

CANNING AGRICULTURAL, HORTICULTURAL & RECREATIONAL SOCIETY INC.



Albany Highway, (Corner Station Street)
Cannington

Financial Report
for the year ended
31st December 2019

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Canning Agricultural, Horticultural and Recreational Society Inc.

Financial Report for the Year Ended 31 December 2019

COMMITTEE'S REPORT

Your committee members submit the financial report of the Canning Agricultural, Horticultural and Recreational Society Inc. for the financial year ended 31 December 2019.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Ray Porter	President
Maxine Wylie	Vice President
Colin Dawkins	
Victoria Jones	
Geoff Moor	
Coleen Edmeades	
Leonard Robinson	
Evan Jamieson	
Jenny Outram	
Geoff Crocos	

Principal Activities

The principal activities of the association during the financial year were to:

- Provide premises and buildings for use by members, community groups and the general public to conduct cultural, commercial and social activities.
- Provide WAGRA with leased premises for the conduct of greyhound racing.
- Provide the Commonwealth of Australia leased premises for use by the Air Training Corp.
- The conduct of the annual Canning Show and other Community Events.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The net trading surplus amounted to \$590,712.

Signed

.....
President, CAHRS

.....
Vice President, CAHRS

Dated this day of February 2020

MANAGEMENT COMMITTEE DECLARATION

The Financial Statements and Notes of the Canning Agricultural, Horticultural and Recreational Society Inc. are in accordance with the Associations Incorporation (WA) Act 2015, the Australian Accounting Standards and the Accounting Policies outlined in Note 1 to the Financial Statements.

In the opinion of the committee the financial statements and notes as set out on pages one to twenty three.

1. Presents a true and fair view of the financial position of Canning Agricultural, Horticultural and Recreational Society Inc. as at 31 December 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Canning Agricultural, Horticultural and Recreational Society Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President

President

Vice President

Vice President

Dated this day of February 2020

INDEPENDENT AUDIT REPORT

To the members of Canning Agricultural, Horticultural and Recreational Society Inc.

Report on the financial report

I have audited the accompanying financial report, being a general purpose financial report of the Canning Agricultural, Horticultural and Recreational Society Inc. (the Association), which comprises of the balance sheet as at 31 December 2019, the comprehensive income statement, statement of changes in equity and statement of cash flows for the year then ended, notes comprising of summary of significant accounting policies and other explanatory information, the Committee's report.

Committee's responsibility for the financial report

The committee of the association is responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation (WA) Act 2015*. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards and the requirements of the *Association Incorporation (WA) Act 2015* and its Regulations. Those standards require that I 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 Association's 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 the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional ethical pronouncements.

Basis for qualified opinion

As is common for not-for-profit organisations, it is not practicable for the association to maintain an effective system of internal control over receipts including Gate Admissions and other activities until their initial entry into its financial records. Accordingly, my audit on the association's income was limited to the amounts recorded in the financial records. I am therefore unable to express an opinion whether the receipts including gate admissions and other activities is complete.

Qualified opinion

In my opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial report presents fairly, in all material respects, the financial position of Canning Agricultural, Horticultural and Recreational Society Inc. as at 31 December 2019 and its financial performance for the year then ended in accordance with the accounting policies in Note 1 and the *Associations Incorporation (WA) Act 2015*.

Basis of accounting and restriction on distribution

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Canning Agricultural, Horticultural and Recreational Society Inc. to meet the requirements of the *Associations Incorporation (WA) Act 2015*. As a result the report may not be suitable for another purpose.

Auditor's signature



Auditors Name

Dominic Carbone MIPA

Date

Date 16 February 2020

Auditors Address

Dominic Carbone & Associates
64 Canning Highway
Victoria Park WA 6100

Auditors Independence Declaration

To the Committee of Management of the Canning Agricultural, Horticultural & Recreational Society Inc.

In accordance with the requirements of Section 80 of the Association Incorporation Act 2015 as the Auditor of the Canning Agricultural, Horticultural & Recreational Society Inc., I declare that to the best of my knowledge and belief that there have been.

