

BARBADOS TENNIS ASSOCIATION INC.
Financial Statements
December 31, 2020

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December 31, 2020

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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, 2020, 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, 2020 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 International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.



Roger A. Sparrock B.Sc.(Hons.), CPA, CGA, FCA
October 21, 2021

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BARBADOS TENNIS ASSOCIATION INC.

Balance Sheet

As of December 31, 2020

(amounts expressed in Barbados dollars)

	Notes	2020 \$	2019 \$
Assets			
Cash at bank		107,494	58,746
Term deposits	3	40,000	40,000
Trade receivables	4	46,564	5,405
Prepayments	5	14,904	28,487
Accrued interest on term deposits		383	441
		<u>209,345</u>	<u>133,079</u>
Fixed assets			
Building (net of depreciation)	6	<u>142,921</u>	<u>148,018</u>
		<u>142,921</u>	<u>148,018</u>
Total assets			
		<u>352,266</u>	<u>281,097</u>
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7	34,049	12,605
Deferred Income	8	<u>27,592</u>	<u>10,000</u>
		<u>61,641</u>	<u>22,605</u>
Total liabilities			
		<u>61,641</u>	<u>22,605</u>
Net assets			
		<u>290,625</u>	<u>258,492</u>
Represented by:			
General fund		161,745	160,931
Elite & Emerging Athletes fund	9	30,711	(760)
Court Repair fund	10	41,385	40,737
Development fund	11	<u>56,784</u>	<u>57,584</u>
		<u>290,625</u>	<u>258,492</u>

Approved by the Council on October 21, 2021

PRESIDENT.....*R. Jorde*.....

TREASURER.....*Helen Roper*.....

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, 2020
(amounts expressed in Barbados dollars)

	General Fund \$	Elite & Emerging Athletes Fund \$	Court Repair Fund \$	Development Fund \$	Total \$
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
Surplus for the year	814	-	-	-	814
Interest income	-	-	648	-	648
Funds received	-	101,425	-	-	101,425
Funds paid	-	(69,954)	-	(800)	(70,754)
Transfer to Development Fund	-	-	-	-	-
Balance - December 31, 2020	161,745	30,711	41,385	56,784	290,625

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, 2020
(amounts expressed in Barbados dollars)

	Notes	2020 \$	2019 \$
Income			
Tournaments	13	111,828	242,362
Grants		-	-
National Sports Council		12,500	-
Barbados Olympic Association		57,400	42,662
International Tennis Federation		6,958	7,891
Profit from fund raising activities and donations			
Donations and other income		22,287	19,985
Apes Hill fundraiser		-	6,965
Dinner fundraiser		-	15,081
Other fundraising		-	5,875
Tennis centre court rentals		24,779	24,943
Membership subscriptions		11,635	12,750
Summer Camps (net)		(475)	5,224
Interest on security deposit		70	68
		<u>246,982</u>	<u>383,806</u>
Expenditure			
Tournaments	13	105,704	177,888
Tennis centre			
Wages and NIS		32,630	35,179
Repairs and maintenance		22,076	35,019
Court painting		-	-
Court lighting		25,000	4,252
Other court repairs		-	1,149
Utilities		21,227	22,761
Administrative		16,955	37,741
Membership dues		11,167	10,879
JTI/STI/High Performance & School programmes (net)		621	8,730
Insurance		5,691	6,716
Depreciation		5,097	5,096
		<u>246,168</u>	<u>345,410</u>
Surplus for the year		<u>814</u>	<u>38,396</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, 2020**

(amounts expressed in Barbados dollars)

	2020 \$	2019 \$
Cash flows from operating activities		
Surplus for the year	814	38,396
Depreciation	5,097	5,096
Operating profit before working capital changes	5,911	43,492
Change in working capital	11,518	(3,736)
Cash from operating activities	17,429	39,756
Interest income on Non-General Funds	648	737
Increase/decrease in cash held in Elite & Emerging Athletes Fund	31,471	(2,258)
Decrease in cash held in Development Fund	(800)	(12,416)
Net cash arising from operating activities	48,748	25,819
Cash at bank and term deposits - beginning of year	98,746	72,927
Cash at bank and term deposits - end of year	147,494	98,746

