

# CANNING AGRICULTURAL, HORTICULTURAL & RECREATIONAL SOCIETY (INC.)



Albany Highway, (Corner Station Street)  
Cannington

**Financial Report**  
for the year ended  
31<sup>st</sup> December 2020

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# Canning Agricultural, Horticultural and Recreational Society (Inc.)

## Financial Report for the Year Ended 31 December 2020

### 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 2020.

#### 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	
Jennifer Outram	
Geoff Crocos	
Maureen Chew	
Lesley Wai	

#### 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

As a result of Covid-19 during the calendar year some events were cancelled and the income of the Society was affected as a result. The Society has changed its current operation to coincide with State and Federal Governments Covid-19 legislation.

#### Operating Result

The net trading surplus amounted to \$386,363.

Signed

.....  
President, CAHRS

.....  
Vice President, CAHRS

Dated this      day of April 2021

**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 four.

- 1. Presents a true and fair view of the financial position of Canning Agricultural, Horticultural and Recreational Society (Inc.) as at 31 December 2020 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 April 2021

## **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 2020, 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 2020 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**

24 March 2021

**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

24 March 2021

## COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
Revenue	2	1,673,326	1,685,674
Canning Show	3	(112,501)	(118,215)
Events and Functions	3	(20,218)	(8,009)
Buildings and Grounds	3	(423,467)	(337,286)
Administration	3	(730,777)	(631,452)
		<hr/>	<hr/>
Net Result		386,363	590,712
		<hr/>	<hr/>
Changes on Revaluation of Non-Current Assets	10	0	0
		<hr/>	<hr/>
Total Surplus		386,363	590,712
		<hr/>	<hr/>



## BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	5,764,252	5,172,207
Trade and other receivables	8	37,028	87,400
<b>TOTAL CURRENT ASSETS</b>		<b>5,801,280</b>	<b>5,259,607</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	34,471,856	34,681,036
<b>TOTAL NON-CURRENT ASSETS</b>		<b>34,471,856</b>	<b>34,681,036</b>
<b>TOTAL ASSETS</b>		<b>40,273,136</b>	<b>39,940,643</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	375,931	303,290
Provisions	9	43,874	35,325
<b>TOTAL CURRENT LIABILITIES</b>		<b>419,805</b>	<b>338,615</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other Payables	11	523,325	660,325
Provisions	9	4,084	2,145
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>527,409</b>	<b>662,470</b>
<b>TOTAL LIABILITIES</b>		<b>947,214</b>	<b>1,001,085</b>
<b>NET ASSETS</b>		<b>39,325,922</b>	<b>38,939,558</b>
<b>EQUITY</b>			
Retained Earnings		10,349,323	9,962,959
Reserves	12	28,976,599	28,976,599
<b>TOTAL EQUITY</b>		<b>39,325,922</b>	<b>38,939,558</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Retained Earnings \$	Assets Revaluation Reserve \$	Total \$
<b>Balance at 1 January 2019</b>		<b>9,372,247</b>	<b>28,976,599</b>	<b>38,348,846</b>
Surplus attributable to members		590,712	0	590,712
Revaluation of Fixed Assets		0	0	
<b>Balance at 1 January 2020</b>		<b>9,962,959</b>	<b>28,976,599</b>	<b>38,939,558</b>
Surplus attributable to members		386,364	0	386,364
Revaluation of Fixed Assets	10	0	0	0
<b>Balance at 31 December 2020</b>		<b>10,349,323</b>	<b>28,976,599</b>	<b>39,325,922</b>

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,472,020	1,544,076
Payments to suppliers and employees		(962,144)	(1,193,928)
Interest paid		0	0
Interest received		113,772	126,062
		<hr/>	<hr/>
Net cash provided by operating activities	17	623,648	476,210
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds of Disposal of Plant and Equipment		0	0
Purchase of Property, plant and equipment		(31,603)	(292,779)
Net cash used in investing activities		<hr/>	<hr/>
		(31,603)	(292,779)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash provided by (used in) financing activities		0	0
		<hr/>	<hr/>
Net increase in cash held		592,045	183,431
Cash at beginning of year		5,172,207	4,988,776
		<hr/>	<hr/>
Cash at end of year	7	5,764,252	5,172,207
		<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 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 2020

### 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

The Society assesses whether it has a lease and the right to control for a period of time in exchange for consideration. The lease term begins at commencement date, the date on which the lessor makes an underlying asset available for use by the lease. The right of use asset is recognized at cost. Peppercorn leases are leases where the consideration paid by the Lessee is significantly less than fair value. The Australian Accounting Standards Board has granted a temporary exemption for peppercorn lease accounting that is having to fair value right of use assets arising from peppercorn lease contracts. However the Association is required to disclose the following:

- The entity's dependence on leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives; and
- The nature and terms of the leases, including
  - The lease payments
  - The lease term
  - A description of the underlying assets and
  - Restrictions on the use of the underlying assets specific to the entity

Lease income from operating leases where the Society is a lessor is recognised as income on a straight line basis over the term of the lease.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 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.