- (1) No contraventions of the auditor independence requirements in relation to the Audit.
- (2) No contraventions of any applicable code of professional conduct in relation to the audit.



Dominic Carbone MIPA
Auditor

16 February 2020

COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
Revenue	2	1,685,674	2,745,154
Canning Show	3	(118,215)	(143,494)
Events and Functions	3	(8,009)	(10,146)
Buildings and Grounds	3	(337,286)	(295,011)
Administration	3	(631,452)	(517,995)
		<hr/>	<hr/>
Net Result		590,712	1,778,508
		<hr/>	<hr/>
Changes on Revaluation of Non-Current Assets	10	0	0
		<hr/>	<hr/>
Total Surplus		590,712	1,778,508
		<hr/>	<hr/>

BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	5,172,207	4,988,776
Trade and other receivables	8	87,400	71,864
TOTAL CURRENT ASSETS		5,259,607	5,060,640
NON-CURRENT ASSETS			
Property, plant and equipment	10	34,681,036	34,562,762
TOTAL NON-CURRENT ASSETS		34,681,036	34,562,762
TOTAL ASSETS		39,940,643	39,623,402
CURRENT LIABILITIES			
Trade and other payables	11	303,290	445,281
Provisions	9	35,325	30,947
TOTAL CURRENT LIABILITIES		338,615	476,228
NON-CURRENT LIABILITIES			
Trade and other Payables	11	660,325	797,326
Provisions	9	2,145	1,002
TOTAL NON-CURRENT LIABILITIES		662,470	798,328
TOTAL LIABILITIES		1,001,085	1,274,556
NET ASSETS		38,939,558	38,348,846
EQUITY			
Retained Earnings		9,962,959	9,372,247
Reserves	12	28,976,599	28,976,599
TOTAL EQUITY		38,939,558	38,348,846

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Retained Earnings \$	Assets Revaluation Reserve \$	Total \$
Balance at 1 January 2018		7,593,739	28,976,599	36,570,338
Surplus attributable to members		1,778,508	0	1,778,508
Revaluation of Fixed Assets		0	0	0
Balance at 1 January 2019		9,372,247	28,976,599	38,348,846
Surplus attributable to members		590,712	0	590,712
Revaluation of Fixed Assets	10	0	0	0
Balance at 31 December 2019		9,962,959	28,976,599	38,939,558

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,544,076	1,483,012
Payments to suppliers and employees		(1,193,928)	(762,600)
Interest paid		0	0
Interest received		126,062	46,548
		<hr/>	<hr/>
Net cash provided by operating activities	17	476,210	766,960
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds of Disposal of Plant and Equipment		0	1,544,000
Purchase of Property, plant and equipment		(292,779)	(566,554)
Net cash used in investing activities		(292,779)	977,446
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		0	0
		<hr/>	<hr/>
Net increase in cash held		183,431	1,744,406
Cash at beginning of year		4,988,776	3,244,370
		<hr/>	<hr/>
Cash at end of year	7	5,172,207	4,988,776
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act WA.

The financial report covers The Canning Agricultural, Horticultural and Recreational Society Inc. As an individual entity. The Canning Agricultural, Horticultural and Recreational Society Inc. As an association incorporated in Western Australia under the *Associations Incorporation Act 1987*.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Income Tax

The Canning Agricultural, Horticultural and Recreational Society Inc. Is not for profit Association and is not subject to Income Tax.

b. Inventories

Inventories are valued using a current cost method and the balance day value of stock on hand is shown as a current asset in the balance sheet.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

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

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a diminishing balance basis over their useful lives to the commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Furniture and Office Equipment	15%
Minor Plant and Equipment	14.29%
Plant and Equipment	10%
Building Improvements	2.50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f. Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

g. **Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

h. **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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

i. **Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

j. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

k. **Goods and Services Tax (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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The committee members evaluate estimates and judgement incorporated into the financial report 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 the association.

