Tennis SA Incorporated
ABN 19 103 003 187

30 June 2019

Tennis SA Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	2019	2018
Player development revenue	5	45,627	63,590
Tournament and competition revenue	5	264,986	233,010
Participation revenue	5	1,566,158	1,405,020
Places to Play revenue	5	35,000	-
Marketing and events revenue	5	94,608	110,679
Commercial and administration revenue	5	6,121,072	433,260
Total revenue		8,127,451	2,245,559
Other income	6	33,684	40,991
Player development expenses		(114,211)	(109,433)
Tournament and competition expenses		(603,446)	(477,038)
Participation expenses		(696,544)	(594,795)
Places to Play expense		(77,244)	-
Marketing and events expenses		(196,549)	(175,629)
Commercial and administration expenses		(1,233,125)	(817,025)
Total expenses		(2,921,119)	(2,173,920)
Finance income	8	64,315	24,589
Finance costs	8	(3,106)	(3,946)
Net finance income		61,209	20,643
Net surplus for the period		5,301,225	133,273
Other comprehensive income		-	-
Total comprehensive income for the period		5,301,225	133,273

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes of the financial statements set out on pages 5 to 18.

Tennis SA Incorporated
Statement of financial position
As at 30 June 2019

	Note	2019	2018
Assets			
Cash and cash equivalents	10	9,166,750	1,454,319
Trade and other receivables	11	807,382	37,507
Total current assets		9,974,132	1,491,826
Property, plant and equipment	12	6,609,608	1,265,028
Total non-current assets		6,609,608	1,265,028
Total assets		16,583,740	2,756,854
Liabilities			
Trade and other payables	13	376,237	205,451
Employee benefits	14	141,605	110,126
Deferred income	15	8,414,541	78,602
Total current liabilities		8,932,383	394,179
Employee benefits	14	16,041	28,584
Total non-current liabilities		16,041	28,584
Total liabilities		8,948,424	422,763
Net assets		7,635,316	2,334,091
Members' equity			
Retained earnings		7,565,384	2,254,468
Reserves		69,932	79,623
Total members' equity		7,635,316	2,334,091

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

Tennis SA Incorporated
Statement of changes in equity
For the year ended 30 June 2019

	Ken McGregor Fund	Retained earnings	Total equity
Balance at 1 July 2017	48,392	2,152,426	2,200,818
Total comprehensive income for the period			
Total other comprehensive income	-	-	-
Surplus for the period	-	133,273	133,273
Allocation of fundraising money	31,231	(31,231)	-
Balance at 30 June 2018	79,623	2,254,468	2,334,091
Balance at 1 July 2018	79,623	2,254,468	2,334,091
Total comprehensive income for the period			
Total other comprehensive income	-	-	-
Surplus for the period	-	5,301,225	5,301,225
Allocation of fundraising money	(9,691)	9,691	-
Balance at 30 June 2019	69,932	7,565,384	7,635,316

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

Tennis SA Incorporated
Statement of cash flows
For the year ended 30 June 2019

	Note	2019	2018
Cash flows from operating activities			
Cash receipts from customers		2,133,070	2,074,865
Cash paid to suppliers and employees		(2,385,962)	(2,024,741)
Interest received		64,315	24,589
Interest paid		-	(32)
Cash receipts from government grants		10,183,451	249,750
Net cash from operating activities	18	9,994,874	324,431
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(2,282,443)	(22,695)
Net cash (used in) investing activities		(2,282,443)	(22,695)
Cash flows from financing activities			
Repayment of borrowings		-	(15,346)
Net cash (used in) financing activities		-	(15,346)
Net increase in cash and cash equivalents		7,712,431	286,390
Cash and cash equivalents at 1 July		1,454,319	1,167,929
Cash and cash equivalents at 30 June	10	9,166,750	1,454,319

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

Tennis SA Incorporated
Notes to the financial statements

1. Reporting entity

Tennis SA Incorporated ('Association') is an Association domiciled in Australia. The Association is incorporated under the Associations Incorporation Act 1985. The address of the Association's registered office is;

Tennis SA Incorporated
War Memorial Drive
Adelaide SA 5000

The Association is a not for profit entity and the principal activities of the Association during the course of the financial year were the promotion and development of the game of tennis in South Australia.

