

BARBADOS TENNIS ASSOCIATION INC.
Financial Statements
December 31, 2012

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Martin D. Frost, ACA

Featherbed Lane, St. John, Barbados

**AUDITOR'S REPORT
TO THE MEMBERS OF BARBADOS TENNIS ASSOCIATION INC.**

I have audited the accompanying financial statements of Barbados Tennis Association Inc., which comprise the balance sheet as of December 31, 2012, and the general fund statement of income and expenditure, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Council's responsibility for the financial statements

Council is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In common with many non-profit organisations, the company reports income, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of income was limited to comparison of recorded receipts with bank deposits.

In my opinion, except for the effect of such adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the income referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Barbados Tennis Association Inc. as of December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.





MARTIN FROST
CHARTERED ACCOUNTANT
October 14, 2013

BARBADOS TENNIS ASSOCIATION INC.**Balance Sheet****As of December 31, 2012**

(amounts expressed in Barbados dollars)

	Notes	2012 \$	2011 \$
Assets			
Cash at bank		93,172	70,129
Term deposits	3	40,000	10,000
Trade receivables	4	4,494	23,259
Prepayments	5	14,047	11,161
Accrued interest on term deposits		837	54
		<u>152,550</u>	<u>114,603</u>
Fixed assets			
Building (net of depreciation)		183,687	188,784
Tents (net of depreciation)		3,572	-
	6	<u>187,259</u>	<u>188,784</u>
Total assets		<u>339,809</u>	<u>303,387</u>
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7	8,287	5,252
Deferred Income	8	11,232	-
		<u>19,519</u>	<u>5,252</u>
Total liabilities		<u>19,519</u>	<u>5,252</u>
Net assets		<u>320,290</u>	<u>298,135</u>
Represented by:			
General fund		195,668	194,272
Junior Development fund	9	13,889	23,667
Wheelchair Tennis fund	10	-	-
Elite & Emerging Athletes fund	11	49,954	30,196
Court Repair fund	12	60,779	50,000
		<u>320,290</u>	<u>298,135</u>

The notes on pages 6 to 8 form part of these financial statements.

Approved by the Council on October 14, 2013PRESIDENT.....TREASURER.....

BARBADOS TENNIS ASSOCIATION INC.**Statement of Changes in Funds****For the year ended December 31, 2012**

(amounts expressed in Barbados dollars)

	General Fund \$	Junior Development Fund \$	Wheelchair Tennis Fund \$	Elite & Emerging Athletes Fund \$	Court Repair Fund \$	Total \$
Balance - December 31, 2010	188,303	23,310	5,095	32,312	30,000	279,020
Surplus for the year	20,874	-	-	-	-	20,874
Interest income	-	357	-	-	-	357
Grants received	-	-	-	110,276	-	110,276
Grants paid	-	-	-	(112,392)	-	(112,392)
Transfer from Wheelchair fund	5,095	-	(5,095)	-	-	-
Transfer to Court Repair fund	(20,000)	-	-	-	20,000	-
Balance - December 31, 2011	194,272	23,667	-	30,196	50,000	298,135
Surplus for the year	11,396	-	-	-	-	11,396
Interest income	-	382	-	234	779	1,395
Grants received	-	-	-	91,888	-	91,888
Grants paid	-	(10,160)	-	(72,364)	-	(82,524)
Transfer to Court Repair fund	(10,000)	-	-	-	10,000	-
Balance - December 31, 2012	195,668	13,889	-	49,954	60,779	320,290

The notes on pages 6 to 8 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.**General Fund****Statement of Income and Expenditure****For the year ended December 31, 2012**

(amounts expressed in Barbados dollars)

	2012	2011
	\$	\$
Income		
Tournaments	176,317	65,309
Grants		
National Sports Council	37,000	57,000
Barbados Olympic Association	55,229	57,199
International Tennis Federation	3,350	23,473
Profit from fund raising activities and donations		
Donations and other income	-	19,300
Caribbean Night/Hawaiian Night	9,353	23,890
Tennis-a-thon	-	3,782
Advertising banners	3,500	2,333
Tennis centre court rentals	13,806	14,670
Membership subscriptions	12,020	12,870
Summer Camps (net)	5,060	5,977
JTI/STI/High Performance programmes (net)	1,760	7,694
Interest on security deposit	94	99
	<u>317,489</u>	<u>293,596</u>
Expenditure		
Tournaments	168,421	107,082
Tennis centre		
Wages and NIS	24,030	36,700
Repairs and maintenance	37,693	45,664
Utilities	32,104	33,832
Administrative	21,036	28,550
Membership dues	9,899	9,770
Depreciation	6,882	5,096
Insurance	6,028	6,028
	<u>306,093</u>	<u>272,722</u>
Surplus for the year	<u>11,396</u>	<u>20,874</u>