Key Estimates — Impairment

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 2: REVENUE

	2019	2018
	\$	\$
Revenue		
Rental Income	1,389,093	1,387,386
Canning Show	89,954	85,720
Other	206,627	1,272,048
	<u>1,685,674</u>	<u>2,745,154</u>

NOTE 3: PROFIT

	2019	2018
	\$	\$
a. Expenses		
Canning Show	118,215	143,494
Events and Functions	8,009	10,146
Buildings and Grounds	337,286	295,011
Administration	631,452	517,996
	<u>1,094,962</u>	<u>966,647</u>

	2019	2018
	\$	\$
b. Significant Revenue and Expenses		
Proceeds Sale of Land	↓ 0	1,186,784
Interest Received	↑ 149,554	55,369
Lease Rental Income – Bunnings	↑ 947,795	931,922
Lease Rental Income – WAGRA	↑ 220,481	217,579
Canning Show Gate Admissions	↑ 30,663	25,808
Rental Income Halls	↓ 212,938	224,772
Canning Show Expenses	↓ (118,215)	(143,494)
Employee Costs	↑ (292,410)	(255,020)
Professional and Legal Fees	↑ (21,360)	(9,109)
Buildings and Ground Maintenance	↑ (162,781)	(130,130)
Depreciation	↑ (174,505)	(161,961)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 4: INCOME TAX EXPENSE

	2019	2018
	\$	\$
Not Applicable as Canning Agricultural, Horticultural and Recreational Society Inc is Not For Profit Association	0	0

NOTE 5: KEY MANAGEMENT PERSONNEL

	Short-term Benefit	Post Employment Benefit	Total
	\$	\$	\$
2019			
Total remuneration	263,017	0	263,017
2018			
Total remuneration	224,405	0	224,405

NOTE 6: AUDITORS' REMUNERATION

	2019	2018
	\$	\$
Remuneration of the auditor of the association for:		
— auditing or reviewing the financial report	4,500	5,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 7: CASH AND CASH EQUIVALENTS	2019	2018
	\$	\$
Cash at bank and in hand		
Cash on hand	222	300
Bankwest – Debit Mastercard	776	500
Bankwest – Term Deposits	4,963,356	4,473,007
Bankwest – Operating Account	207,853	514,969
TOTAL	<u>5,172,207</u>	<u>4,988,776</u>

NOTE 8: TRADE AND OTHER RECEIVABLES	2019	2018
	\$	\$
CURRENT		
Trade Debtors	21,505	29,260
Interest Received – Accrual	64,495	41,004
Accrued Income	1,400	1,600
	<u>87,400</u>	<u>71,864</u>

NOTE 9: PROVISIONS	2019	2018
	\$	\$
CURRENT		
Provision for Annual Leave	15,999	13,542
Provision for Long Service Leave	19,326	17,405
	<u>35,325</u>	<u>30,947</u>
NON CURRENT		
Provision for Long Service Leave	2,145	1,002
	<u>2,145</u>	<u>1,002</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
Plant and Equipment: CAHRS (Valuation and Cost)	115,426	101,748
Total Plant and Equipment	115,426	101,748
Land: CAHRS (Fair Value)	9,486,000	9,486,000
WAGRA and Commercial Site (Lease Property) (Fair Value)	17,062,784	17,062,784
Total Land	26,548,784	26,548,784
Building and Improvements:		
Bunnings (Cost)	1,267,250	1,301,500
CAHRS (Fair Value and Cost)	6,749,576	6,610,730
Total Buildings and Improvements	8,016,826	7,912,230
Total Property, Plant and Equipment	34,681,036	34,562,762

The Society engaged the services of McGees Property to undertake a valuation of the property located at the corner of Liege Street, Albany Highway and Station Street, Cannington as at 31 December 2014 comprising of Building Improvements being the Cyril Vickery Air Training Corp Building, Dick Liddelow Community Facility and Administration Offices, Exhibition Hall, Men's Shed Building (former Rugby Changerooms and Administration Office), Fencing and Paving. The WAGRA Greyhound racing facilities were not revalued on the basis that during 2016 the track and building improvements were demolished. Land leased or utilised by the Society has all been revalued at the Market Value/Fair Value. Plant and Equipment has not been revalued.