#### 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 2020**

NOTE 2: REVENUE

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Rental Income	1,374,707	1,389,093
Canning Show	144,356	89,954
Other	154,263	206,627
	<hr/>	<hr/>
	1,673,326	1,685,674

NOTE 3: PROFIT

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>a. Expenses</b>		
Canning Show	112,501	118,215
Events and Functions	20,218	8,009
Buildings and Grounds	423,467	337,286
Administration	730,777	631,452
	<hr/>	<hr/>
	1,286,963	1,094,962

		<b>2019</b>	<b>2018</b>
		\$	\$
<b>b. Significant Revenue and Expenses</b>			
Interest Received	↓	68,808	149,554
Lease Rental Income – Bunnings	↑	995,844	947,795
Lease Rental Income – WAGRA	↑	226,438	220,481
Canning Show Gate Admissions	↑	98,305	30,663
Rental Income Halls	↓	152,425	212,938
Canning Show Expenses	↓	(112,501)	(118,215)
Employee Costs	↑	310,468	(292,410)
Professional and Legal Fees	↓	(853)	(21,360)
Buildings and Ground Maintenance	↑	(182,684)	(162,781)
Depreciation	↑	(240,783)	(174,505)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 4: INCOME TAX EXPENSE

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Not Applicable as Canning Agricultural, Horticultural and Recreational Society Inc is Not For Profit Association	0	0

NOTE 5: KEY MANAGEMENT PERSONNEL

	<b>Short-term Benefit</b>	<b>Post Employment Benefit</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2020</b>			
Total remuneration	276,105	0	276,105
<b>2019</b>			
Total remuneration	263,017	0	263,017

NOTE 6: AUDITORS' REMUNERATION

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the association for:		
— auditing or reviewing the financial report	4,500	4,500



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 7: CASH AND CASH EQUIVALENTS	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash at bank and in hand</b>		
Cash on hand	200	222
Bankwest – Debit Mastercard	412	776
Bankwest – Term Deposits	5,034,969	4,963,356
Bankwest – Operating Account	728,671	207,853
<b>TOTAL</b>	<u>5,764,252</u>	<u>5,172,207</u>

NOTE 8: TRADE AND OTHER RECEIVABLES	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade Debtors	17,497	21,505
Interest Received – Accrual	19,531	64,495
Accrued Income	0	1,400
	<u>37,028</u>	<u>87,400</u>

NOTE 9: PROVISIONS	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Provision for Annual Leave	25,233	15,999
Provision for Long Service Leave	18,641	19,326
	<u>43,874</u>	<u>35,325</u>
<b>NON CURRENT</b>		
Provision for Long Service Leave	4,084	2,145
	<u>4,084</u>	<u>2,145</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Plant and Equipment: CAHRS (Valuation and Cost)	97,956	115,426
<b>Total Plant and Equipment</b>	<b>97,956</b>	<b>115,426</b>
Land: CAHRS (Fair Value)	9,486,000	9,486,000
WAGRA and Commercial Site (Lease Property) (Fair Value)	17,062,784	17,062,784
<b>Total Land</b>	<b>26,548,784</b>	<b>26,548,784</b>
Building and Improvements:		
Bunnings (Cost)	1,198,750	1,267,250
CAHRS (Fair Value and Cost)	6,626,366	6,749,576
<b>Total Buildings and Improvements</b>	<b>7,825,116</b>	<b>8,016,826</b>
<b>Total Property, Plant and Equipment</b>	<b>34,471,856</b>	<b>34,681,036</b>

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.

