

BARBADOS TENNIS ASSOCIATION INC.
Financial Statements
December 31, 2019

BARBADOS TENNIS ASSOCIATION INC.
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December 31, 2019

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INDEPENDENT AUDITORS' REPORT

**To the Officers of
Barbados Tennis Association Inc.**

Opinion

I have audited the accompanying financial statements of Barbados Tennis Association Inc., which comprise the balance sheet as at December 31, 2019, the statement of changes in funds, the general fund statement of income and expenditure and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Barbados Tennis Association Inc. as of December 31, 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Basis for Opinion

I conducted the audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Barbados, and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Council and Those Charged with Governance for the Financial Statements

Council is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, council is 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 council either intends to liquidate the Association or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibility for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 these financial statements.

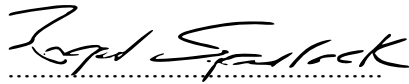
As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 council.
- Conclude on the appropriateness of council's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the evidence obtained up to the date of my audit report. However, future events or conditions may cause the Association to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other Matters

This report is made solely to the Association's officers, as a body, in accordance with Section 147 of the Companies Act of Barbados. My audit work has been undertaken so that I might state to the officers those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Association and the officers, for my audit work, for this report, or for the opinion I have formed.



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Roger A. Sparrock B.Sc.(Hons.), CPA, CGA, FCA
October 01, 2020

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BARBADOS TENNIS ASSOCIATION INC.

Balance Sheet

As of December 31, 2019

(amounts expressed in Barbados dollars)

	Notes	2019 \$	2018 \$
Assets			
Cash at bank		58,746	32,927
Term deposits	3	40,000	40,000
Trade receivables	4	5,405	6,263
Prepayments	5	28,487	13,321
Accrued interest on term deposits		441	504
		<u>133,079</u>	<u>93,015</u>
Fixed assets			
Building (net of depreciation)	6	<u>148,018</u>	<u>153,114</u>
		<u>148,018</u>	<u>153,114</u>
Total assets		<u>281,097</u>	<u>246,129</u>
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7	12,605	2,096
Deferred Income	8	<u>10,000</u>	<u>10,000</u>
		<u>22,605</u>	<u>12,096</u>
Total liabilities		<u>22,605</u>	<u>12,096</u>
Net assets		<u>258,492</u>	<u>234,033</u>
Represented by:			
General fund		160,931	192,535
Elite & Emerging Athletes fund	9	(760)	1,498
Court Repair fund	10	40,737	40,000
Development fund	11	57,584	-
		<u>258,492</u>	<u>234,033</u>

Approved by the Council on October 01, 2020

PRESIDENT.....

TREASURER.....

The notes on pages 8 to 11 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.**Statement of Changes in Funds****For the year ended December 31, 2019**

(amounts expressed in Barbados dollars)

	General Fund	Elite & Emerging Athletes Fund	Court Repair Fund	Development Fund	Total
	\$	\$	\$	\$	\$
Balance - December 31, 2017	172,272	18,434	95,893	-	286,599
Deficit for the year	(36,430)	-	-	-	(36,430)
Interest income	-	-	800	-	800
Funds received	-	59,960	-	-	59,960
Funds paid	-	(76,896)	-	-	(76,896)
Transfer from Court Repair fund	56,693	-	(56,693)	-	-
Balance - December 31, 2018	192,535	1,498	40,000	-	234,033
Surplus for the year	38,396	-	-	-	38,396
Interest income	-	-	737	-	737
Funds received	-	123,051	-	-	123,051
Funds paid	-	(125,309)	-	(12,416)	(137,725)
Transfer to Development fund	(70,000)	-	-	70,000	-
Balance - December 31, 2019	160,931	(760)	40,737	57,584	258,492

The notes on pages 8 to 11 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.**General Fund****Statement of Income and Expenditure****For the year ended December 31, 2019**

(amounts expressed in Barbados dollars)

	Notes	2019 \$	2018 \$
Income			
Tournaments	13	242,362	360,808
Grants			
National Sports Council		-	-
Barbados Olympic Association		42,662	98,301
International Tennis Federation		7,891	9,190
Profit from fund raising activities and donations			
Donations and other income		19,985	10,620
Apes Hill fundraiser		6,965	14,560
Dinner fundraiser		15,081	-
Other fundraising		5,875	-
Tennis centre court rentals		24,943	21,194
Membership subscriptions		12,750	13,220
Summer Camps (net)		5,224	4,397
Interest on security deposit		68	66
		<u>383,806</u>	<u>532,356</u>
Expenditure			
Tournaments	13	177,888	385,242
Tennis centre			
Wages and NIS		35,179	33,066
Repairs and maintenance		35,019	15,653
Court painting		-	31,309
Court lighting		4,252	8,627
Other court repairs		1,149	2,649
Utilities		22,761	22,314
Administrative		37,741	35,159
Membership dues		10,879	10,648
JTI/STI/High Performance & School programmes (net)		8,730	2,363
Coaching course		-	9,974
Insurance		6,716	6,686
Depreciation		5,096	5,096
		<u>345,410</u>	<u>568,786</u>
Surplus/<Deficit> for the year		<u>38,396</u>	<u>(36,430)</u>

The notes on pages 8 to 11 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.**Statement of Cash Flows****For the year ended December 31, 2019**

(amounts expressed in Barbados dollars)