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings and Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	26,548,784	7,912,230	101,748	34,562,762
Additions	0	255,692	37,087	292,779
Plus/Minus Asset Revaluation	0	0	0	0
Disposals	0	0	0	0
Provision for depreciation written back	0	0	0	0
Depreciation expense	0	(151,096)	(23,409)	(174,505)
Carrying amount at the end of year	26,548,784	8,016,826	115,426	34,681,036

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 11: TRADE AND OTHER PAYABLES	2019	2019
CURRENT	\$	\$
Demolition Costs and Development Contributions (Refundable)	137,000	137,000
Credit Card	275	356
Creditors and Accrual	27,168	12,719
Prepaid Hall Hire Deposits	13,586	17,430
Income Received in Advance	88,339	86,318
PAYG Withholding Tax	3,698	4,410
Bond Money Refundable	25,580	24,010
Employee Entitlements – Superannuation	6,069	0
GST Payable	1,575	163,038
	<hr/>	<hr/>
	303,290	445,281
NON CURRENT		
Demolition Costs and Development Contributions (Refundable)	660,325	797,325
	<hr/>	<hr/>
	660,325	797,325

NOTE 12: RESERVES	2019	2018
Assets Revaluation Reserve	\$	\$
The financial assets reserve records revaluations of non-current assets.		
Land	26,906,000	26,906,000
Buildings and Improvements	1,950,942	1,950,942
Plant and Equipment	119,657	119,657
	<hr/>	<hr/>
TOTAL	28,976,599	28,976,599

NOTE 13: CAPITAL AND LEASING COMMITMENTS	2019	2018
	\$	\$
a. Finance Lease Commitments		
Canning Agricultural, Horticultural and Recreational Society Inc have no finance leases at 31 December 2019	0	0
b. Operating Lease Commitments		
Canning Agricultural, Horticultural and Recreational Society Inc have no operating leases at 31 December 2019	0	0
	<hr/>	<hr/>
	0	0

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Canning Agricultural, Horticultural and Recreational Society Inc. has not identified any contingent sums as at 31 December 2019.

NOTE 15: EVENTS AFTER THE BALANCE SHEET DATE

NIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 16: RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2019	2018
	\$	\$
The total remuneration paid to KMP of the Association during the year are as follows:		
Short- term employee benefits	93,919	93,916
Post – employment benefits	8,922	8,922
Other long – term benefits	<u>9,572</u>	<u>9,572</u>
	<u>112,413</u>	<u>112,410</u>

Short - term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP.

Post – employment benefits

These amounts are the current year’s estimated cost of providing for the Association’s superannuation contributions made during the year.

Other long – term benefits

These amounts represents annual and long service benefits accruing during the year.

Related Parties

The Associations main related parties are as follows:

- i. Key Management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.
- ii. Entities subject to significant influence by the Association
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statue or agreement.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions not more favourable than those available to other parties unless otherwise stated:

The following transactions occurred with related parties:	2019
	\$
Amounts outstanding from related parties:	0
Amounts payable to related parties:	0
Value of amounts paid by related parties for the period (membership and hire fees)	335
Value of amounts payable to related parties for the period (Reimbursements and suppliers)	635

NOTE 17: CASH FLOW INFORMATION

	2019	2018
	\$	\$
Reconciliation of Cash Flow from Operations		
Change in Equity from operations	590,712	1,778,508
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in operations		
— Depreciation	174,505	161,961
— Net gain on disposal of property, plant and equipment	0	(1,186,784)
Changes in assets and liabilities		
— Change in trade and other debtors	(15,536)	(32,792)
— Change in other provisions	5,521	4,896
— Change in trade and other payables	(278,992)	41,171
	<u>476,210</u>	<u>766,960</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 18: FINANCIAL INSTRUMENTS

a. Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

Financial Risks

The main risks the association is exposed through its financial instruments are liquidity risk and credit risk.