	<b>Land</b>	<b>Buildings and Improvements</b>	<b>Plant and Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of year	26,548,784	8,016,826	115,426	34,681,036
Additions	0	28,967	2,636	31,603
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	(220,677)	(20,106)	(240,783)
<b>Carrying amount at the end of year</b>	<b>26,548,784</b>	<b>7,825,116</b>	<b>97,956</b>	<b>34,471,856</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTE 11: TRADE AND OTHER PAYABLES	<b>2020</b>	<b>2019</b>
<b>CURRENT</b>	<b>\$</b>	<b>\$</b>
Demolition Costs and Development Contributions (Refundable)	137,000	137,000
Credit Card	848	275
Creditors and Accrual	79,865	27,168
Prepaid Hall Hire Deposits	11,949	13,586
Income Received in Advance	82,992	88,339
PAYG Withholding Tax	5,984	3,698
Bond Money Refundable	32,755	25,580
Employee Entitlements – Superannuation	13,119	6,069
GST Payable	11,419	1,575
	<hr/>	<hr/>
	375,931	303,290
<b>NON CURRENT</b>		
Demolition Costs and Development Contributions (Refundable)	523,325	660,325
	<hr/>	<hr/>
	523,325	660,325

NOTE 12: RESERVES	<b>2020</b>	<b>2019</b>
<b>Assets Revaluation Reserve</b>	<b>\$</b>	<b>\$</b>
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: LEASES**

The Society has a peppercorn Lease with the Station Street Men's Shed Inc. (SSMS) for the purpose of housing a Men's Shed.

Pursuant to a Memorandum of Understanding between the parties the Society receives a peppercorn rental for the lease of the former Greyhounds WA building, known as the "Rugby Change Rooms" and shared use of a car parking area. The initial term commenced on 28<sup>th</sup> July 2015 for a period of two years with options to renew for 2 further terms of four years each.

**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 2020.

**NOTE 15: EVENTS AFTER THE BALANCE SHEET DATE**

NIL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 16: RELATED PARTY TRANSACTIONS

#### Key Management Personnel (KMP) Compensation Disclosure

	2020	2019
	\$	\$
The total remuneration paid to KMP of the Association during the year are as follows:		
Short- term employee benefits	97,532	93,919
Post – employment benefits	9,266	8,922
Other long – term benefits	<u>1,550</u>	<u>4,893</u>
	<u>108,348</u>	<u>107,734</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:

	2020	2019
	\$	\$
The following transactions occurred with related parties:		
Amounts outstanding from related parties:	0	0
Amounts payable to related parties:	30	0
Value of amounts paid by related parties for the period (membership and hire fees)		
Value of amounts payable to related parties for the period (Reimbursements and suppliers)		

### NOTE 17: CASH FLOW INFORMATION

	2020	2019
	\$	\$
<b>Reconciliation of Cash Flow from Operations</b>		
Change in Equity from operations	386,364	590,712
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in operations		
— Depreciation	240,783	174,505
— Net gain on disposal of property, plant and equipment	0	0
Changes in assets and liabilities		
— Change in trade and other debtors	49,465	(15,536)
— Change in other provisions	10,487	5,521
— Change in trade and other payables	<u>(63,451)</u>	<u>(278,992)</u>
	<u>623,648</u>	<u>476,210</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 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 2019 \$	Average Interest % %	Variable Interest Rate % %	Less than 1 year \$	1 to 5 years \$	5 to 10 years \$	Non Interest Bearing \$	Carrying Value 2020 \$	Fair Value 2020 \$
<b>Financial Assets</b>									
Cash	5,172,207	0.85%	0.01%	5,763,640	0	0	612	5,764,252	5,764,252
Trade Receivables-Current	<u>87,400</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>37,028</u>	<u>37,028</u>	<u>37,028</u>
	<u>5,259,607</u>			<u>5,763,640</u>	<u>0</u>	<u>0</u>	<u>37,640</u>	<u>5,801,280</u>	<u>5,801,280</u>
<b>Financial Liabilities</b>									
Accounts Payable – Current	303,290			0	0	0	375,931	375,931	375,931
Employee entitlements-Current	<u>35,325</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>43,874</u>	<u>43,874</u>	<u>43,874</u>
	<u>338,615</u>			<u>0</u>	<u>0</u>	<u>0</u>	<u>419,805</u>	<u>419,805</u>	<u>419,805</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 2020

### 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:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Bankwest	0	0
Lotterywest	0	20,000
Perth Airport Pty Ltd	0	1,000
Volunteering WA	0	1,000
Department of Infrastructure	0	5,000
City of Canning	25,000	4,545
Backhouse & Associates	0	500
DOUST	0	455
Healthways	0	14,000
	<u>25,000</u>	<u>46,500</u>

### AASB 15

The Association met the performance obligations for the above mentioned by 31 December 2020.  
Revenue was recognised on receipt or as accrued income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 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 2020

