executive Member,

Young Person's Committee - Anti-Cancer Council, Star Style Committee Member - Starlight

Foundation

Thomas O'Brien

Qualifications — Barrister at Law

Experience — Practising barrister, ex-solicitor, senior management roles in Australia, Asia and the UK

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DIRECTORS' REPORT

Meetings of Directors

During the financial year, 5 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings	
	Number eligible to attend	Number attended
Sarah Garnett	5	5
Jacqueline Lane	5	5
Shane McLachlan	5	5
Shelley McConaghy	5	5
Tamara Belleair-Mayers	5	5
Fleur Calvert	5	5
Thomas O'Brien	0	0

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 31 December 2009 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 this

30th

day of

July

2010.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE BENJAMIN ANDREW FOOTPATH LIBRARY LIMITED**

As lead auditor of The Benjamin Andrew Footpath Library Limited for the period ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

BDO Audit (Qld) Pty Ltd



**Mark Taylor
Director**

Dated at Brisbane this *3rd* day of *August*, 2010.

The Benjamin Andrew Footpath Library Limited

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009	2008
		\$	\$
Revenue		34,536	13,898
Insurance expenses	2	(1,164)	(1,910)
Administrative expenses	2	(2,317)	(419)
Other expenses	2	(9,331)	(2,562)
Profit before income tax		<u>21,724</u>	<u>9,007</u>
Income tax expense		-	-
Profit after income tax		<u>21,724</u>	<u>9,007</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	3	<u>17,431</u>	<u>9,007</u>
TOTAL CURRENT ASSETS		<u>17,431</u>	<u>9,007</u>

NON-CURRENT ASSETS

Plant & Equipment	4	<u>13,300</u>	-
TOTAL NON-CURRENT ASSETS		<u>13,300</u>	-

TOTAL ASSETS		<u>30,731</u>	<u>9,007</u>
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TOTAL LIABILITIES		-	-
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NET ASSETS		<u>30,731</u>	<u>9,007</u>
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EQUITY

Retained Earnings		<u>30,731</u>	<u>9,007</u>
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TOTAL EQUITY		<u>30,731</u>	<u>9,007</u>
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STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

CASH FLOW FROM OPERATING ACTIVITIES

Receipts from external sources		20,470	13,857
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Payments to suppliers		(12,112)	(4,891)
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Interest received		66	41
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Net cash generated from operating activities	5	<u>8,424</u>	<u>9,007</u>
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Net decrease in cash held		8,424	9,007
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Cash at the beginning of the financial year		9,007	-
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Cash at the end of the financial year	3	<u>17,431</u>	<u>9,007</u>
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The accompanying notes should be read in conjunction with these financial statements.

The Benjamin Andrew Footpath Library Limited

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STATEMENT OF RECOGNISED INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2009

	Retained Earnings	Total
	\$	\$
Balance at 13 December 2007	-	-
Profit attributable to the entity	9,007	9,007
Balance at 31 December 2008	<u>9,007</u>	<u>9,007</u>
Profit attributable to the entity	21,724	21,724
Balance at 31 December 2009	<u><u>30,731</u></u>	<u><u>30,731</u></u>

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

The Benjamin Andrew Footpath Library Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 *Corporations Act 2001*.

The financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

- AASB 101: Presentation of Financial Statements
- AASB 107: Cash Flow Statements
- AASB 108: Accounting Policies, changes in Accounting Estimates and Errors
- AASB 110: Events after the Balance Sheet Date
- AASB 1004: Contributions
- AASB 1031: Materiality
- AASB 1048: Interpretation and Application of Standards

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 are appropriate to meet the needs of members.

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.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

b. Cash and Cash Equivalents

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

c. 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.

d. Income Tax

Current income tax expense charged to the income statement is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

The company is in the process of applying to Treasury for Deductible Gift Recipient status by name under the provisions of the *Income Tax Assessment Act 1997*. The company is also in the process of applying to the Australian Taxation Office for exemption from income tax as a charitable institution under the *Income Tax Assessment Act 1997*. Should these applications be successful, exemption from previous, current and future income tax liabilities may be granted.

e. Comparative Figures

The company was incorporated on 13 December 2007. The comparative financial period commenced on 13 December 2007 and ended on 31 December 2008. Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

The Benjamin Andrew Footpath Library Limited

ABN 29 128 893 667

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. 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 anticipate early adoption of any of the reporting requirements and does not expect them to have any material effect on the company's financial statements.

	2009	2008
	\$	\$

NOTE 2: PROFIT BEFORE INCOME TAX

a. Expenses

Registration and Legal Fees	657	875
Subscriptions	327	117
Insurance	1,164	1,910
Administration	2,317	419
Storage	748	382
Hostel Library	424	1,188
Launches	1,775	-
Motor Vehicle expenses	576	-
Training	3,150	-
Depreciation	700	-
Advertising	974	-
	12,812	4,891

b. Significant Revenue

The following significant revenue items are relevant in explaining the financial performance of the company:

Contribution of assets – motor vehicle at fair value	14,000	-
Donations	20,470	13,857
	20,470	13,857

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank	17,431	9,007
	17,431	9,007

NOTE 4: PLANT AND EQUIPMENT

Motor Vehicle at fair value	14,000	-
Less accumulated depreciation	(700)	-
Total Plant and Equipment	13,300	-

The Benjamin Andrew Footpath Library Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
NOTE 5: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	21,724	9,007
Non cash flows in profit		
Depreciation	700	-
Contribution of assets – motor vehicle at fair value	(14,000)	-
Cash flows generated from operating activities	<u>8,424</u>	<u>9,007</u>

NOTE 6: ENTITY DETAILS

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

33 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 2009 the number of members was 6.

The Benjamin Andrew Footpath Library Limited

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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 are in accordance with the *Corporations Act 2001* and:
- i. comply with Australian Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the financial position as at 31 December 2009 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 this



day of



2010.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE BENJAMIN ANDREW FOOTPATH LIBRARY LIMITED

We have audited the accompanying financial report, being a special purpose financial report, of The Benjamin Andrew Footpath Library Limited, which comprises the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 would be in the same terms if it had been given to the directors at the time that this auditor's report was made.



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE BENJAMIN ANDREW FOOTPATH LIBRARY LIMITED

Qualification

As is common for organisations of this type, it is not practicable 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.

Auditor's 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 qualification paragraph not existed, the financial report of The Benjamin Andrew Footpath Library Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

BDO Audit (Qld) Pty Ltd

Mark Taylor
Director

Dated at Brisbane this 3rd day of August, 2010.