Liquidity Risk

The association manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the business sheet and notes to the financial statements.

The association does not have any material credit risk exposure.

b. Interest Rate Risk

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

The financial instruments at balance date:

	Carrying Value 2018 \$	Average Interest % 2018	Variable Interest Rate % 2018	Less than 1 year \$	1 to 5 years \$	5 to 10 years \$	Non Interest Bearing \$	Carrying Value 2019 \$	Fair Value 2019 \$
Financial Assets									
Cash	4,988,776	2.22	0.10	5,171,209	0	0	998	5,172,207	5,172,207
Trade Receivables-Current	<u>71,864</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>87,400</u>	<u>87,400</u>	<u>87,400</u>
	<u>5,060,640</u>			<u>5,171,209</u>	<u>0</u>	<u>0</u>	<u>88,398</u>	<u>5,259,607</u>	<u>5,259,607</u>
Financial Liabilities									
Accounts Payable – Current	445,281			0	0	0	303,290	303,290	303,290
Employee entitlements-Current	<u>30,947</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>35,325</u>	<u>35,325</u>	<u>35,325</u>
	<u>476,228</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>338,615</u>	<u>338,615</u>	<u>338,615</u>

Fair Value

Fair value is determined as follows:

Cash – Receivables and Payables – are estimated to be equal to the carrying value which approximates net market value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 19: REGISTERED OFFICE

The registered office of the
Canning Agricultural, Horticultural
and Recreational Society Inc.
Albany Highway
(Corner Station Street)
Cannington, Western Australia

The principal places of business is:
Canning Agricultural, Horticultural
and Recreational Society Inc.
Albany Highway
(Corner Station Street)
Cannington, Western Australia

NOTE 20: SEGMENT REPORTING

The association operates predominantly in one business and geographical segment being provision of premises and buildings for use by members and community groups, lease of premises to WAGRA for greyhound racing and the conduct of the Annual Canning Show and other expos and events.

NOTE 21: ECONOMIC DEPENDENCY

A portion of the revenue received by the Society is by way of grants and sponsorship from the State Government and associated agencies. The total revenue received from these sources is as follows:

	2019	2018
	\$	\$
Bankwest	0	200
Lotterywest	20,000	20,000
Perth Airport Pty Ltd	1,000	1,000
Volunteering WA	1,000	0
Department of Infrastructure	5,000	0
City of Canning	4,545	0
Backhouse & Associates	500	0
DOUST	455	0
Healthways	<u>14,000</u>	<u>16,000</u>
	<u>46,500</u>	<u>37,200</u>

AASB 15

The Association met the performance obligations for the above mentioned by 31 December 2019.
Revenue was recognised on receipt or as accrued income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 22: Volunteer Services

The Association utilises volunteers to conduct its Annual Canning Show over two days in November of each calendar year. AASB 1058 requires the recognition of volunteer services where they would have been purchased if not donated and the fair value of the services can be reliably measured.

The Association has determined that the fair value of volunteer services cannot be reliably measured and therefore not recognised in the financial statements.

NOTE 23: Lease Income

The Association (Lessor) has reviewed its leases and has classified them as Operating Leases in accordance with AASB 16 on the basis that the association substantially retains all of the risks and benefits incident to ownership of the leased items. The payments received by the Association are recognised as income.

The Leased property comprises of land and buildings owned by the Association.