The notes on pages 6 to 8 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.**Statement of Cash Flows****For the year ended December 31, 2012**

(amounts expressed in Barbados dollars)

	2012	2011
	\$	\$
Cash flows from operating activities		
Surplus for the year	11,396	20,874
Depreciation	6,882	5,096
Operating income before working capital changes	18,278	25,970
Change in working capital	29,363	(16,362)
Cash generated from operating activities	47,641	9,608
Purchase of tents	(5,357)	-
Interest income on Non-General Funds	1,395	357
Decrease in cash held in Junior Development Fund	(10,160)	-
Increase/(decrease) in cash held in Elite & Emerging Athletes Fund	19,524	(2,116)
Net cash from operating activities	53,043	7,849
Cash at bank and term deposits - beginning of year	80,129	72,280
Cash at bank and term deposits - end of year	133,172	80,129

The notes on pages 6 to 8 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2012

(amounts expressed in Barbados dollars)

1. Incorporation and principal activity

The company is incorporated in Barbados as a non-profit company. The principal activity of the Association is the development and promotion of tennis in Barbados.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities under the historical cost convention.

Estimates

Preparation of financial statements in conformity with International Financial Reporting Standard for Small and Medium-sized Entities requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue recognition

Income is recognised on an accrual basis except for membership subscriptions which are recorded on a cash basis.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is computed on the straight line method at rates considered adequate to write off the cost less residual value, over their useful lives at the following annual rates:

Building	-	2.0%
Tents	-	33.3%

3. Term deposits

These are deposited with Globe Finance Inc. and comprise as follows:

	Maturity date	Interest rate	2012 \$	2011 \$
Deposit #1	7-May-13	4.00%	10,000	10,000
Deposit # 2	8-May-13	4.00%	30,000	-
			<u>40,000</u>	<u>10,000</u>

Deposit #1 is allocated as an asset of the Junior Development Fund (note 9).
Deposit #2 is allocated as an asset of the Court Repair Fund (note 12).

BARBADOS TENNIS ASSOCIATION INC.**Notes to Financial Statements****December 31, 2012**

(amounts expressed in Barbados dollars)

4. Trade receivables

These comprise as follows:

	2012	2011
	\$	\$
BBC Sponsorship	2,333	2,333
U.S. Embassy Bridgetown - Schools grant	1,080	-
Tournament receipts & court rentals	968	645
Vending Plus	63	48
Sanction Fee	50	50
Virgin Atlantic - ticket refund	-	2,266
International Tennis Federation - Facilities Grant	-	15,930
International Tennis Federation - Junior Tennis Initiative subsidy	-	1,987
	<u>4,494</u>	<u>23,259</u>

5. Prepayments

These comprise as follows:

	2012	2011
	\$	\$
International Tennis Federation membership fees	10,092	9,800
Davis Cup coaching fees	2,500	-
Barbados Light and Power Co. Ltd - security deposit	1,430	1,336
Ministry of Housing - lease of land	25	25
	<u>14,047</u>	<u>11,161</u>

6. Fixed assets

The building is erected at the National Tennis Centre, Wildey, St. Michael, on a property leased from the Government of Barbados. The lease term of 25 years commenced on April 1, 1992 and the rent of \$100 per annum is subject to review on expiration of the first term and every 10 years thereafter.

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2012

(amounts expressed in Barbados dollars)

7. Trade payables and accrued liabilities

These comprise as follows:

	2012	2011
	\$	\$
R Forde - expenses	5,358	-
Barbados Light and Power Co. Ltd	1,958	2,562
Director of National Insurance	384	384
Cable & Wireless (Barbados) Ltd	229	229
C Cadogan - pc repairs	204	-
Barbados Water Authority	154	93
J Baird/W King - Junior Tennis Initiative subsidy	-	1,984
	<u>8,287</u>	<u>5,252</u>

8. Deferred Income

Part of funds received in 2012 from the U.S. Embassy Bridgetown in support of the Association's primary school tennis programme have been deferred until 2013.

9. Junior Development Fund

In accordance with the wishes of the late Mr. Peter Patterson, a separate fund was established for development of junior tennis. This fund will be expensed on projects to be determined by Council.

Term deposit #1 has been allocated as an asset of this fund (note 3).

10. Wheelchair Tennis Fund

During 2011, the wheelchairs were donated to the Paralympic Association of Barbados. The balance remaining has been transferred to the General Fund.

11. Elite & Emerging Athletes Fund

A separate fund has been established to record grants received from donors and paid to elite & emerging athletes on a pass through basis.

12. Court Repair Fund

During 2010, a separate fund was established by Council to set aside a portion of net income raised at annual fund raising events to offset future repairs to the courts at the National Tennis Centre.

Term deposit #2 has been allocated as an asset of this fund (note 3).