	2019	2020	2020
	Actual	Budget	Actual
	\$	\$	\$
<b>REVENUE</b>			
Rental Income			
Bunnings (Rental and Reimbursements)	947,795	}	995,844
Ground Lease – Telecommunication Facility	7,879	} 1,272,493	0
WA Greyhounds (Rental and Reimbursements)	220,481	}	226,438
Vickery Pavilion (Rental and Reimbursements)	61,885	}	65,147
Exhibition Hall	123,188	} 158,630	65,320
Liddelow Pavilion	<u>27,865</u>	} _____	<u>21,958</u>
	<u>1,389,093</u>	<u>1,431,123</u>	<u>1,374,707</u>
Canning Show			
Grant and Contributions	22,400	21,000	0
Gate Admissions	30,663	30,000	98,305
Donations	1,067	1,000	1,950
Ground space	12,599	15,000	12,926
General entries	3,585	0	3,941
Presentation Night	1,568	2,000	1,934
Sundry	(28)	0	300
Sponsorship	<u>18,100</u>	<u>15,000</u>	<u>25,000</u>
	<u>89,954</u>	<u>84,000</u>	<u>144,356</u>
Other			
Cashflow Boost	0	0	48,344
Gain on Sale of Non-Current Asset	0	0	27
Grant	5,000	0	0
Interest	149,554	100,000	68,808
Events and Workshops (Incl. Sponsorship & Grants)	5,632	5,500	0
Member subscriptions	3,305	3,800	4,505
Contribution – Paid Parental leave	5,755	0	0
Other	<u>37,381</u>	<u>10,100</u>	<u>32,579</u>
	<u>206,627</u>	<u>119,400</u>	<u>154,263</u>
<b>TOTAL</b>	<u>1,685,674</u>	<u>1,634,523</u>	<u>1,673,326</u>
<b>EXPENDITURE</b>			
Canning Show			
Catering	2,343	17,300	767
Entertainment	51,800	48,000	43,795
Equipment hire	18,935	26,000	32,075
Ticketing Processing Fee	0	0	6,399
Presentation Evening	12,558	0	0
Prizes	12,331	14,000	10,442
Security	6,280	0	10,380
Signs	1,409	5,500	0
Wages	2,495	3,000	5,000
Other	<u>10,064</u>	<u>11,500</u>	<u>3,643</u>
	<u>118,215</u>	<u>125,300</u>	<u>112,501</u>



**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2019</b>	<b>2020</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Events & Functions			
Other	<u>8,009</u>	<u>5,700</u>	<u>20,218</u>
	<u>8,009</u>	<u>5,700</u>	<u>20,218</u>
Buildings & Grounds			
Ground Maintenance	39,870	45,400	72,905
Halls & Office maintenance	66,373	49,750	49,734
Plant & Equipment Maintenance	3,288	7,400	5,908
Cleaning	51,522	54,760	38,631
Depreciation	174,505	0	240,783
Security	1,083	11,500	15,506
Signage	<u>645</u>	<u>4,500</u>	<u>0</u>
	<u>337,286</u>	<u>173,310</u>	<u>423,467</u>
Administration			
Affiliation fees	166	200	0
Accounting Fees	22,293	2,000	17,273
Audit	4,500	5,500	4,500
Bank Charges	1,763	1,800	1,591
Bad Debts	895	0	0
Catering	530	500	412
Donations	6,000	6,000	5,043
Interest costs	7,766	0	0
Insurance	31,294	30,000	98,338
Office equipment	1,141	5,000	2,718
Photocopier Rental and Consumables	2,739	3,000	3,106
Postage (Incl. Box Rental)	1,250	1,330	1,486
Printing	2,150	4,200	2,343
Professional & Legal fees	21,360	115,000	853
Promotion & advertising	20,606	20,000	19,249
Rates & Taxes	164,406	165,000	178,233
I.T. Support and Licences	9,747	12,450	32,642
Staff payroll, Superannuation, Training, Annual/LS Leave Accrual	292,410	299,906	310,468
Stationery	1,091	1,400	1,210
Sundry	1,392	2,400	6,434
Utilities	10,132	12,000	10,963
Electricity	24,739	28,600	22,700
Volunteer Costs	0	2,000	4,993
Motor Vehicle	0	4,000	3,427
Telephone & Internet	<u>3,082</u>	<u>4,000</u>	<u>2,795</u>
	<u>631,452</u>	<u>726,286</u>	<u>730,777</u>
TOTAL PAYMENTS	<u>1,094,962</u>	<u>1,030,596</u>	<u>1,286,963</u>
<b>NET OPERATING SURPLUS FOR THE YEAR</b>	<u><b>590,712</b></u>	<u><b>603,927</b></u>	<u><b>386,363</b></u>

(Before changes on Revaluation of Non-Current Assets)