



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JULY 31, 2018

**GARY J WESTFALL
CHARTERED PROFESSIONAL ACCOUNTANT
38 MALLARD CRESCENT
BRAMALEA, ONTARIO
L6S 2T6**

REVIEW ENGAGEMENT REPORT

**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, 2018, and the Statements of Revenue and Expenses and Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation 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 inquiries 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 extent 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, 2018, and the results of its operations and its cash flows for the year ended in accordance with Canadian accounting standards for not for profit organizations.

Brampton, Ontario

G.J. Westfall, CPA, CA

September 22, 2018

G J Westfall CPA CA Licensed Public Accountant

LONDON BRIDGE CENTRE INC.
Statement of Financial Position
July 31, 2018
(Unaudited)

| | 2018 | 2017 |
|---------------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| ASSETS | | |
| Current Assets | | |
| Cash | 83,464 | 94,957 |
| Accounts receivable | | 620 |
| Prepaid expenses | 264 | 129 |
| | <u>83,728</u> | <u>95,706</u> |
| Capital Assets (Note 2) | 73,836 | 83,571 |
| Other Assets | <u>4,252</u> | <u>4,371</u> |
| | <u><u>161,816</u></u> | <u><u>183,648</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable | 5,676 | 1,903 |
| HST payable | 387 | 301 |
| Deferred revenue | 1,500 | 1,500 |
| | <u>7,563</u> | <u>3,704</u> |
| Promissory Notes (Note 3) | 70,470 | 118,200 |
| Net Assets | | |
| Unrestricted net assets | <u>83,783</u> | <u>61,744</u> |
| | <u><u>161,816</u></u> | <u><u>183,648</u></u> |

Approved on behalf of the Board of Directors:

| | |
|------------------|----------------------|
| President | <i>Al Edwards</i> |
| Treasurer | <i>Susan Edwards</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, 2018
(Unaudited)

| | 2018 | 2017 |
|--|---------------------------------|---------------------------------|
| | \$ | \$ |
| REVENUE | | |
| Game Fees | 121,987 | 121,152 |
| Membership Dues | 12,453 | 12,390 |
| Special Events Net Revenue (a) | 2,239 | 1,495 |
| Lesson Revenue | 3,757 | 2,831 |
| Room rental | 1,343 | 1,486 |
| Miscellaneous Revenue | 1,173 | 1,187 |
| | <u>142,952</u> | <u>140,541</u> |
| EXPENSES | | |
| Facilities and Equipment (b) | 77,315 | 79,314 |
| Bridge Expenses (c) | 40,563 | 39,049 |
| Operations (d) | 4,404 | 3,605 |
| Member Expenses (e) | 1,115 | 1,329 |
| Interest Expense & Bank charges | 382 | 495 |
| | <u>123,779</u> | <u>123,792</u> |
| EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS | 19,173 | 16,749 |
| DONATIONS | <u>2,866</u> | <u>4,480</u> |
| EXCESS OF REVENUE OVER EXPENSES | 22,039 | 21,229 |
| NET ASSETS, Beginning of Year | <u>61,744</u> | <u>40,515</u> |
| NET ASSETS, End of Year | <u><u>83,783</u></u> | <u><u>61,744</u></u> |

Notes:

- (a) LBIAD, Rookie Tournament, 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, 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, 2018
(Unaudited)

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Income from operations | 22,039 | 21,229 |
| Items not affecting cash | | |
| Amortization of capital assets | 16,932 | 15,846 |
| Donation of balance of Promissory Note | (450) | |
| | <u>38,521</u> | <u>37,075</u> |
| | | |
| Changes in non-cash working capital | | |
| Accounts receivable | 620 | (620) |
| Prepaid expenses | (135) | 4 |
| Purchase Capital Assets | (7,196) | (8,176) |
| Other assets | 119 | 0 |
| Accounts payable | 3,772 | (2,180) |
| HST payable | 86 | (6) |
| | <u>(2,734)</u> | <u>(10,978)</u> |
| | | |
| Cash flow from operating activities | <u>35,787</u> | <u>26,097</u> |
| | | |
| INVESTING ACTIVITIES | | |
| Promissory notes repayments | <u>(47,280)</u> | |
| | | |
| INCREASE IN CASH FLOW | (11,493) | 26,097 |
| CASH, Beginning of Period | <u>94,957</u> | <u>68,860</u> |
| CASH, End of Period | <u><u>83,464</u></u> | <u><u>94,957</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, 2018

(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.
- 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>2018 Net Book Value</u> | <u>2017 Net Book Value</u> |
|-------------------------|-------------------|-------------------------------------|--------------------------------|--------------------------------|
| Leasehold Improvements | \$ 81,017 | \$ 20,374 | \$ 60,643 | \$ 62,885 |
| Furniture & Equipment | 20,083 | 9,830 | 10,253 | 14,273 |
| Bridge & Computer Equip | 16,854 | 13,914 | 2,940 | 6,413 |
| TOTAL | <u>\$ 117,954</u> | <u>\$ 44,118</u> | <u>\$ 73,836</u> | <u>\$ 83,571</u> |

NOTE 3 - PROMISSORY NOTES

The Promissory Notes are scheduled to be repaid prior to October 15, 2022. The Board of Directors has decided to repay 25% of the original Promissory Notes on October 15, 2018.

NOTE 4 - LONG TERM LEASE COMMITMENTS

The Centre has a lease commitment for the next 2 years as follows:

| | |
|------|-----------|
| 2019 | \$ 48,625 |
| 2020 | \$ 53,000 |

NOTE 5 – COMPARATIVE FIGURES

Certain comparative numbers have been reclassified to conform to the current year's presentation.

These notes are an integral part of the financial statements.