2. Basis of preparation

(a) Statement of compliance

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Associations Incorporation Act 1985. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

This is the first set of the Association's annual financial statements in which AASB 9 Financial Instruments has been applied. Changes to significant accounting policies are described in Note 3 (l).

The financial statements were approved by the Members of the Committee (the "officers") on 23 August 2019.

(b) Basis of measurement

The financial report has been prepared on the historical cost basis.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Association's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following note:

- Note 12 – property, plant and equipment (impairment assessment and determination of useful lives)

Tennis SA Incorporated
Notes to the financial statements

3. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. Other than the adoption of AASB 9, refer Note 3(l), these have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition, initial measurement of derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and subsequent measurement of financials assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The Association's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

(iii) Subsequent measurement financial assets

Financial assets at amortised costs

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument as well as long-term deposit that were previously classified as loans and receivables under AASB 139.

The Company do not currently hold any financial assets at FVPL or FVOCI.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

Tennis SA Incorporated
Notes to the financial statements

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(v) Non-derivative financial liabilities

The Association has the following non-derivative financial liabilities: interest bearing liabilities, bank overdrafts and trade and other payables.

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation (see below) and accumulated impairment losses. The cost of property, plant and equipment at 1 July 2004, the date of transition to AASBs, was determined by reference to its cost at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives in the current and comparative periods are as follows:

- Building and leasehold improvements 10-40 years
- Plant and equipment 4-10 years
- Courts and court equipment 5-40 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

Tennis SA Incorporated
Notes to the financial statements

3. Significant accounting policies (continued)

(c) Impairment

(i) Financial assets (including receivables)

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost.

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(ii) Non-financial assets

The carrying amounts of the Association's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Employee benefits

(i) Long-term employee benefits

The Association's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Corporate bonds at the balance sheet date which have maturity dates approximating to the terms of the Association's obligations.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Association has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when Association can no longer withdraw the offer of those benefits and when the Association recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months at the end of the reporting, then they are discounted.

(e) Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Tennis SA Incorporated
Notes to the financial statements

3. Significant accounting policies (continued)

(f) Revenue and other income

(i) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rendering of services

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Affiliation fees

Revenue from affiliation fees is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the period to which membership relates.

(iv) Grants

Reciprocal grants

Grants received on the condition that specified services should be delivered or conditions fulfilled are considered reciprocal. Such grants are initially recognised as a liability and revenue recognised as services are performed or conditions fulfilled.

Non-reciprocal grants

Where a grant is received where there is no performance obligation or return obligation, revenue is recognised when the grant is received or receivable.

(g) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(h) Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

(i) Income tax

The income of the Association is exempt from income tax, and accordingly, no provision has been made in the accounts for income tax payable.

Withholding tax from other jurisdictions is provided when the liability is due and payable.

(j) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Tennis SA Incorporated
Notes to the financial statements

3. Significant accounting policies (continued)

(k) New accounting standards and interpretations not yet adopted

The following accounting standards, amendments to accounting standards and interpretations have been identified as those which may impact the Association in the period of initial adoption. They were available for early adoption for the Association's annual reporting period beginning 1 July 2019, but have not been applied in preparing this financial report. The Association's assessment of the new and amended pronouncements that are relevant to the Association but applicable in future reporting periods is set out below.

AASB 15 Revenue from Contracts with Customers becomes mandatory for the Association's financial statements for the period beginning on 1 July 2019 and establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The standard replaces existing revenue recognition guidance. The Association have undertaken an assessment of the impact of AASB 15 and anticipate that initial adoption of the Standard will not have a material impact on the Association's financial statements. The Association has decided not to early adopt of this new standard.

