

TENNIS TOWNSVILLE INC.

## FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016



**TENNIS TOWNSVILLE INC.**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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# TENNIS TOWNSVILLE INC.

## INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
<b>INCOME</b>		
Canteen Catering	4,853	2,676
Claims on Insurance	-	-
Coaching Fees	136,418	125,296
Court Hire - External	16,501	25,668
Donations Received	35,367	7,250
Facility Hire	511	920
Fixtures Fees	56,329	74,996
Fundraising Proceeds	9,777	5,071
Grants capital	125,123	101,073
Grants non capital	2,040	15,150
Interest Income	2,466	3,011
Participation Fees	7,990	7,248
Registration - Ground Members	151	806
Registration - Membership Ord	32,710	38,352
Registration - Social	-	106
Sales - Balls & Grips	2,898	3,428
Sales - Canteen GST Free	2,289	2,345
Sales - Canteen with GST	33,004	32,715
Solar Rebates	539	988
Special Income - Lease Land	15,720	15,362
Sponsorship	24,002	34,734
Sponsorship in Kind	15,370	8,442
Sundry Income	306	4,062
Tournament Fees	21,038	15,600
Rotary Administration	3,392	-
<b>TOTAL INCOME</b>	<b>548,793</b>	<b>525,299</b>
<b>EXPENSES</b>		
Advertising	8,080	18,999
Bank Fees	643	277
Computer Reps & Mt'ance	301	573
Consumables	6,097	1,725
Contractors	31,595	24,816
Depreciation	77,789	73,508
Donations	1,719	1,257
Doubtful Debts	-	510
Electricity & Gas	17,595	17,847
Employment Expenses	141	43
Employee Leave Provision expense	1,170	7,078
Freight & Courier	-	25
Fundraising Expenses	3,497	938
Hire of equipment or services	2,133	1,276
Insurances Building Assets	8,165	6,075
Interest Expense	6,085	7,478
Internet / Web Site	376	570

# TENNIS TOWNSVILLE INC.

## INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
Lease - Office Equipment	1,279	1,415
Legal/Bookkeeping/ Professional Fee	3,000	4,713
Licences, Fees & Subscription	4,123	3,038
Loss on Assets Write Off	2,170	-
Merchant Fees	3,119	3,859
Office Supplies & Stationery	2,193	2,459
Prizes, Trophies & Giveaways	16,260	13,830
Purchases - Canteen (Ball & Grips, other Tennis items)	570	3,197
Purchases - Canteen GST Free	3,003	1,988
Purchases - Canteen with GST	17,320	15,878
Rates, Rents & Land Taxes	12,469	12,630
Redevelopment Prelim Costs	1,200	2,100
Rental - Container	-	173
Repairs - Electrical repairs to tennis lights	2,386	11,949
Repairs - Office Equipment & Kiosk	199	1,754
Repairs & maintenance - Courts, Grounds & Fences	4,067	2,429
Repairs & Maintenance Buildings	8,594	5,444
Software	2,740	2,191
Sundry Account	762	1,914
Superannuation	12,184	13,816
Telephone / Fax / Postage	2,657	3,289
Tennis Balls	8,246	12,952
TQ Affiliation fee	4,410	4,303
Training / Course Fees	34	46
Travel Assistance for players, staff	6,225	5,276
Uniforms and shirts	909	2,107
Volunteer expenses	3,773	1,029
Wages and Salaries	157,181	177,899
Wages and Salaries - Bonus payments	26,909	19,039
Workcover Insurance	2,268	2,449
<b>TOTAL EXPENSES</b>	<b>475,636</b>	<b>496,158</b>
<b>Net Profit / (Loss)</b>	<b>73,158</b>	<b>29,141</b>

The accompanying notes form part of these financial statements.

