

Canning Agricultural Horticultural and Recreational Society (Inc.)
ABN 89 724 335 208

Financial Report

For the Year Ended 31 December 2021

Canning Agricultural Horticultural and Recreational Society (Inc.)

ABN 89 724 335 208

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For the Year Ended 31 December 2021

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Canning Agricultural Horticultural and Recreational Society (Inc.)

ABN 89 724 335 208

Committee's Report

For the Year Ended 31 December 2021

The committee members submit the financial report of Canning Agricultural Horticultural and Recreational Society (Inc.) for the financial year ended 31 December 2021.

Committee members

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

Maxine Wylie	President
Ray Porter	Vice President
Colin Dawkins	Member
Geoff Crocos	Member
Geoff Moor	Member
Jennifer Outram	Member
Colleen Edmeades	Member
Maureen Chew	Member
Leonard Robinson	Member
Lesley Wai	Member
Victoria Jones	Member

Principal activities

The principal activities of the Association during the financial year were:

- 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; and
- Conduct 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 surplus of the Association for the financial year amounted to \$ 502,369 (2020: \$ 434,846).

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Committee's Report

For the Year Ended 31 December 2021

Events after the reporting date

In March 2020 ,the World Health Organisation declared a pandemic in relation to the COVID-19 virus. The Federal and State Governments have announced measures and guidelines to control the spread of the virus. The Association has implemented changes to continue to deliver services for the duration of this outbreak.

At this time of signing this report, it was not possible to predict or reliably estimate the potential impact of COVID-19, however the Committee will continue to monitor the situation going forward.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 80 of the *Associations Incorporation Act 2015 (WA)* for the year ended 31 December 2021 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Members of the Committee:

Committee member:

Committee member:

Dated 15 March 2022

Auditor's Independence Declaration under Section 80 of the Associations Incorporation Act 2015 (WA)

To: the Committee of Canning Agricultural Horticultural and Recreational Society (Inc.)

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2021 there have been:

- (i) no contraventions of the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DRY KIRKNESS

Date:
West Perth
Western Australia

B ROTHMAN
Partner

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

		2021	(Restated) 2020
	Note	\$	\$
Revenue	6	1,779,371	1,673,973
Administration expense	7	(707,236)	(682,294)
Buildings and grounds expense	7	(410,782)	(423,467)
Canning Show expense		(84,172)	(113,148)
Events and functions expense		(74,812)	(20,218)
Surplus before income tax		502,369	434,846
Income tax expense	3(a)	-	-
Surplus for the year		502,369	434,846
Other comprehensive income, net of income tax			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		502,369	434,846

The accompanying notes form part of these financial statements.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Statement of Financial Position

As At 31 December 2021

		2021	(Restated) 2020
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	5,775,649	5,764,252
Trade and other receivables	9	21,664	37,028
TOTAL CURRENT ASSETS		<u>5,797,313</u>	<u>5,801,280</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	34,831,307	34,471,856
TOTAL NON-CURRENT ASSETS		<u>34,831,307</u>	<u>34,471,856</u>
TOTAL ASSETS		<u>40,628,620</u>	<u>40,273,136</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	93,566	107,457
Employee benefits	12	46,337	43,874
Other liabilities	13	223,997	219,991
TOTAL CURRENT LIABILITIES		<u>363,900</u>	<u>371,322</u>
NON-CURRENT LIABILITIES			
Employee benefits	12	1,621	4,084
Other liabilities	13	386,325	523,325
TOTAL NON-CURRENT LIABILITIES		<u>387,946</u>	<u>527,409</u>
TOTAL LIABILITIES		<u>751,846</u>	<u>898,731</u>
NET ASSETS		<u>39,876,774</u>	<u>39,374,405</u>
EQUITY			
Asset Revaluation Reserve		28,976,599	28,976,599
Retained earnings		10,900,175	10,397,806
TOTAL EQUITY		<u>39,876,774</u>	<u>39,374,405</u>

The accompanying notes form part of these financial statements.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Statement of Changes in Equity

For the Year Ended 31 December 2021

2021

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 January 2021	10,397,806	28,976,599	39,374,405
Surplus for the year	502,369	-	502,369
Balance at 31 December 2021	10,900,175	28,976,599	39,876,774