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

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2020

(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	2020 \$	2019 \$
Deposit #3	11-May-21	1.50%	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, 2020**

(amounts expressed in Barbados dollars)

4. Trade receivables

These comprise as follows:

	2020	2019
	\$	\$
Tournament receipts & court rentals	4,988	945
Tournament sponsorship	1,800	3,800
Barbados Olympic Association - misc grants	38,011	-
JTI fees	1,242	450
Miscellaneous	523	210
	<u>46,564</u>	<u>5,405</u>

5. Prepayments

These comprise as follows:

	2020	2019
	\$	\$
International Tennis Federation membership fees	11,948	11,961
Barbados Light and Power Co. Ltd - security deposit	2,081	2,010
Pirate's Inn - room deposit	525	-
World Juniors team and other flights	-	13,418
Credit card and Internet renewal fees	350	598
Ministry of Housing - lease of land	-	500
	<u>14,904</u>	<u>28,487</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 thereafter.

With the assistance of a generous benefactor, construction to extend the National Tennis Centre facilities commenced in August 2020. The project is anticipated to be completed in mid 2021.

BARBADOS TENNIS ASSOCIATION INC.**Notes to Financial Statements****December 31, 2020**

(amounts expressed in Barbados dollars)

7. Trade payables and accrued liabilities

	2020	2019
	\$	\$
Club House and other repairs	1,155	1,381
Court lighting	25,000	-
Tournament expenses	1,020	190
Director of National Insurance	811	1,169
JTI coaching	3,181	4,467
FLOW	126	126
Barbados Water Authority	845	74
CIBC/FCIB credit card	-	4,539
Ministry of Housing - lease of land	1,500	-
Miscellaneous	411	659
	<u>34,049</u>	<u>12,605</u>

8. Deferred Income

Funds received in 2019 and 2020 in respect of support for future junior programmes and administration 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

A separate fund was established by Council in 2010 to set aside a portion of net income raised at annual fund raising events. The fund continues to be held to offset future repairs to the courts at the National Tennis Centre.

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

11. Development Fund

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

12. COVID-19

Since the outbreak of COVID-19 in the first quarter of 2020, international and local economies have experienced, and may continue to experience significant volatility.

After a brief shut down, local tennis activities resumed during mid 2020 in line with COVID-19 directives, and Council does not believe that there will be material effects on existing and future projects as a result of the reduction.

Council will however continue to monitor further developments relating to the pandemic and any likely impact over the next twelve months.

BARBADOS TENNIS ASSOCIATION INC.**Notes to Financial Statements****December 31, 2020**

(amounts expressed in Barbados dollars)

13. Tournament Income and Expenses

2020	Davis Cup \$	Other Team Competitions \$	ITF Jnr Champs \$	Other Tournaments \$	Total 2020 \$
Income					
ITF PILA/prize money	57,383	-	-	-	57,383
Sponsorship	-	-	-	17,100	17,100
Grants	-	22,611	-	-	22,611
Ticket Sales (net)	-	-	-	-	-
Entry fees	-	-	-	13,859	13,859
Other	-	-	-	875	875
	<u>57,383</u>	<u>22,611</u>	<u>-</u>	<u>31,834</u>	<u>111,828</u>
Expenses					
Official's fees, airfares & accommodation	-	-	-	4,350	4,350
Grounds	-	-	-	-	-
Players/Captains	28,000	3,000	-	2,600	33,600
Team airfares & accommodation	13,867	29,197	-	-	43,064
Administrative	-	-	-	-	-
Other	14,335	2,198	-	8,157	24,690
	<u>56,202</u>	<u>34,395</u>	<u>-</u>	<u>15,107</u>	<u>105,704</u>
Net Surplus/(Deficit) for the year	<u>1,181</u>	<u>(11,784)</u>	<u>-</u>	<u>16,727</u>	<u>6,124</u>
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	37,248
	<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>