

BARBADOS TENNIS ASSOCIATION INC.
(formerly The Barbados Lawn Tennis Association Inc.)
Financial Statements
December 31, 2006

BARBADOS TENNIS ASSOCIATION INC.
(formerly The Barbados Lawn Tennis Association Inc.)
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December 31, 2006

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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, 2006, 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 Standards. 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, 2006, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



MARTIN FROST
CHARTERED ACCOUNTANT
MAY 22, 2007

BARBADOS TENNIS ASSOCIATION INC.
(formerly The Barbados Lawn Tennis Association Inc.)
Balance Sheet
As of December 31, 2006
(amounts expressed in Barbados dollars)

	Notes	2006 \$	2005 \$
Assets			
Cash at bank		14,112	12,785
Term deposits	3	50,037	22,537
Accounts receivable	4	2,239	9,879
Prepayments	5	10,126	10,700
Accrued interest on term deposits		229	144
		<u>76,743</u>	<u>56,045</u>
Fixed assets			
Building	6	254,822	254,822
Computer equipment		2,545	2,545
Accumulated depreciation		(41,684)	(35,740)
		<u>215,683</u>	<u>221,627</u>
Total assets		<u>292,426</u>	<u>277,672</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	18,454	13,048
Deferred revenue grant - National Sports Council		15,000	-
		<u>33,454</u>	<u>13,048</u>
Deferred capital grant	8	<u>126,000</u>	<u>129,000</u>
Total liabilities		<u>159,454</u>	<u>142,048</u>
Net assets		<u>132,972</u>	<u>135,624</u>
Represented by:			
General fund		101,852	112,862
Junior Development fund	9	25,362	16,783
Wheelchair Tennis fund	10	5,758	5,979
		<u>132,972</u>	<u>135,624</u>

The notes on pages 6 to 9 form part of these financial statements.

Approved by the Council on May 22, 2007

PRESIDENT.....

TREASURER.....

BARBADOS TENNIS ASSOCIATION INC.
(formerly The Barbados Lawn Tennis Association Inc.)
Statement of Changes in Funds
For the year ended December 31, 2006
(amounts expressed in Barbados dollars)

	General Fund \$	Junior Development Fund \$	Wheelchair Tennis Fund \$	Total \$
Balance - December 31, 2004	112,300	16,024	-	128,324
Surplus for the year	6,541	-	-	6,541
Interest income	-	759	-	759
Transfer to Wheelchair Tennis Fund	(5,979)	-	5,979	-
Balance - December 31, 2005	112,862	16,783	5,979	135,624
Deficit for the year	(3,731)	-	-	(3,731)
Interest income	-	1,079	-	1,079
Allocation of insurance expense	221	-	(221)	-
Transfer to Junior Development Fund	(7,500)	7,500	-	-
Balance - December 31, 2006	101,852	25,362	5,758	132,972

The notes on pages 6 to 9 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.
(formerly The Barbados Lawn Tennis Association Inc.)
General Fund
Statement of Income and Expenditure
For the year ended December 31, 2006
(amounts expressed in Barbados dollars)

	2006 \$	2005 \$
Income		
Tournaments	74,299	64,628
Grants		
International Tennis Federation	5,533	3,389
Barbados Olympic Association	48,976	65,220
National Sports Council	45,000	30,000
Peter Moores Barbados Trust	10,000	-
Profit from fund raising activities and donations		
Bingo	8,492	11,434
Advertising banners	4,624	-
Wheelchair Tennis	-	8,979
Other	4,850	8,234
Membership subscriptions	10,900	8,240
Tennis centre court rentals	6,064	4,178
Amortisation of capital grant	3,000	3,000
Interest on security deposit	72	66
	<u>221,810</u>	<u>207,368</u>
Expenditure		
Tournaments	77,335	64,022
Tennis centre		
Wages and NIS	27,355	17,682
Junior Tennis Initiative	2,329	-
Repairs and maintenance	17,288	33,776
Utilities	9,600	7,602
Sponsorship - H. Lewis	45,000	25,000
Administrative	20,817	14,672
Membership dues	9,462	9,554
Depreciation	5,944	5,379
Rebranding	5,844	-
Insurance	3,978	3,465
Coaching course	589	17,832
Wheelchair tennis - coaching and transport	-	1,843
	<u>225,541</u>	<u>200,827</u>
(Deficit)/surplus for the year	<u>(3,731)</u>	<u>6,541</u>