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2020	9,962,960	28,976,599	38,939,559
Surplus for the year - restated	434,846	-	434,846
Balance at 31 December 2020	10,397,806	28,976,599	39,374,405

The accompanying notes form part of these financial statements.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Statement of Cash Flows

For the Year Ended 31 December 2021

	2021	(Restated) 2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,912,435	1,553,844
Payments to suppliers and employees	(1,337,958)	(1,092,312)
Receipt from COVID-19 stimulus from government	-	48,344
Interest received	36,037	113,772
Net cash provided by operating activities	21(b) <u>610,514</u>	<u>623,648</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(599,117)</u>	<u>(31,603)</u>
Net cash used in investing activities	<u>(599,117)</u>	<u>(31,603)</u>
Net increase in cash and cash equivalents held	11,397	592,045
Cash and cash equivalents at beginning of year	<u>5,764,252</u>	<u>5,172,207</u>
Cash and cash equivalents at end of financial year	21(a) <u><u>5,775,649</u></u>	<u><u>5,764,252</u></u>

The accompanying notes form part of these financial statements.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

The financial report covers Canning Agricultural Horticultural and Recreational Society (Inc.) as an individual entity. Canning Agricultural Horticultural and Recreational Society (Inc.) ("the Association") is a not-for-profit Association incorporated in Western Australia under the *Associations Incorporation Act 2015 (WA)* ("the Act").

The functional and presentation currency of Canning Agricultural Horticultural and Recreational Society (Inc.) is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the Act. The Association has elected to adopt AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* ("AASB 1060") ahead of its mandatory effective date.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Association as a result of the change in the basis of preparation.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

In the previous years, the Association prepared general purpose financial statements which complied with all recognition and measurement requirements and the disclosures complied with the reporting requirements of Australian Accounting Standards – Reduced Disclosure Requirements.

In adopting AASB 1060, the Association has applied AASB 1 *First Time Adoption of Australian Accounting Standards* with 1 January 2021 as the date of transition.

3 Summary of Significant Accounting Policies

(a) Income Tax

The Association is a not-for-profit association and is not subject to income tax.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies (Continued)

(b) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Rental income

The Association ("Lessor") has reviewed its leases and has classified them as operating leases in accordance with AASB 16 *Leases* on the basis that the Association substantially retains all of the risks and benefits incident to ownership of the leased items. Lease revenue is recognised on a straight-line basis over the lease term, net of any incentives.

Event income

Event income is recognised at a point in time when the given performance obligation is met, that is, when customers receive and consume the benefits of the services as the Association provides them, the revenue recognition models is based on the time elapsed output method.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

Interest income

Interest is recognised using the effective interest method.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies (Continued)

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) 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, no amounts are included in the financial statements for services donated by volunteers.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) 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.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost or revaluation model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

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Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies (Continued)

(f) Property, plant and equipment (Continued)

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10 - 15%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

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

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

Financial assets

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

Classification

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

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (Continued)

Financial assets (Continued)

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

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

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

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

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies (Continued)

(h) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

(i) Employee benefits

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(j) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(k) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 31 December 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer to Note 2 for details of the changes due to standards adopted.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

4 Retrospective restatement

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Certain comparative figures have been restated due to prior period errors.

An insurance expense amounting to \$48,483 was recognised as trade payable and administration expense for the year ended 31 December 2020. This was an error in recognition as the expense related to the year ended 31 December 2021.

The aggregate effect of the error on the annual financial statements for the year ended 31 December 2021 is as follows:

	Previously stated	2020 Adjustments	Restated
	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income			
Administration expense	730,777	(48,483)	682,294
Surplus for the year	386,363	48,483	434,846
Statement of Financial Position			
CURRENT LIABILITIES			
Trade and other payables	155,940	(48,483)	107,457
EQUITY			
Retained earnings	10,349,323	48,483	10,397,806
Statement of Cash Flows			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	1,472,020	81,824	1,553,844
Payments to suppliers and employees	(962,144)	(130,168)	(1,092,312)
Receipt from COVID-19 stimulus from government	-	48,344	48,344

5 Critical Accounting Estimates and Judgments

The Committee make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Critical Accounting Estimates and Judgments (Continued)

Key estimates - useful lives of property, plant and equipment

As described in Note 3(f), the Association reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key judgements - employee benefits

For the purpose of measurement, AASB119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Association expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the Association believes that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

