

TENNIS TOWNSVILLE INC.

ABN: 19 579 672 424

## FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017



# **TENNIS TOWNSVILLE INC.**

## **CONTENTS**

	<b>Page</b>
Statement of Income and Expenditure	1
Statement of Financial Position	3
Notes to the Financial Statements	5
Committee's Declaration	7
Independent Auditor's Report	8

**TENNIS TOWNSVILLE INC.****STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$
<b>Income</b>		
Asset revenue below \$500	391	-
Canteen catering	5,978	4,853
Coaching fees	129,301	136,418
Court hire - external	20,945	16,501
Donations received	4,272	35,367
Facility hire	377	511
Fixtures fees	47,524	56,329
Fundraising proceeds	5,347	9,777
Grants capital	26,206	125,123
Grants non capital	13,895	2,040
Interest income	1,901	2,466
Participation fees	7,679	7,990
Registration - ground members	-	151
Registration - membership ordinary	30,044	32,710
Sales - balls & grips	3,352	2,898
Sales - canteen GST free	4,431	2,289
Sales - canteen with GST	34,463	33,004
Solar rebates	992	539
Special income - lease land	16,252	15,720
Sponsorship	17,699	24,002
Sponsorship in kind	11,929	15,370
Sundry income	1,385	305
Tournament fees	16,701	21,038
Rotary administration	60,212	3,392
<b>Total income</b>	<b>461,276</b>	<b>548,793</b>
<b>Expenditure</b>		
Advertising	13,755	8,080
Assets below \$1,000	2,134	-
Bank fees	218	643
Computer repairs & maintenance	1,005	301
Consumables	4,652	6,097
Consulting fees	136	-
Contractors	27,730	31,595
Depreciation	80,255	77,789
Donations	1,619	1,719
Electricity & gas	17,020	17,595
Employment expenses	117	141
Employee leave provision expense	701	1,170
Fundraising expenses	1,991	3,497
Hire of equipment or services	2,209	2,133
Insurances Building assets	6,956	8,165
Interest expense	5,006	6,085
Internet / web site	3,002	376
Lease - office equipment	1,479	1,279
Legal/ bookkeeping/ professional fee	1,500	3,000
Licences, fees & subscription	1,855	4,123
Loss on assets write off	-	2,170
Merchant fees	3,300	3,119

*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 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Expenditure</b>		
Office supplies & stationery	1,812	2,193
Prizes, trophies & giveaways	12,614	16,260
Purchases - canteen (ball & grips, other tennis items)	362	570
Purchases - canteen GST free	7,048	3,003
Purchases - canteen with GST	13,342	17,320
Rates, rents & land taxes	12,434	12,469
Redevelopment prelim costs	2,000	1,200
Repairs - electrical repairs to tennis lights	551	2,386
Repairs - office equipment & kiosk	-	199
Repairs & maintenance - courts, grounds & fences	2,832	4,067
Repairs & maintenance buildings	3,055	8,594
Software	3,958	2,740
Sundry account	6	762
Superannuation	15,353	12,184
Telephone / fax / postage	3,391	2,657
Tennis balls	4,211	8,246
TQ affiliation fee	4,520	4,410
Training / course fees	285	34
Travel Assistance for players, staff	5,540	6,225
Uniforms and shirts	805	909
Volunteer expenses	2,840	3,773
Wages and salaries	188,948	157,181
Wages and salaries - bonus payments	25,569	26,909
Workcover insurance	2,048	2,268
<b>Total expenditure</b>	<b>490,164</b>	<b>475,636</b>
<b>Surplus (deficit) for the year</b>	<b>(28,888)</b>	<b>73,157</b>
<b>Retained surplus at the beginning of the year</b>	<b>1,082,539</b>	<b>1,009,382</b>
<b>Retained surplus at the end of the year</b>	<b>1,053,651</b>	<b>1,082,539</b>

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

**TENNIS TOWNSVILLE INC.**

**STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2017**

	2017 \$	2016 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash floats on hand	700	700
Business everyday account - 28099	2,881	2,670
Business saver account - 95203	54,219	53,019
Fixed term deposit	-	40,000
Accounts receivable	3,295	1,492
Stock on hand - bar & balls	1,770	1,540
Stock – ballroom	3,402	-
Prepayment of expenses	12,152	10,742
<b>Total current assets</b>	<b>78,418</b>	<b>110,162</b>
<b>Non-current assets</b>		
Building improvements	338,303	315,809
Less: accumulated depreciation	(156,937)	(144,198)
	<b>181,366</b>	<b>171,611</b>
 Plant and equipment	 98,767	 93,109
Less: accumulated depreciation	(36,359)	(28,700)
	<b>62,228</b>	<b>64,409</b>
 Tennis courts	 1,282,022	 1,282,022
Less: accumulated depreciation	406,402	(346,725)
	<b>875,620</b>	<b>935,297</b>
 <b>Total non-current assets</b>	 <b>1,119,214</b>	 <b>1,171,317</b>
 <b>Total assets</b>	 <b>1,197,632</b>	 <b>1,281,479</b>
 <b>Current liabilities</b>		
Accounts payable	23,074	26,779
Accrued expenses	6,951	5,716
Business visa card	949	963
Unexpended grants	-	32,000
GST payable / (receivable)	(889)	981
PAYG withholdings payable	-	4,757
Prepaid income	14,493	-
Superannuation payable	2,284	-
Loan from Tennis Australia	10,538	10,751
Unsecured notes	-	82,814
<b>Total Current Liabilities</b>	<b>57,400</b>	<b>164,762</b>

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

**TENNIS TOWNSVILLE INC.**

**STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current liabilities</b>		
Loan from Tennis Australia	-	10,089
Unsecured notes	<b>77,631</b>	15,840
Provision for long service leave	<b>8,950</b>	8,248
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>86,581</b>	34,178
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>143,981</b>	198,940
	<hr/>	<hr/>
<b>Net assets</b>	<b>1,053,651</b>	1,082,539
	<hr/>	<hr/>
<b>Equity</b>		
Retained earnings	<b>1,082,539</b>	1,009,382
Current year profit / (loss)	<b>(28,888)</b>	73,157
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<b>Total equity</b>	<b>1,053,651</b>	1,082,539
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*The accompanying notes are an integral part of these financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. Summary of Significant Accounting Policies**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the association. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs and 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 considers itself exempt from income tax under 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.

**(b) 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.

**(c) 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.

**(d) 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.

**(e) 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.

**(f) 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.

## **TENNIS TOWNSVILLE INC.**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **(g) 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.

#### **(h) 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.

#### **(i) 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.

#### **(j) 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.

## **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 2017**

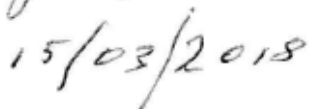
In accordance with a resolution of the committee of Tennis Townsville Inc., the members of the committee declare that:

1. The financial statements as set out on pages 1 to 6, present a true and fair view of the financial position of Tennis Townsville Inc. as at 31 December 2017 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:

Treasurer ..... 

Dated:



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TENNIS TOWNSVILLE INC.  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Tennis Townsville Inc. (the association), which comprises the statement of financial position as at 31 December 2017, the income and expenditure statement 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, the accompanying financial report gives a true and fair view of the financial position of the association as at 31 December 2017 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 Opinion**

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 opinion.

**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.

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### **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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

**JESSUPS**



**Rodger Dunstan**  
Director

Level 1, 19 Stanley Street, Townsville, QLD 4810

Dated: 15 March 2018