AASB 16 Leases becomes mandatory for the Association's financial statements for the period beginning on 1 July 2019 and introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operation expenses.

The Association has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on future economic conditions, including the assessment of Association's incremental rate, the composition of the Association's lease portfolio at that date, the Association's latest assessment of whether it will exercise any lease renewal options and the extent to which the Association chooses to use practical expedients and recognition exemptions.

The initial adoption of AASB 16 will have a material impact on the Association. The Association has decided not to early adopt this new standard. The most significant impact identified is that the Association will recognise new Right of Use (ROU) assets and lease liabilities. The estimated impact on statement of financial position will be approximately $310,000 to $390,000 as at 1 July 2019.

AASB 1058 Income of Not-for-Profit Entities becomes mandatory for the Association's financial statements for the period beginning on 1 July 2019 and establishes principles for NFP entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP Association to further its objectives; and to volunteer services received. The directors have undertaken an assessment of the impact of AASB 1058 and anticipate that initial adoption of the Standard will not have a material impact on the Association's financial statements. The Association has decided not to early adopt of this new standard.

Tennis SA Incorporated
Notes to the financial statements

3. Significant accounting policies (continued)

(l) Changes in significant accounting policies

The Association has initially applied AASB 9 from 1 July 2018. AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 Financial Instruments: Recognition and Measurement.

(i) **ECL model**

This new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income. For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Association has determined that the application of AASB 9's impairment requirements at 1 July 2018 did not have a material impact on the Association.

The effect of adopting AASB 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as detailed below:

	Measurement Category	
Assets	**Original AASB 139 Category**	**New AASB 9 Category**
Current financial assets		
Cash and cash equivalents	Amortised cost	Amortised cost
Trade and other receivables	Amortised cost	Amortised cost
Liabilities		
Current financial liabilities		
Trade and other payables	Amortised cost	Amortised cost

4. Determination of fair values

A number of the Association's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Tennis SA Incorporated
Notes to the financial statements

5. Revenue

	2019	2018
Player development revenue		
Squad fees	45,627	63,590
	45,627	63,590
Tournaments & competitions revenue		
Tennis Australia grants	102,827	92,950
Sponsorship	12,839	18,222
Entry fees	134,545	110,438
Sanction fees	14,775	11,400
	264,986	233,010
Participation revenue		
Government grants	35,000	55,000
Tennis Australia grants	1,242,580	1,056,399
Affiliation and registrations	288,092	292,779
Entry fees	486	842
	1,566,158	1,405,020
Places to Play Revenue		
Government grants	35,000	-
	35,000	-
Marketing & events revenue		
Sponsorship	22,906	18,000
Event ticket sales	51,375	66,069
Fundraising income	20,327	26,610
	94,608	110,679
Commercial and administration revenue		
Government grants	5,856,801	184,750
Tennis Australia grants	11,250	25,000
Rental Income	253,021	223,510
	6,121,072	433,260
Total revenue	8,127,451	2,245,559

Tennis SA Incorporated
Notes to the financial statements

6. Other income

	2019	2018
Advertising income	14,019	13,949
Court hire	142	16,262
Other income	19,523	10,780
Total other income	33,684	40,991

7. Other expenses

The Association has the following key expenses:

	2019	2018
Depreciation expense		
buildings & leasehold improvements	60,636	37,270
plant and equipment	18,542	11,441
courts	43,439	46,269
Loss on disposal of fixed assets	415,246	-
Salaries and related on-costs	1,356,378	1,086,814
Insurance expense	21,576	36,217
Operating lease rental expense	48,356	31,321

8. Finance income and costs

	2019	2018
Interest income on bank deposits	64,315	24,589
Total finance income	64,315	24,589
Interest expense on borrowings	(3,106)	(3,946)
Total finance costs	(3,106)	(3,946)
Net finance income and costs	61,209	20,643

No finance income and costs are recognised through equity. This is consistent with the statement of changes in equity on page 3.

