

10 September 2019



Dear Member

The 2018/19 financial year was a period of significant development for Tennis SA with the completion of the redevelopment of the outside courts at Memorial Drive ("the Anchor Project") and commencement of the construction of the roof over Centre Court.

The funding for each of these projects was as follows:

- A grant of \$10 million from the Commonwealth Government for the Anchor Project of which \$3.6 million was expended on Tennis SA leased land.
- A grant of \$10 million from the South Australian Government and up to \$500,000 each from Tennis Australia and Tennis SA for the Centre Court Upgrade.

The financial impact of both the Anchor Project and Centre Court Upgrade is dealt with in Tennis SA's accounts for 2018/19 in accordance with accounting standards. Accordingly, a direct comparison of Tennis SA's ordinary income between 2018/19 and 2017/18 is not straight forward. In the table below the impact of both projects on Tennis SA's 2018/19 result is itemised and, after allowing for these abnormal items, a direct comparison of the operating results of Tennis SA between 2018/19 and 2017/18 is provided.

	2019	2018
Total comprehensive income for the period	5,301,225	133,273
<i>Includes the following abnormal items</i>		
Government Grants - Centre Court Upgrade	2,133,350	-
Government Grants - Anchor Project	3,600,000	-
Assets written off in line with Anchor Project	(415,246)	-
Legal/Hire Fees - Anchor Project	(13,830)	-
Depreciation - Anchor Project	(24,275)	-
Total abnormal items	5,279,998	-
Adjusted ordinary income for the period	21,227	133,273

The adjusted ordinary income of Tennis SA in 2018/19 was \$21,227 compared to \$133,273 in the previous year. The reasons for the change were a reduction in Government funding, court hire fees relating to the Anchor Project, greater event prize money and expenses associated with grants.

The accounts for 2018/19 included the proportion of the Centre Court Upgrade completed at 30 June 2019 with the balance being accounted for in the current financial year (2019/20). In the future Tennis SA will incur substantial annual non-cash depreciation charges associated with the Anchor Project and Centre Court Upgrade relating to the useful life of these assets over the balance of the Tennis SA lease at Memorial Drive which expires on 30 June 2057.

Yours sincerely


Kent Thiele
President


Philip Roberts
Vice President