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2018	2019	2019
	Actual	Budget	Actual
	\$	\$	\$
REVENUE			
Rental Income			
Bunnings (Rental and Reimbursements)	931,922	873,000	947,795
Ground Lease – Telecommunication Facility	13,113	0	7,879
WA Greyhounds (Rental and Reimbursements)	217,579	225,000	220,481
Vickery Pavilion (Rental and Reimbursements)	62,633	60,642	61,885
Exhibition Hall	125,468	130,000	123,188
Liddelow Pavilion	<u>36,671</u>	<u>28,000</u>	<u>27,865</u>
	<u>1,387,386</u>	<u>1,316,642</u>	<u>1,389,093</u>
Canning Show			
Grant and Contributions	21,200	20,000	22,400
Gate Admissions	25,808	0	30,663
Donations	646	1,000	1,067
Ground space	12,499	12,500	12,599
General entries	3,685	3,500	3,585
Presentation Night	2,082	2,000	1,568
Sundry	800	0	(28)
Sponsorship	<u>19,000</u>	<u>20,000</u>	<u>18,100</u>
	<u>85,720</u>	<u>59,000</u>	<u>89,954</u>
Other			
Proceeds Sale of Land	1,186,784	0	0
Grant	0	0	5,000
Interest	55,369	102,500	149,554
Events and Workshops (Incl. Sponsorship & Grants)	3,925	4,000	5,632
Member subscriptions	3,628	4,050	3,305
Contribution – Paid Parental leave	7,193	0	5,755
Other	<u>15,149</u>	<u>15,513</u>	<u>37,381</u>
	<u>1,272,048</u>	<u>126,063</u>	<u>206,627</u>
TOTAL	<u>2,745,154</u>	<u>1,501,705</u>	<u>1,685,674</u>
EXPENDITURE			
Canning Show			
Advertising	14,503	18,000	0
Catering	814	900	2,343
Entertainment	43,374	50,000	51,800
Equipment hire	19,748	23,140	18,935
Gate donation	3,794	1,000	0
Presentation Evening	14,128	15,000	12,558
Prizes	11,456	13,800	12,331
Security	6,040	5,500	6,280
Signs	2,540	1,000	1,409
Wages	725	3,900	2,495
Other	<u>26,372</u>	<u>18,250</u>	<u>10,064</u>
	<u>143,494</u>	<u>150,490</u>	<u>118,215</u>

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2018	2019	2019
	Actual	Budget	Actual
	\$	\$	\$
Events & Functions			
Other	<u>10,146</u>	<u>19,000</u>	<u>8,009</u>
	<u>10,146</u>	<u>19,000</u>	<u>8,009</u>
Buildings & Grounds			
Ground Maintenance	75,509	37,000	39,870
Halls & Office maintenance	11,374	15,250	66,373
Plant & Equipment Maintenance	4,120	3,000	3,288
Cleaning	39,127	39,000	51,522
Depreciation	161,961	0	174,505
Security	2,920	1,660	1,083
Signage	<u>0</u>	<u>1,000</u>	<u>645</u>
	<u>295,011</u>	<u>96,910</u>	<u>337,286</u>
Administration			
Affiliation fees	166	166	166
Accounting Fees	2,355	10,000	22,293
Audit	5,000	5,000	4,500
Bank Charges	1,733	1,733	1,763
Bad Debts	0	0	895
Catering	357	520	530
Donations	0	0	6,000
Interest costs	0	0	7,766
Insurance	29,291	32,815	31,294
Office equipment	157	200	1,141
Photocopier Rental and Consumables	2,699	3,000	2,739
Postage (Incl. Box Rental)	990	1,175	1,250
Printing	501	3,000	2,150
Professional & Legal fees	9,109	30,000	21,360
Promotion & advertising	3,122	21,400	20,606
Rates & Taxes	158,635	155,000	164,406
I.T. Support and Licences	5,898	8,300	9,747
Staff payroll, Superannuation, Training, Annual/LS Leave Accrual	255,020	262,564	292,410
Stationery	828	960	1,091
Sundry	1,195	1,574	1,392
Utilities	9,286	12,000	10,132
Electricity	25,227	24,000	24,739
Members Medallions	768	0	0
Website	1,024	0	0
Telephone & Internet	<u>4,634</u>	<u>4,800</u>	<u>3,082</u>
	<u>517,995</u>	<u>578,207</u>	<u>631,452</u>
TOTAL PAYMENTS	<u>966,646</u>	<u>844,607</u>	<u>1,094,962</u>
NET OPERATING SURPLUS FOR THE YEAR	<u>1,778,508</u>	<u>657,098</u>	<u>590,712</u>
(Before changes on Revaluation of Non-Current Assets)			