

BARBADOS TENNIS ASSOCIATION INC.
Financial Statements
December 31, 2007

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December 31, 2007

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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, 2007, 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.

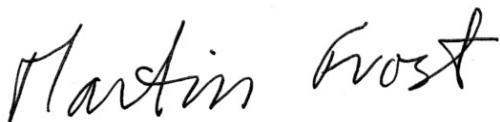
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



CHARTERED ACCOUNTANT

August 18, 2008

BARBADOS TENNIS ASSOCIATION INC.**Balance Sheet****As of December 31, 2007**

(amounts expressed in Barbados dollars)

	Notes	2007 \$	2006 \$
Assets			
Cash at bank		46,610	14,112
Term deposits	3	10,000	50,037
Accounts receivable	4	17,292	2,239
Prepayments	5	10,420	10,126
Accrued interest on term deposits		80	229
		<u>84,402</u>	<u>76,743</u>
Fixed assets			
Building	6	254,822	254,822
Computer equipment		2,545	2,545
Accumulated depreciation		(47,628)	(41,684)
		<u>209,739</u>	<u>215,683</u>
Total assets		<u>294,141</u>	<u>292,426</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	45,064	18,454
Deferred revenue grant - National Sports Council		-	15,000
		<u>45,064</u>	<u>33,454</u>
Deferred capital grant	8	<u>123,000</u>	<u>126,000</u>
Total liabilities		<u>168,064</u>	<u>159,454</u>
Net assets		<u>126,077</u>	<u>132,972</u>
Represented by:			
General fund		96,162	101,852
Junior Development fund	9	24,378	25,362
Wheelchair Tennis fund	10	5,537	5,758
H Lewis Sponsorship Fund	11	-	-
		<u>126,077</u>	<u>132,972</u>

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

Approved by the Council on

PRESIDENT.....

TREASURER.....

BARBADOS TENNIS ASSOCIATION INC.**Statement of Changes in Funds****For the year ended December 31, 2007***(amounts expressed in Barbados dollars)*

	General Fund \$	Junior Development Fund \$	Wheelchair Tennis Fund \$	H Lewis Sponsorship Fund \$	Total \$
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
Grants received	-	-	-	45,000	45,000
Grants paid	-	-	-	(45,000)	(45,000)
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
Deficit for the year	(5,911)	-	-	-	(5,911)
Interest income	-	2,117	-	-	2,117
Grants received	-	-	-	40,000	40,000
Grants paid	-	-	-	(40,000)	(40,000)
Allocation of insurance expense	221	-	(221)	-	-
Allocation of coaching expenses	-	(3,101)	-	-	(3,101)
	-	-	-	-	-
Balance - December 31, 2007	96,162	24,378	5,537	-	126,077

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

BARBADOS TENNIS ASSOCIATION INC.**General Fund****Statement of Income and Expenditure****For the year ended December 31, 2007**

(amounts expressed in Barbados dollars)

	2007 \$	2006 \$
Income		
Tournaments	98,042	74,299
Grants		
Barbados Olympic Association	82,154	48,976
National Sports Council	47,000	10,000
International Tennis Federation	20,566	5,533
Profit from fund raising activities and donations		
Quiz night	15,623	-
National Tennis Centre upgrades	12,260	-
Other	5,940	4,850
Advertising banners	4,406	4,624
Bingo	1,254	8,492
Membership subscriptions	13,170	10,900
Tennis centre court rentals	7,166	6,064
Amortisation of capital grant	3,000	3,000
Interest on security deposit	77	72
	<u>310,658</u>	<u>176,810</u>
Expenditure		
Tournaments	99,602	77,335
Tennis centre		
Repairs and maintenance	104,679	17,288
Wages and NIS	35,590	27,355
Utilities	11,538	9,600
Junior Tennis Initiative	3,968	2,329
Administrative	21,544	20,817
Sponsorship - juniors	20,490	-
Membership dues	9,236	9,462
Depreciation	5,944	5,944
Insurance	3,978	3,978
Rebranding	-	5,844
Coaching course	-	589
	<u>316,569</u>	<u>180,541</u>
Deficit for the year	<u>(5,911)</u>	<u>(3,731)</u>

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

BARBADOS TENNIS ASSOCIATION INC.**Statement of Cash Flows****For the year ended December 31, 2007**

(amounts expressed in Barbados dollars)

	2007 \$	2006 \$
Cash flows from operating activities		
Deficit for the year	(5,911)	(3,731)
Amortisation of capital grant	(3,000)	(3,000)
Depreciation	5,944	5,944
Operating deficit before working capital changes	(2,967)	(787)
Change in working capital	(3,588)	28,535
Cash (used in) from operating activities	(6,555)	27,748
Interest income - Junior Development Fund	2,117	1,079
Expenses - Junior Development Fund	(3,101)	-
Net cash (used in) from operating activities	(7,539)	28,827
Cash at bank and term deposits - beginning of year	64,149	35,322
Cash at bank and term deposits - end of year	56,610	64,149

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

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2007

(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 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	2007 \$	2006 \$
Deposit #1	29-Apr-08	5.03%	10,000	22,537
Deposit #2	23-Dec-07	5.25%	-	27,500
			<u>10,000</u>	<u>50,037</u>

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

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2007

(amounts expressed in Barbados dollars)

4. Accounts receivable

These comprise as follows:

	2007 \$	2006 \$
International Tennis Federation - Facilities grant	9,959	-
Barbados Tourism Authority - sponsorship	3,000	-
Coaching course refunds	2,206	-
International Tennis Federation - Junior Tennis Initiative subsidy	1,984	1,994
Tournament receipts & court rentals	112	170
Vending Plus	31	25
Bingo receipts	-	50
	<u>17,292</u>	<u>2,239</u>

5. Prepayments

These comprise as follows:

	2007 \$	2006 \$
International Tennis Federation membership fees	9,353	9,136
Barbados Light and Power Co. Ltd - security deposit	1,042	965
Ministry of Housing - lease of land	25	25
	<u>10,420</u>	<u>10,126</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.

Notes to Financial Statements

December 31, 2007

(amounts expressed in Barbados dollars)

7. Accounts payable and accrued liabilities

These comprise as follows:

	2007 \$	2006 \$
Lighting and fencing repairs	33,362	15,000
R Forde - reimbursement of expenses	2,934	-
K. Yarde - Junior Tennis Initiative subsidy	1,984	1,994
H Roper - reimbursement of expenses	1,890	-
M King - reimbursement of expenses	1,330	-
Medford Mahogany - trophies	1,330	-
Barbados Light and Power Co. Ltd	830	499
Director of National Insurance	598	542
D Blades - trophies	581	-
Cable & Wireless (Barbados) Ltd	225	234
B&B Distribution Ltd - rental of bleachers	-	125
Barbados Water Authority	-	60
	<u>45,064</u>	<u>18,454</u>

8. Deferred capital grant

	2007 \$	2006 \$
Balance - beginning of year	126,000	129,000
Amortisation for the year	(3,000)	(3,000)
Balance - end of year	<u>123,000</u>	<u>126,000</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).

BARBADOS TENNIS ASSOCIATION INC.**Notes to Financial Statements****December 31, 2007***(amounts expressed in Barbados dollars)*

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. H Lewis Sponsorship Fund

A separate fund has been established to record grants received from donors and paid to H Lewis on a pass through basis.

12. 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.