Tennis SA Incorporated
Notes to the financial statements

9. Auditors' remuneration

	2019	2018
Audit services		
Auditors of the Association		
KPMG Australia:		
Audit and review of financial reports	15,700	13,300
	15,700	13,300

10. Cash and cash equivalents

	2019	2018
Bank balances	2,648,248	491,755
Term Deposits	6,518,502	962,564
	9,166,750	1,454,319

11. Trade and other receivables

	2019	2018
Trade receivables	575,990	5,026
Prepayments	184	-
Other receivables	231,208	32,481
	807,382	37,507

12. Property, plant and equipment

	Building and leasehold improvements	Plant and equipment	Courts and court equipment	Work in Progress	Total
Cost					
Balance at 1 July 2017	1,249,973	315,471	1,260,110	-	2,825,554
Additions	-	17,199	-	5,496	22,695
Disposals	-	-	-	-	-
Balance at 30 June 2018	1,249,973	332,670	1,260,110	5,496	2,848,249
Balance at 1 July 2018	1,249,973	332,670	1,260,110	5,496	2,848,249
Additions	3,700,023	54,566	-	2,127,854	5,882,443
Disposals	(10,858)	(174,545)	(977,988)	-	(1,163,391)
Balance at 30 June 2019	4,939,138	212,691	282,122	2,133,350	7,567,301
Accumulated depreciation					
Balance at 1 July 2017	(532,066)	(275,945)	(680,230)	-	(1,488,241)
Depreciation charge for the year	(37,270)	(11,441)	(46,269)	-	(94,980)
Disposals	-	-	-	-	-
Balance at 30 June 2018	(569,336)	(287,386)	(726,499)	-	(1,583,221)
Balance at 1 July 2018	(569,336)	(287,386)	(726,499)	-	(1,583,221)
Depreciation charge for the year	(60,636)	(18,542)	(43,439)	-	(122,617)
Disposals	10,858	173,704	563,583	-	748,145
Balance at 30 June 2019	(619,114)	(132,224)	(206,355)	-	(957,693)
Carrying amounts					
At 1 July 2017	717,907	39,526	579,880	-	1,337,313
At 30 June 2018	680,637	45,284	533,611	5,496	1,265,028
At 1 July 2018	680,637	45,284	533,611	5,496	1,265,028
At 30 June 2019	4,320,024	80,467	75,767	2,133,350	6,609,608

Tennis SA Incorporated
Notes to the financial statements

13. Trade and other payables

	2019	2018
Trade payables	19,066	73,708
Other payables and accrued expenses	357,171	131,743
	376,237	205,451

14. Employee benefits

Current

	2019	2018
Provision for long-service leave	38,312	25,218
Provision for annual leave	103,293	84,908
	141,605	110,126

Non-current

Provision for long-service leave	16,041	28,584
	16,041	28,584

15. Deferred income

	2019	2018
Affiliation & registration	47,891	48,632
Government grants	7,866,650	10,000
TA Grants	500,000	-
Other income	-	19,970
	8,414,541	78,602

Tennis SA Incorporated
Notes to the financial statements

16. Capitals and reserves

Ken McGregor Fund reserve

This reserve originated in the 2009/10 financial year, with the establishment of the Ken McGregor Fund. The fund was set up to assist junior player development at an international level.

Members equity

The Association is a body corporate incorporated under the Associations Incorporation Act 1985. In the event of the Association being wound up the liability of members is determined by its rules.

17. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2019	2018
Less than one year	28,309	27,764
Between one and five years	73,684	80,480
More than five years	547,965	549,968
	649,958	658,212

During the financial year ended 30 June 2019, $48,356 was recognised as an expense in the statement of profit or loss and other comprehensive income in respect of operating leases (2018: $31,321) and $202,071 was recognised as income (2018: $173,465). On the 7 December 2017, the Association re-negotiated its lease with the Adelaide City Council. The lease will expire on 30 June 2057. The Association is subleasing under this agreement to its existing tenants, AFL Sportsready, Sport Development Australia, Port Adelaide Football Club (June 2018-December 2018/March 2019-June 2019), Pernix (entered December 2018).

