



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JULY 31, 2020

**GARY J WESTFALL
CHARTERED PROFESSIONAL ACCOUNTANT
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REVIEW ENGAGEMENT

**To the Members
London Bridge Centre Inc.**

I have reviewed the accompanying financial statements of London Bridge Centre Inc. that comprise the Statement of Financial Position as at July 31, 2020 and the Statements of Revenue and Expenses and Net Assets and Cash Flows for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair preparation of these financial statements in accordance with Canadian accounting standards for not for profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures in a review are substantially less in content than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of London Bridge Centre Inc. as at July 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not for Profit Organizations.

G. J. Westfall CPA CA

Bramalea, Ontario
December 1, 2020

G.J. Westfall, CPA, CA Licensed Public Accountant

LONDON BRIDGE CENTRE INC.
Statement of Financial Position
July 31, 2020
(Unaudited)

	2020	2019
	\$	\$
ASSETS		
Current Assets		
Cash	47,942	43,063
Accounts Receivable	12,930	135
HST Recoverable	1,432	
Prepaid expenses	2,142	272
	64,446	43,470
Capital Assets (Note 2)	47,615	59,720
Other Assets	3,044	4,302
	115,105	107,492
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	1,981	2,515
HST payable		608
Deferred revenue	1,500	1,580
	3,481	4,703
 Net Assets		
Unrestricted net assets	111,624	102,789
	115,105	107,492

Approved on behalf of the Board of Directors:

President	<i>Judy Stirling</i>
Treasurer	<i>Tom Jolliffe</i>

The accompanying notes are an integral part of these financial statements.

LONDON BRIDGE CENTRE INC.
Statement of Revenue and Expenses and Net Assets
For the year ended July 31, 2020
(Unaudited)

	2020	2019
	\$	\$
REVENUE		
Game Fees	75,076	121,541
Commissions from BBO (Note 4)	24,563	
Membership Dues	12,132	11,903
Special Events Net Revenue (a)	807	1,477
Lesson Revenue	2,189	2,529
Room rental	788	1,003
Miscellaneous Revenue	1,000	1,062
Donations	865	1,829
	<u>117,420</u>	<u>141,344</u>
 EXPENSES		
Facilities and Equipment (b)	75,210	79,743
Bridge Expenses (c)	28,532	37,469
Operations (d)	2,514	3,586
Member Expenses (e)	2,296	1,230
Interest Expense & Bank charges	33	310
	<u>108,585</u>	<u>122,338</u>
 EXCESS OF REVENUE OVER EXPENSES	 8,835	 19,006
 NET ASSETS, Beginning of Year	 <u>102,789</u>	 <u>83,783</u>
 NET ASSETS, End of Year	 <u><u>111,624</u></u>	 <u><u>102,789</u></u>

Notes:

- (a) Patti Lee, London Sectional
- (b) rent, amortization, security, insurance, cleaning, utilities
- (c) directors' fees, ACBL fees, bridge supplies, amortization, Pianola
- (d) computer expense, office supplies, printing, telephone & internet
- (e) name tags, cookies, hospitality

The accompanying notes are an integral part of these financial statements.

LONDON BRIDGE CENTRE INC.
Statement of Cash Flows
For the year ended July 31, 2020
(Unaudited)

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Income from operations	8,835	19,006
Items not affecting cash		
Amortization of capital assets	12,904	14,116
Donation of balance of Promissory Note		(100)
	<u>21,739</u>	<u>33,022</u>
Changes in non-cash working capital		
Accounts receivable	(12,795)	(135)
HST Recoverable	(1,432)	
Prepaid expenses	(1,870)	(8)
Purchase Capital Assets	(799)	
Other assets	1,258	(50)
Accounts payable	(534)	(3,161)
HST payable	(608)	221
Deferred Revenue	(80)	80
	<u>(16,860)</u>	<u>(3,053)</u>
Cash flow from operating activities	<u>4,879</u>	<u>29,969</u>
INVESTING ACTIVITIES		
Promissory notes repayments		<u>(70,370)</u>
INCREASE (DECREASE) IN CASH	4,879	(40,401)
CASH, Beginning of Period	<u>43,063</u>	<u>83,464</u>
CASH, End of Period	<u><u>47,942</u></u>	<u><u>43,063</u></u>

The accompanying notes are an integral part of these financial statements.

LONDON BRIDGE CENTRE INC.

NOTES TO FINANCIAL STATEMENTS

Year ended July 31, 2020

(Unaudited)

London Bridge Centre Inc. was incorporated under the laws of Ontario on June 1, 2015.

The objectives of London Bridge Centre Inc. are as follows.

1. To promote interest in, and the playing of, the game of bridge.
2. To provide facilities for playing, teaching and introducing new players to the game of bridge; and such other complementary purposes not inconsistent with these objects.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and reflect the following policies:

- a) London Bridge Centre Inc. follows the deferral method of fund accounting for revenue. All revenue is recognized in the current year. Deferred revenue results from unused prepaid game cards at year end.
- b) The capital assets are being amortized on a straight-line basis.

Leasehold Improvements	10-year straight-line basis.
Furniture & Equipment	5-year straight-line basis.
Bridge & Computer Equipment	3-year straight-line basis.
- c) London Bridge Centre Inc. is a non-profit entity under the Income Tax Act (Canada) and, as such, is exempt from income taxes under section 149(1)(l).
- d) The success of a member-run club depends on the contribution of services by its members. Because of the difficulty in determining their market value, contributed services are not recognized in the financial statements. However, it should be noted that the original plan for the operation of the bridge centre called for management fees of \$6,000 per annum. These fees have been declined by the volunteers carrying out these functions.

NOTE 2 – CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net Book Value</u>	<u>2019 Net Book Value</u>
Leasehold Improvements	\$ 81,017	\$ 36,669	\$ 44,348	\$ 52,496
Furniture & Equipment	20,882	18,030	2,852	6,233
Bridge & Computer Equip	16,854	16,439	415	991
TOTAL	\$ 118,753	\$ 71,138	\$ 47,615	\$ 59,720

NOTE 3 – LONG TERM LEASE COMMITMENTS

London Bridge Centre has a lease commitment, the term of which will end on October 31, 2020. London Bridge Centre Inc. has a contractual option to extend the lease for up to 3 additional terms of 5 years each with rent set at the fair market value rate for comparable premises in the area.

However, in light of the COVID-19 Pandemic, the landlord has agreed that LBC will continue at an agreed reduced rent on a month-to-month basis, beginning November 1, 2020.

NOTE 4 – COVID-19 CLOSURE

As a result of the COVID-19 pandemic, London Bridge Centre closed its facility for face-to-face bridge on March 14, 2020 and will remain closed until it is safe to resume in-person activities.

In April 2020, LBC began hosting ACBL sanctioned games on Bridge Base Online and receives compensation for these virtual games. This revenue does not arise from the normal course of operations and is shown on the accompanying statements as Commissions from BBO.

NOTE 5 – CONTINGENT LIABILITY

In late August 2020, we were notified that a Statement of Claim against LBC had been filed with respect to an injury due to a fall on the premises. It is expected that this claim will be covered by insurance and will not have any material effect on LBC's financial position.

These notes are an integral part of the financial statements.