# TENNIS TOWNSVILLE INC.

## BALANCE SHEET AS AT 31 DECEMBER 2016

	2016 \$	2015 \$
<b>Current Assets</b>		
Cash Floats on Hand	700	550
Business Everyday Acc - 28099	2,670	2,055
Business Saver Acc - 95203	53,019	42,398
Fixed Term Deposit	40,000	50,000
Accounts Receivable	-	510
Provision for Doubtful Debts	-	(510)
Accounts Receivable Adjustments	1,492	693
Stock on Hand - Bar & Balls	1,540	4,849
Stock - Tennis Racquets	-	1,490
Prepayments - Security Ergon Paxton Street	-	100
Prepayment of Exps (12 months)	10,742	11,663
<b>Total Current Assets</b>	<b>110,162</b>	<b>113,798</b>
<b>Non-Current Assets</b>		
Building Improvements	315,809	296,159
Less: Accumulated Depreciation	(144,198)	(132,234)
	<u>171,611</u>	<u>163,925</u>
Plant and Equipment	93,109	75,742
Less: Accumulated Depreciation	(28,700)	(33,856)
	<u>64,409</u>	<u>41,886</u>
Tennis Courts	1,282,022	1,189,484
Less: Accumulated Depreciation	(346,725)	(301,814)
	<u>935,297</u>	<u>887,670</u>
<b>Total Non-Current Assets</b>	<b>1,171,317</b>	<b>1,093,482</b>
<b>Total Assets</b>	<b>1,281,479</b>	<b>1,207,279</b>
<b>Current Liabilities</b>		
Accounts Payable	18,159	-
Other Accounts Payable (Wayne Hannah Pro Shop)	-	140
Accrued Expenses (Accounts Payable)	8,620	19,917
Accrued Expenses (Other)	5,716	1,193
Business Visa Card	963	2,303
Grants & Funding Awaiting Use	32,000	26,395
GST Payable / (Receivable)	981	2,001
PAYG Withholdings Payable	4,757	4,578
Prepaid Income	-	597
Loan from Tennis Australia	10,751	10,751
Unsecured Notes	82,814	20,241
<b>Total Current Liabilities</b>	<b>164,762</b>	<b>88,116</b>

**TENNIS TOWNSVILLE INC.**

**BALANCE SHEET  
AS AT 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current Liabilities</b>		
Loan - Tennis Aust (TTI7587)	10,089	20,099
Unsecured Notes	15,840	82,603
Provision for Long Service Leave	8,248	7,078
<b>Total Non-Current Liabilities</b>	<b>34,178</b>	<b>109,780</b>
<b>Total Liabilities</b>	<b>198,940</b>	<b>197,897</b>
<b>Net Assets</b>	<b>1,082,539</b>	<b>1,009,382</b>
<b>Equity</b>		
Retained Earnings	1,009,382	980,241
Current Year Profit / (Loss)	73,157	29,141
<b>Total Equity</b>	<b>1,082,539</b>	<b>1,009,382</b>

The accompanying notes form part of these financial statements.



## **TENNIS TOWNSVILLE INC.**

### **Notes to the Financial Statements** For the Period Ended 31 December 2016

#### **Note 1: Summary of Significant Accounting Policies**

##### **Basis of preparation**

This financial report is a special financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 1981 (Qld)*. The management committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

##### **(a) Property, plant and equipment**

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation

The depreciable amount of all PPE is depreciated over the asset's useful life commencing from the time the asset is held ready for use.

##### **(b) 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.

##### **(c) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

##### **(d) 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.

## **TENNIS TOWNSVILLE INC.**

### **Notes to the Financial Statements** For the Period Ended 31 December 2016

#### **Note 1: Summary of Significant Accounting Policies continued**

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

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

#### **(e) 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.

#### **(f) 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.

#### **(g) Income Taxes**

The association was established for community sporting service. The association is not carried on for the purpose of profit or gain to the individual members.

The committee has not made a submission to the Australian Taxation Office to determine if the association qualifies for income tax exemption pursuant to Division 50 of the *Income Tax Assessment Act 1997*. However the committee is satisfied that the exemption is applicable.

#### **(h) Inventories**

Inventories are measured at their realisable value.

#### **Note 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.

#### **Note 3: Events after Balance Date**

No matters or circumstance have arisen since the end of the financial year which have significantly or may significantly affect the operations or state of affairs of the Association in the subsequent financial period.



## TENNIS TOWNSVILLE INC.

### Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this Special Purpose Financial Report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee, the financial report:

- 1 Presents a true and fair view of the financial position of Tennis Townsville Inc. as at 31 December 2016 and its performance for the year ended on that date.
- 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 made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



PRESIDENT



TREASURER

Dated this 20th day of MARCH 2017

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
TENNIS TOWNSVILLE INC.  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

**Qualified Opinion**

We have audited the financial report of Tennis Townsville Inc., which comprises the balance sheet as at 31 December 2016, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and the statement 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 effects of the matter referred to in the Basis for Qualified Opinion paragraph, the accompanying financial report gives a true and fair view of the financial position of Tennis Townsville Inc. as at 31 December 2016 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 Incorporations Act 1981.

**Basis for Qualified Opinion**

It is not always practicable for the Association to establish accounting control over all sources of income prior to receipt of these funds by members 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Incorporations Act 1981. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**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 Incorporations 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 related 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 have no realistic alternative but to do so.

The committee is responsible for overseeing the association's financial reporting process.

### **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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 the committee.
- Conclude on the appropriateness of the committee'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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jessups

A handwritten signature in black ink, appearing to read "Roger Dunstan". The signature is stylized with a long, sweeping horizontal line extending to the right.

Roger Dunstan  
Director

Level 1, 19 Stanley Street, Townsville QLD 4810

Dated: 21 MARCH 2017