6 Revenue and Other Income

	2021	2020
Note	\$	\$
Revenue from contracts with customers (AASB 15)		
- Canning Show	243,042	144,354
- Member subscriptions	5,382	4,505
- Net gain on disposals of property, plant and equipment	-	27
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- COVID-19 government stimulus	-	48,344
- Insurance claim	-	23,479
- Other	27,197	9,749
Other		
- Rental income	1,480,859	1,374,707
- Interest income	22,891	68,808
- Net gain on disposals of property, plant and equipment	-	27
	<u>1,779,371</u>	<u>1,674,000</u>

7 Result for the Year

The result for the year includes the following specific income and expenses:

Canning Show gate admissions	135,093	98,304
Rental income:		
- Bunnings lease	1,029,472	995,844
- WAGRA lease	237,243	226,438
- Halls	214,144	152,425
Depreciation expense	239,666	240,783
Employee benefit expenses	317,474	310,468

8 Cash and Cash Equivalents

Cash on hand	200	200
Operating account	431,071	728,671
Debit mastercard	43	412
Short-term deposits	5,344,335	5,034,969
	<u>5,775,649</u>	<u>5,764,252</u>

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9 Trade and Other Receivables

CURRENT		
Trade receivables	14,979	17,497
Deposit	300	-
Interest receivable	6,385	19,531
	<u>21,664</u>	<u>37,028</u>

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Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

10 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At independent valuation - CAHRS	9,486,000	9,486,000
At independent valuation - WAGRA and commercial site	17,062,784	17,062,784
Total freehold land	<u>26,548,784</u>	<u>26,548,784</u>
Buildings		
At independent valuation - CAHRS	2,893,783	2,893,783
At independent valuation - WAGRA and commercial site	743,060	743,060
At cost	5,042,646	5,042,646
Accumulated depreciation	(1,094,235)	(872,873)
Total buildings	<u>7,585,254</u>	<u>7,806,616</u>
Total land and buildings	<u>34,134,038</u>	<u>34,355,400</u>
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<u>613,618</u>	18,500
Plant and equipment		
At independent valuation	158,752	158,752
At cost	295,060	291,060
Accumulated depreciation	(370,161)	(351,856)
Total plant and equipment	<u>83,651</u>	<u>97,956</u>
Total property, plant and equipment	<u>34,831,307</u>	<u>34,471,856</u>

The Association's land and buildings were revalued at 31 December 2014 by independent valuers - McGees Property. Valuations were made on the basis of open market value in an arms length transaction based on similar properties for land and the depreciated replacement cost method for buildings. The revaluation increment was credited against the asset revaluation reserve in equity.

(a) 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:

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2021					
Balance at the beginning of year	18,500	26,548,784	7,806,616	97,956	34,471,856
Additions	595,118	-	-	3,999	599,117
Depreciation expense	-	-	(221,362)	(18,304)	(239,666)
Balance at the end of the year	<u>613,618</u>	<u>26,548,784</u>	<u>7,585,254</u>	<u>83,651</u>	<u>34,831,307</u>

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Trade and Other Payables

		2021	(Restated) 2020
	Note	\$	\$
CURRENT			
Trade payables	14	15,961	20,574
Deposits	14	18,244	11,949
GST payable		11,155	21,755
Other payables	14	1,010	7,305
Refundable bonds	14	35,080	32,755
Superannuation payable	14	12,116	13,119
		<u>93,566</u>	<u>107,457</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Employee Benefits

CURRENT			
Annual leave		25,233	25,233
Long service leave		21,104	18,641
		<u>46,337</u>	<u>43,874</u>
NON-CURRENT			
Long service leave		1,621	4,084
		<u>1,621</u>	<u>4,084</u>

13 Other Liabilities

CURRENT			
Rent received in advance		86,997	82,991
Demolition costs and development contributions - Bunnings	14	137,000	137,000
		<u>223,997</u>	<u>219,991</u>
NON-CURRENT			
Demolition costs and development contributions - Bunnings	14	386,325	523,325
		<u>386,325</u>	<u>523,325</u>

Canning Agricultural Horticultural and Recreational Society (Inc.)