18. Reconciliation of cash flows from operating activities

	Note	2019	2018
Cash flows from operating activities			
Surplus for the period		5,301,225	133,273
Adjusted for:			
Loss on disposal of assets		415,246	-
Assets acquired – Anchor Project		(3,600,000)	-
Depreciation	*12*	122,617	94,980
Operating surplus before changes in working capital and provisions		2,239,088	228,253
(Increase)/decrease in trade and other receivables		(769,875)	51,106
Increase in deferred income		8,335,939	8,227
Increase in trade and other payables		170,786	34,675
Increase in provisions and employee benefits		18,936	2,170
Net cash from operating activities		9,994,874	324,431

Tennis SA Incorporated
Notes to the financial statements

19. Related party transactions

The Association, being an Associate member of Tennis Australia Limited, receives shared services benefits from Tennis Australia. These benefits include accounting, legal, information technology and human resources. These services were provided for nil consideration.

The names of each person holding the position of officer of the Association during the financial year were:

Kent Thiele, Philip Roberts, Dr. Alice Clark (appointed July 2018), Neville Guthberlet (retired June 2019), John MacKenzie (retired June 2019), Neville Messenger, Natalie Morley, Kerry Morrow, Graham Smart (retired June 2019), and Debbie Sterrey (appointed July 2018).

Officers of the Association are acting on an honorary basis.

The key management personnel for the Association include the following employees:
Steve Baldas (CEO), Ty Allen (Tournaments, Competitions and Officiating Manager), Brett Hidson (General Manager – Venues and Government Relations) and Matthew Fitzgerald (Head of Tennis Development).

Key management personnel compensation

In AUD	2019	2018
Short-term employee benefits	425,294	395,541
Post employment benefits	38,900	37,799
Total compensation	464,194	433,340

In addition to salaries paid, key management personnel receive cash incentive bonuses based on key performance indicators, which are included in the benefits listed above.

20. Economic Dependence

The Association, being an associate member of Tennis Australia, receives grant funding from Tennis Australia that forms an important part of the funding it requires to deliver the services to its members in line with its objective of promoting and supporting tennis in South Australia.

In the event that grant funding from Tennis Australia should cease, or be reduced, it is the view of the officers that if the Association was not able to replace that funding from other sources then it would need to change the services provided to its members so that those services were consistent with the funding available while still meeting its underlying objective.

21. Subsequent events

At the Special General Meeting held 25th March 2019 it was approved for the Association to spend up to $500,000 of the Associations funds on the Memorial Drive Centre Court Roof project. This project has a total budget of $11,000,000 and is jointly funded by the Government of South Australia – Office for Recreation, Sport and Racing ($10 million), Tennis Australia ($500,000) and Tennis SA Incorporated ($500,000). The project is scheduled to be completed by December 2019 in line with a new tournament to be hosted in January 2020. As at 30 June 2019, the Association had not yet spent any of its allocated funds but will expend the full amount by the completion of the project.

In the interval between the end of the financial year and the date of this report there have been no other events, items or transactions of material or unusual nature likely, in the opinion of the directors of the Association, to significantly affect the operations of the Association, the results of those operations, or the state of the affairs of the Association in future financial years.

Tennis SA Incorporated
Statement by the Officers

In the opinion of the officers of Tennis SA Incorporated ('the Association'):

(a) the financial statements and notes set out on pages 1 to 18, are in accordance with the Associations Incorporation Act 1985, including:

(i) fair presentation of the financial position of the Association as at 30 June 2019 and of their performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Associations Incorporation Act 1985;

(b) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Dated at Adelaide......23rd......day of......August......2019.

Signed in accordance with a resolution of the officers:

K.Thiele
President

P.Roberts
Vice President