	2019 \$	2018 \$
Cash flows from operating activities		
Surplus/<Deficit> for the year	38,396	(36,430)
Depreciation	5,096	5,096
Operating profit/<loss> before working capital changes	43,492	(31,334)
Change in working capital	(3,736)	(2,065)
Cash used from operating activities	39,756	(33,399)
Interest income on Non-General Funds	737	800
Decrease in cash held in Elite & Emerging Athletes Fund	(2,258)	(16,936)
Decrease in cash held in Development Fund	(12,416)	-
Net cash arising from/used in operating activities	25,819	(49,535)
Cash at bank and term deposits - beginning of year	72,927	122,462
Cash at bank and term deposits - end of year	98,746	72,927

The notes on pages 8 to 11 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2019

(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%
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3. Term deposits

These are deposited with SigniaGlobe Financial Group Inc. and comprise as follows:

	Maturity date	Interest rate	2019 \$	2018 \$
Deposit #3	11-May-20	1.75%	40,000	40,000
			<u>40,000</u>	<u>40,000</u>

Deposit #3 is allocated as an asset of the Court Repair Fund (note 10).

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2019

(amounts expressed in Barbados dollars)

4. Trade receivables

These comprise as follows:

	2019	2018
	\$	\$
Tournament receipts & court rentals	945	640
Tournament sponsorship	3,800	1,800
Travel grant	-	3,129
Vending Plus	-	23
JTI fees	450	-
Miscellaneous	210	671
	<u>5,405</u>	<u>6,263</u>

5. Prepayments

These comprise as follows:

	2019	2018
	\$	\$
International Tennis Federation membership fees	11,961	10,879
Barbados Light and Power Co. Ltd - security deposit	2,010	1,942
World Juniors team and other flights	13,418	-
Credit card and Internet renewal fees	598	-
Ministry of Housing - lease of land	500	500
	<u>28,487</u>	<u>13,321</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 original lease expired on March 31, 2017 and was renewed for a further 25 years at a rent of \$2,000 per annum subject to review after the first 10 years and every 10 years

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2019

(amounts expressed in Barbados dollars)

7. Trade payables and accrued liabilities

	2019 \$	2018 \$
Club House repairs	1,381	-
Tournament expenses	190	889
Director of National Insurance	1,169	811
JTI coaching	4,467	-
FLOW	126	126
Barbados Water Authority	74	70
CIBC/FCIB credit card	4,539	-
Miscellaneous	659	200
	<u>12,605</u>	<u>2,096</u>

8. Deferred Income

Funds received in 2019 in respect of support for future junior programmes have been deferred.

9. 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.

10. 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.

In 2018, funds were transferred to the General Fund in respect of lighting and painting expenses incurred during the year.

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

11. Development Fund

During 2019, a separate fund was established by Council to set aside a portion of ITF funds received for participating in the Davis Cup event to offset costs of hosting future ties and to fund other development initiatives.

12. Subsequent Event

From January 2020, the outbreak of Coronavirus has adversely affected international and local commercial activities.

Council does not believe that this subsequent event significantly impacts the financial statements at December 31, 2019, but it will continue to monitor future developments relating to the pandemic.

BARBADOS TENNIS ASSOCIATION INC.**Notes to Financial Statements****December 31, 2019**

(amounts expressed in Barbados dollars)

13. Tournament Income and Expenses

2019	Davis Cup \$	Other Team Competitions \$	ITF Jnr Champs \$	Other Tournaments \$	Total 2019 \$
Income					
ITF PILA/prize money	149,511	-	-	-	149,511
Sponsorship	-	-	20,000	20,100	40,100
Grants	-	30,949	-	-	30,949
Ticket Sales (net)	-	-	-	-	-
Entry fees	-	-	10,560	9,310	19,870
Other	-	-	1,233	700	1,933
	<u>149,511</u>	<u>30,949</u>	<u>31,793</u>	<u>30,110</u>	<u>242,362</u>
Expenses					
Official's fees, airfares & accommodation	-	-	26,285	5,353	31,638
Grounds	-	-	8,550	-	8,550
Players/Captains	56,500	7,150	-	3,030	66,680
Team airfares & accommodation	11,993	21,096	-	-	33,089
Administrative	-	-	683	-	683
Other	4,320	17,965	1,465	13,499	37,249
	<u>72,813</u>	<u>46,211</u>	<u>36,983</u>	<u>21,882</u>	<u>177,888</u>
Net Surplus/(Deficit) for the year	<u>76,698</u>	<u>(15,262)</u>	<u>(5,190)</u>	<u>8,228</u>	<u>64,474</u>
2018					
	Davis Cup \$	Other Team Competitions \$	ITF Jnr Champs \$	Other Tournaments \$	Total 2018 \$
Income					
ITF PILA/prize money	167,106	-	-	-	167,106
Sponsorship	30,500	10,000	20,000	12,750	73,250
Grants	58,000	29,844	-	-	87,844
Ticket Sales (net)	10,402	-	-	-	10,402
Entry fees	-	-	13,400	7,840	21,240
Other	25	-	941	-	966
	<u>266,033</u>	<u>39,844</u>	<u>34,341</u>	<u>20,590</u>	<u>360,808</u>
Expenses					
Official's fees, airfares & accommodation	86,330	-	26,660	4,100	117,090
Grounds	34,189	-	4,153	-	38,342
Players/Captains	80,602	7,000	-	2,400	90,002
Team airfares & accommodation	1,779	70,543	-	-	72,322
Administrative	9,253	-	4,412	-	13,665
Other	36,659	10,792	-	6,370	53,821
	<u>248,812</u>	<u>88,335</u>	<u>35,225</u>	<u>12,870</u>	<u>385,242</u>
Net Surplus/(Deficit) for the year	<u>17,221</u>	<u>(48,491)</u>	<u>(884)</u>	<u>7,720</u>	<u>(24,434)</u>