

BARBADOS TENNIS ASSOCIATION INC.
Financial Statements
December 31, 2018

BARBADOS TENNIS ASSOCIATION INC.
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December 31, 2018

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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, 2018, 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, 2018 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

The financial statements of the 2017 financial year were audited by the predecessor auditor. Within the predecessor's audit report which was dated August 21, 2018, the auditor opined that except for the limitations associated with the verification of income which in this instance were limited to the comparison of recorded receipts with bank deposits, the financial statements presented fairly, in all material respects, the financial position of Barbados Tennis Association Inc. as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities.

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
September 2, 2019

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BARBADOS TENNIS ASSOCIATION INC.

Balance Sheet

As of December 31, 2018

(amounts expressed in Barbados dollars)

	Notes	2018 \$	2017 \$
Assets			
Cash at bank		32,927	82,462
Term deposits	3	40,000	40,000
Trade receivables	4	6,263	17,558
Prepayments	5	13,321	37,813
Accrued interest on term deposits		504	504
		<u>93,015</u>	<u>178,337</u>
Fixed assets			
Building (net of depreciation)	6	<u>153,114</u>	<u>158,210</u>
		<u>153,114</u>	<u>158,210</u>
Total assets		<u>246,129</u>	<u>336,547</u>
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7	2,096	39,948
Deferred Income	8	<u>10,000</u>	<u>10,000</u>
		<u>12,096</u>	<u>49,948</u>
Total liabilities		<u>12,096</u>	<u>49,948</u>
Net assets		<u>234,033</u>	<u>286,599</u>
Represented by:			
General fund		192,535	172,272
Elite & Emerging Athletes fund	9	1,498	18,434
Court Repair fund	10	<u>40,000</u>	<u>95,893</u>
		<u>234,033</u>	<u>286,599</u>

Approved by the Council on *SEPTEMBER 2, 2019*

PRESIDENT *[Signature]*

TREASURER *[Signature]*

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, 2018**

(amounts expressed in Barbados dollars)

	General Fund	Elite & Emerging Athletes Fund	Court Repair Fund	Total
	\$	\$	\$	\$
Balance - December 31, 2016	170,138	11,408	88,491	270,037
Surplus for the year	8,664	-	-	8,664
Interest income	-	-	872	872
Grants received	-	114,334	-	114,334
Grants paid	-	(107,308)	-	(107,308)
Transfer to Court Repair fund	(6,530)	-	6,530	-
Balance - December 31, 2017	172,272	18,434	95,893	286,599
Deficit for the year	(36,430)	-	-	(36,430)
Interest income	-	-	800	800
Grants received	-	59,960	-	59,960
Grants 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

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, 2018**

(amounts expressed in Barbados dollars)

	Notes	2018 \$	2017 \$
Income			
Tournaments	11	360,808	427,951
Grants			
National Sports Council		-	43,750
Barbados Olympic Association		98,301	44,500
Arts & Sports Promotion Fund		-	50,000
International Tennis Federation		9,190	20,805
Profit from fund raising activities and donations			
Donations and other income		10,620	41,936
Apes Hill fundraiser		14,560	16,530
Online Auction		-	10,655
Tennis centre court rentals		21,194	17,509
Membership subscriptions		13,220	11,730
Summer Camps (net)		4,397	660
Interest on security deposit		66	63
		<u>532,356</u>	<u>686,089</u>
Expenditure			
Tournaments	11	385,242	429,073
Tennis centre			
Wages and NIS		33,066	34,742
Repairs and maintenance		15,653	50,426
Court painting		31,309	37,541
Court lighting		8,627	28,233
Other court repairs		2,649	19,589
Utilities		22,314	21,922
Administrative		35,159	31,493
Membership dues		10,648	10,531
JTI/STI/High Performance & School programmes (net)		2,363	2,445
Coaching course		9,974	-
Insurance		6,686	6,336
Depreciation		5,096	5,094
		<u>568,785</u>	<u>677,425</u>
<Deficit>/Surplus for the year		<u>(36,430)</u>	<u>8,664</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, 2018