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Notes to the Financial Statements

For the Year Ended 31 December 2021

14 Financial Risk Management

		2021	(Restated) 2020
		\$	\$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	8	5,775,649	5,764,252
Trade and other receivables	9	<u>21,664</u>	<u>37,028</u>
Total financial assets		<u>5,797,313</u>	<u>5,801,280</u>
Financial liabilities			
Measured at amortised cost			
Trade and other payables	11	82,411	85,702
Other liabilities	13	<u>523,325</u>	<u>660,325</u>
Total financial liabilities		<u>605,736</u>	<u>746,027</u>

15 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is \$ 107,198 (2020: \$ 108,348).

16 Auditors' Remuneration

Remuneration of the auditor, Dry Kirkness (prior year: Dominic Carbone & Associates) for:

- auditing or reviewing the financial statements - prior year

Total

<u>4,500</u>	4,500
<u>4,500</u>	<u>4,500</u>

17 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2021 (31 December 2020:None).

18 Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Provision of fire systems maintenance and servicing

<u>7,386,382</u>	-
<u>7,386,382</u>	<u>-</u>

19 Leases

The Association 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 Association 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 July 2015 for a period of two years with options to renew for two further terms of four years each.

Canning Agricultural Horticultural and Recreational Society (Inc.)

ABN 89 724 335 208

Notes to the Financial Statements

For the Year Ended 31 December 2021

20 Related Parties

(a) **The Association's main related parties are as follows:**

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions with related parties**

There were no related parties transactions in the year. There was one service transaction with the Chief Executive Officer at a cost of \$30 in prior year.

21 Cash Flow Information

(a) **Reconciliation of cash**

	2021	(Restated) 2020
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	5,775,649	5,764,252

(b) **Reconciliation of result for the year to cashflows from operating activities**

Reconciliation of net surplus to net cash provided by operating activities:

Surplus for the year	502,369	434,846
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
Depreciation expense	239,666	240,783
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	15,364	50,372
- increase/(decrease) in trade and other payables	(13,891)	29,507
- increase/(decrease) in other liabilities	(132,994)	(142,348)
- increase/(decrease) in employee benefits	-	10,488
Cashflows from operations	<u>610,514</u>	<u>623,648</u>

Canning Agricultural Horticultural and Recreational Society (Inc.)

ABN 89 724 335 208

Notes to the Financial Statements

For the Year Ended 31 December 2021

22 Events after the end of the Reporting Period

The financial report was authorised for issue on 15 March 2022 by the Committee.

In March 2020, the World Health Organisation declared a pandemic in relation to the COVID-19 virus. The Federal and State Governments have announced measures and guidelines to control the spread of the virus. The Association has implemented changes to continue to deliver services for the duration of this outbreak.

At this time of signing this report, it was not possible to predict or reliably estimate the potential impact of COVID-19, however the Committee will continue to monitor the situation going forward.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

23 Statutory Information

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

Canning Agricultural Horticultural and Recreational Society (Inc.)
Gate 1 Corner Station Street & Albany Highway,
Cannington WA 6107

Canning Agricultural Horticultural and Recreational Society (Inc.)

ABN 89 724 335 208

Committee's Declaration

The members of the Committee of the Association declare that the financial statements and notes, as set out on pages 4 to 21, are in accordance with the *Associations Incorporation Act 2015 (WA)* and:

- a. comply with Australian Accounting Standards - Simplified Disclosures;
- b. give a true and fair view of the financial position as at 31 December 2021 and of the performance and cash flows for the year ended on that date of the Association; and
- c. there are reasonable grounds to believe that the Association 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 Committee.

Committee member..... Committee member

Dated 15 March 2022

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial report of Canning Agricultural Horticultural and Recreational Society (Inc.) ("the Association"), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

In our opinion, the accompanying financial report of Canning Agricultural Horticultural and Recreational Society (Inc.), has been prepared in accordance with the requirements of the *Associations Incorporation Act 2015 (WA)*, including:

- (a) giving a true and fair view of the Association's financial position as at 31 December 2021 and of its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial report of the Association for the year ended 31 December 2020 was audited by another auditor who expressed a modified opinion on the financial report on 20 April 2021.

Information Other than the Financial Report and Auditor's Report Thereon

The committee members are responsible for the other information. The other information comprises the information included in the Committee's Report for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The committee members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Associations Incorporation Act 2015 (WA)* and for such internal control as the committee members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRY KIRKNESS

Date:
West Perth
Western Australia

B ROTHMAN
Partner