

TENNIS TOWNSVILLE INC.
ABN: 19 579 672 424

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018



TENNIS TOWNSVILLE INC.

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TENNIS TOWNSVILLE INC.

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$	2017 \$
Income		
Asset revenue below \$500	-	391
Canteen catering	1,099	5,978
Coaching fees	113,946	129,301
Court hire - external	16,338	20,945
Donations received	11,416	4,272
Facility hire	459	377
Fixtures fees	55,918	47,524
Fundraising proceeds	481	5,347
Grants capital	7,209	26,206
Grants non capital	13,500	13,895
Interest income	1,029	1,901
Participation fees	6,321	7,679
Registration - membership ordinary	24,677	30,044
Sales - balls & grips	450	3,352
Sales - canteen GST free	1,987	4,431
Sales - canteen with GST	28,231	34,463
Solar rebates	2,087	992
Special income - lease land	28,698	16,252
Sponsorship	15,300	17,699
Sponsorship in kind	1,681	11,929
Sundry income	1,743	1,385
Tournament fees	17,020	16,701
Rotary administration	58,525	60,212
Total income	408,115	461,276
Expenditure		
Advertising	5,193	13,755
Assets below \$1,000	3,101	2,134
Bank fees	329	218
Computer repairs & maintenance	1,129	1,005
Consumables	3,057	4,652
Consulting fees	-	136
Contractors	31,891	27,730
Depreciation	81,425	80,255
Donations	760	1,619
Electricity & gas	19,253	17,020
Employment expenses	-	117
Employee leave provision expense	(5,776)	701
Freight & Courier	364	-
Fundraising expenses	273	1,991
Hire of equipment or services	345	2,209
Insurances Building assets	8,387	6,956
Interest expense	4,430	5,006
Internet / web site	743	3,002
Lease - office equipment	1,328	1,479
Legal/ bookkeeping/ professional fee	7,730	1,500
Licences, fees & subscription	3,302	1,855
Loss on assets write off	2,882	-
Merchant fees	3,785	3,300

The accompanying notes are an integral part of these financial statements.

TENNIS TOWNSVILLE INC.**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Expenditure		
Office supplies & stationery	1,505	1,812
Prizes, trophies & giveaways	11,373	12,614
Purchases - canteen (ball & grips, other tennis items)	2,596	362
Purchases - canteen GST free	4,782	7,048
Purchases - canteen with GST	11,470	13,342
Rates, rents & land taxes	13,008	12,434
Redevelopment prelim costs	-	2,000
Repairs - electrical repairs to tennis lights	9,341	551
Repairs - office equipment & kiosk	86	-
Repairs & maintenance - courts, grounds & fences	5,538	2,832
Repairs & maintenance buildings	1,317	3,055
Software	2,268	3,958
Sundry account	958	6
Superannuation	10,186	15,353
Telephone / fax / postage	3,880	3,391
Tennis balls	4,566	4,211
TQ affiliation fee	4,633	4,520
Training / course fees	40	285
Travel Assistance for players, staff	1,978	5,540
Uniforms and shirts	-	805
Volunteer expenses	1,963	2,840
Wages and salaries	168,313	188,948
Wages and salaries - bonus payments	18,268	25,569
Workcover insurance	2,052	2,048
	<hr/>	<hr/>
Total expenditure	454,052	490,164
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Surplus (deficit) for the year	(45,937)	(28,888)
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Retained surplus at the beginning of the year	1,053,651	1,082,539
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Retained surplus at the end of the year	1,007,714	1,053,651
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The accompanying notes are an integral part of these financial statements.

TENNIS TOWNSVILLE INC.