The notes on pages 6 to 9 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.
(formerly The Barbados Lawn Tennis Association Inc.)
Statement of Cash Flows
For the year ended December 31, 2006
(amounts expressed in Barbados dollars)

	2006 \$	2005 \$
Cash flows from operating activities		
(Deficit)/surplus for the year	(3,731)	6,541
Amortisation of capital grant	(3,000)	(3,000)
Depreciation	5,944	5,379
Operating (deficit) surplus before working capital changes	(787)	8,920
Change in working capital	28,535	(11,295)
Cash generated from operating activities	27,748	(2,375)
Interest income - Junior Development Fund	1,079	759
Net cash from operating activities	28,827	(1,616)
Cash at bank and term deposits - beginning of year	35,322	36,938
Cash at bank and term deposits - end of year	64,149	35,322

The notes on pages 6 to 9 form part of these financial statements.

BARBADOS TENNIS ASSOCIATION INC.
(formerly The Barbados Lawn Tennis Association Inc.)
Notes to Financial Statements
December 31, 2006
(amounts expressed in Barbados dollars)

1. Incorporation and principal activity

The company is incorporated in Barbados as a non-profit company. During the year, the company changed its name from The Barbados Lawn Tennis Association Inc. to Barbados Tennis Association Inc.. 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 Standards under the historical cost convention.

Estimates

Preparation of financial statements in conformity with International Financial Reporting Standards 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%
Computer equipment	-	33.3%

Grants

Capital grants are deferred and amortised at the same rate as the depreciation of the fixed assets to which they relate. Revenue grants are taken to income in the year in which the related expenditure is incurred.

3. Term deposits

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

	Maturity date	Net interest rate	2006 \$	2005 \$
Deposit #1	29-Apr-07	5.03%	22,537	22,537
Deposit #2	23-Dec-07	5.25%	27,500	-
			<u>50,037</u>	<u>22,537</u>

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

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4. Accounts receivable

These comprise as follows:

	2006 \$	2005 \$
International Tennis Federation - Junior Tennis Initiative subsidy	1,994	-
Tournament receipts & court rentals	170	2,498
Bingo receipts	50	2,875
Vending Plus	25	-
Barbados Olympic Association - Course grant	-	4,000
Wimbledon tickets	-	506
	<u>2,239</u>	<u>9,879</u>

5. Prepayments

These comprise as follows:

	2006 \$	2005 \$
International Tennis Federation membership fees	9,136	8,862
Barbados Light and Power Co. Ltd - security deposit	965	893
Ministry of Housing - lease of land	25	25
Gymnasium room rental	-	920
	<u>10,126</u>	<u>10,700</u>

6. Fixed assets

The building is erected at the National Tennis Centre, Wilkey, 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.

The construction of the building in 1998 was partially funded by a capital grant (note 8).

BARBADOS TENNIS ASSOCIATION INC.
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Notes to Financial Statements
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7. Accounts payable and accrued liabilities

These comprise as follows:

	2006 \$	2005 \$
Lighting and fencing repairs	15,000	10,000
K. Yarde - Junior Tennis Initiative subsidy	1,994	-
Director of National Insurance	542	-
Barbados Light and Power Co. Ltd	499	421
Cable & Wireless (Barbados) Ltd	234	228
B&B Distribution Ltd - rental of bleachers	125	-
Barbados Water Authority	60	-
J Baird - salary	-	200
R Forde - course expenses	-	1,485
L Marshall - repairs	-	714
	<u>18,454</u>	<u>13,048</u>

8. Deferred capital grant

	2006 \$	2005 \$
Balance - beginning of year	129,000	132,000
Amortisation for the year	<u>(3,000)</u>	<u>(3,000)</u>
Balance - end of year	<u>126,000</u>	<u>129,000</u>

A capital grant of \$150,000 was provided in 1998 to assist with the construction of the building (note 6).

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).

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10. Wheelchair Tennis Fund

During 2005, a separate fund was established for wheelchair tennis. This fund will be expensed on the resumption of the programme after travel arrangements for the players have been finalised.

11. Financial instruments

Financial instruments comprise cash at bank, term deposits, accounts receivable and accounts payable and accrued liabilities. There is no significant credit risk or interest rate risk. The estimated fair values of financial instruments approximate to their carrying values.