	2018 \$	2017 \$
Cash flows from operating activities		
<Deficit>/Surplus for the year	(36,430)	8,664
Depreciation	5,096	5,094
Operating loss/income before working capital changes	(31,334)	13,758
Change in working capital	(2,065)	(31,204)
Cash used from operating activities	(33,399)	(17,446)
Interest income on Non-General Funds	800	872
<Decrease>/increase in cash held in Elite & Emerging Athletes Fund	(16,936)	7,026
Net cash used in operating activities	(49,535)	(9,548)
Cash at bank and term deposits - beginning of year	122,462	132,010
Cash at bank and term deposits - end of year	72,927	122,462

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

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2018

(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 Globe Finance Inc. and comprise as follows:

	Maturity date	Interest rate	2018 \$	2017 \$
Deposit #3	9-May-19	2.00%	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, 2018**

(amounts expressed in Barbados dollars)

4. Trade receivables

These comprise as follows:

	2018	2017
	\$	\$
Tournament receipts & court rentals	640	1,910
Tournament sponsorship	1,800	3,600
Travel grant	3,129	-
Vending Plus	23	44
ITF Facilities grant	-	9,909
Miscellaneous	671	2,095
	<u>6,263</u>	<u>17,558</u>

5. Prepayments

These comprise as follows:

	2018	2017
	\$	\$
International Tennis Federation membership fees	10,879	10,648
Barbados Light and Power Co. Ltd - security deposit	1,942	1,876
Davis Cup flights/hotels etc.	-	9,134
Court repainting - deposit	-	15,655
Ministry of Housing - lease of land	500	500
	<u>13,321</u>	<u>37,813</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, 2018

(amounts expressed in Barbados dollars)

7. Trade payables and accrued liabilities

	2018	2017
	\$	\$
Court lighting repairs	-	20,000
Club House repairs	-	15,000
Tournament expenses	889	866
Director of National Insurance	811	726
Barbados Light and Power Co. Ltd	-	1,590
FLOW	126	126
Barbados Water Authority	70	79
Miscellaneous	200	1,561
	<u>2,096</u>	<u>39,948</u>

8. Deferred Income

Funds received in 2018 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).

BARBADOS TENNIS ASSOCIATION INC.

Notes to Financial Statements

December 31, 2018

(amounts expressed in Barbados dollars)

11. Tournament Income and Expenses

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	2,400	40,742
Players/Captains	80,602	7,000	-	-	87,602
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>
2017	Davis Cup \$	Other Team Competitions \$	ITF Jnr Champs \$	Other Tournaments \$	Total 2017 \$
Income					
ITF PILA/prize money	220,659	-	-	-	220,659
Sponsorship	-	10,000	20,000	18,990	48,990
Grants	70,000	16,934	-	23,160	110,094
Ticket Sales (net)	25,212	-	-	-	25,212
Entry fees	-	-	13,100	9,645	22,745
Other	251	-	-	-	251
	<u>316,122</u>	<u>26,934</u>	<u>33,100</u>	<u>51,795</u>	<u>427,951</u>
Expenses					
Official's fees, airfares & accommodation	89,597	-	24,268	4,250	118,115
Grounds	23,966	-	4,148	1,920	30,034
Players/Captains	104,949	6,500	-	3,738	115,187
Team airfares	21,604	47,354	-	-	68,958
Administrative	8,070	-	3,149	-	11,219
Other	51,933	16,516	-	17,111	85,560
	<u>300,119</u>	<u>70,370</u>	<u>31,565</u>	<u>27,019</u>	<u>429,073</u>
Net Surplus/(Deficit) for the year	<u>16,003</u>	<u>(43,436)</u>	<u>1,535</u>	<u>24,776</u>	<u>(1,122)</u>