**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018**

	2018 \$	2017 \$
ASSETS		
Current assets		
Cash floats on hand	400	700
Business everyday account - 28099	2,916	2,881
Business saver account - 95203	61,718	54,219
Accounts receivable	15,398	3,295
Stock on hand - bar & balls	1,923	1,770
Stock – ballroom	3,722	3,402
Prepayment of expenses	7,887	12,152
Total current assets	93,964	78,418
Non-current assets		
Building improvements	350,274	338,303
Less: accumulated depreciation	(171,068)	(156,937)
	179,206	181,366
Plant and equipment	112,425	98,767
Less: accumulated depreciation	(41,181)	(36,359)
	71,244	62,228
Tennis courts	1,282,022	1,282,022
Less: accumulated depreciation	(466,078)	(406,402)
	815,944	875,620
Total non-current assets	1,066,394	1,119,214
Total assets	1,160,358	1,197,632
Current liabilities		
Accounts payable	5,314	23,074
Accrued expenses	-	6,951
Business visa card	1,551	949
Unexpended grants	35,864	-
GST payable / (receivable)	3,334	(889)
PAYG withholdings payable	6,734	-
Prepaid income	16,278	14,493
Superannuation payable	2,003	2,284
Loan from Tennis Australia	-	10,538
Unsecured notes	16,034	-
Total Current Liabilities	87,112	57,400

The accompanying notes are an integral part of these financial statements.

TENNIS TOWNSVILLE INC.

**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018**

	2018	2017
	\$	\$
Non-current liabilities		
Unsecured notes	62,358	77,631
Provision for long service leave	3,174	8,950
Total non-current liabilities	65,532	86,581
Total liabilities	152,644	143,981
Net assets	1,007,714	1,053,651
Equity		
Retained surplus	1,053,651	1,082,539
Current year surplus / (deficit)	(45,937)	(28,888)
Total equity	1,007,714	1,053,651

The accompanying notes are an integral part of these financial statements.

TENNIS TOWNSVILLE INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Summary of Significant Accounting Policies

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1981. The association is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards. The committee has determined that the association is not a reporting entity.

Statement of Compliance

The financial report has been prepared in accordance with the Associations Incorporation Act 1981, the recognition and measurement basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054: *Australian Additional Disclosures*.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

(a) Income Tax

The Association has self-assessed itself as exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(d) Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(e) Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

TENNIS TOWNSVILLE INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(f) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(g) Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(h) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(i) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

(j) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

(k) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

TENNIS TOWNSVILLE INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(I) New and Amended Accounting Policies Adopted by the Association

Initial Application of AASB 9 Financial Instruments

The association has adopted AASB 9 with a date of initial application of 1 January 2018. As a result, the association has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have not been affected for the current and prior period.

Disclosure: Initial application of AASB 9

The association applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities as well as for impairment. Give that financial statement line items have not been affected for the current and prior period, detailed disclosures on initial application are not required.

2. Related Party Transactions

Transactions with Committee Members of the association and their related entities made during the year are on arm's length terms and conditions that are no more favourable than those with which it is reasonable to expect the association to have adopted with non-related suppliers.

3. Subsequent Events

No matters or circumstances have arisen since the end of the reporting period, which have significantly or may significantly affect the operations, or state of affairs of the association in subsequent financial years.

4. Commitments and Contingencies

The committee members are not aware of any commitments or contingencies that exist at the date of signing this report.

5. Association Details

The principal place of business of the association is 32 Burke Street, North Ward, QLD, 4810.


TENNIS TOWNSVILLE INC.

**COMMITTEES' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

In accordance with a resolution of the committee of Tennis Townsville Inc., the members of the committee declare that:

1. The financial statements as set out on pages 1 to 7, present a true and fair view of the financial position of Tennis Townsville Inc. as at 31 December 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act 1981; and
2. At the date of this statement, there are reasonable grounds to believe that Tennis Townsville Inc. will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the committee by:

President 

Treasurer 

Dated: 15/3/19

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TENNIS TOWNSVILLE INC.
FOR THE YEAR ENDED 31 DECEMBER 2018**

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Tennis Townsville Inc. (the association), which comprises the statement of financial position as at 31 December 2018, the statement of income and expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial report gives a true and fair view of the financial position of the association as at 31 December 2018 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act 1981.

Basis for Qualified Opinion

It is not always practicable for the association to establish control over all sources of income prior to receipt of these funds by members or employees of the association and accordingly, it is not possible for our examination to include procedures which extend beyond the amounts of such income recorded in the accounting records of the association. Our audit report is thus qualified on the completeness of income.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the Associations Incorporation Act 1981. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act 1981 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

JESSUPS



Paul Sapelli
Director

Level 1, 19 Stanley Street, Townsville, QLD 4810

Dated: 15 March 2019