



## **TENNIS EASTERN PROVINCE**

**Annual Financial Statements  
for the year ended 31 March 2017**

For discussion purposes only

# Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

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The reports and statements set out below comprise the annual financial statements presented to the committee:

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# Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

## Committee's Responsibilities and Approval

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The committee is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements fairly present the state of affairs of the association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in Note 1 to the financial statements. The external auditor's are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The committee acknowledges that he is ultimately responsible for the system of internal financial control established by the association and places considerable importance on maintaining a strong control environment. To enable the committee to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The committee has reviewed the association's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, he is satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditor's and their report is presented on page 3.

The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the committee on 14 June 2017 and were signed on its behalf by:

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M Bladen

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W McCay

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H de Klerk

Port Elizabeth

14 June 2017

# TREVOR WAIT (PE)

**Registered Auditors - Chartered Accountants (SA)**  
**Geregistreerde Ouditeure - Geoktrooieerde Rekenmeesters (SA)**

276 Cape Road, Newton Park, PORT ELIZABETH, 6045  
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## Independent Auditor's Report

To the committee of Tennis Eastern Province

### Qualified opinion

We have audited the annual financial statements of Tennis Eastern Province set out on pages 5 to 11, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Tennis Eastern Province as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with basis of accounting as set out in Note 1 to the financial statements and the associations constitution.

### Basis for qualified opinion

In common with similar organisations, it is not feasible for the association to institute accounting controls over the collection of all fees from the clubs and members. Accordingly, it was impractical for us to extend our examination beyond the receipts actually received.

### Responsibilities of the committee for the Annual Financial Statements

The association's committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the association's constitution, and for such internal control as the committee determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, 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 intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are 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 International Standards on Auditing 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 these annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, 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.

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## Independent Auditor's Report

- 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 annual financial statements 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 annual financial statements, including the disclosures, and whether the annual financial statements represent 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.

TREVOR WAIT (PE)  
Chartered Accountants (SA)  
Registered Auditors

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JPD Botha

14 June 2017  
Port Elizabeth

# Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

## Statement of Financial Position as at 31 March 2017

Figures in Rand	Notes	2017	2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	24 194	32 762
<b>Current Assets</b>			
Trade and other receivables	3	30 000	31 967
Cash and cash equivalents	4	87 320	150 560
<b>Total Current Assets</b>		<b>117 320</b>	<b>182 527</b>
<b>Total Assets</b>		<b>141 514</b>	<b>215 289</b>
<b>Equity and Liabilities</b>			
<b>Funds and reserves</b>			
Accumulated surplus		53 940	132 385
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	87 574	82 904
<b>Total Equity and Liabilities</b>		<b>141 514</b>	<b>215 289</b>

# Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

## Statement of Comprehensive Income

Figures in Rand	Notes	2017	2016
<b>Income</b>			
Interest received	6	1 686	27 883
<b>Operating expenses</b>			
Auditors remuneration	7	6 341	3 652
Bank charges		-	148
Website design and hosting		2 798	3 695
Depreciation, amortisation and impairments		8 568	7 911
Salaries and honorarium		5 500	5 000
Entertainment		780	7 470
Sponsorships		12 200	11 150
Tennis court re-surface		35 000	-
Gifts		2 600	-
Lotto expenses		-	899 160
Petrol and oil		-	1 500
PO Box rental		380	380
Travelling		5 964	-
		<b>80 131</b>	<b>940 066</b>
<b>Deficit for the year</b>		<b>(78 445)</b>	<b>(912 183)</b>

## Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

### Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 April 2015	1 044 568	1 044 568
Deficit for the year	(912 183)	(912 183)
Balance at 01 April 2016	132 385	132 385
Deficit for the year	(78 445)	(78 445)
Balance at 31 March 2017	53 940	53 940

For discussion purposes only



# Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

## Statement of Cash Flows

Figures in Rand	Notes	2017	2016
<b>Cash flows from operating activities</b>			
Cash receipts from customers		-	-
Cash paid to suppliers and employees		(64 926)	(954 047)
Cash used in operations	8	(64 926)	(954 047)
Interest income		1 686	27 883
<b>Net cash from operating activities</b>		<b>(63 240)</b>	<b>(926 164)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(5 921)
<b>Total cash movement for the year</b>		<b>(63 240)</b>	<b>(932 085)</b>
Cash at the beginning of the year		150 560	1 082 645
<b>Total cash at end of the year</b>	4	<b>87 320</b>	<b>150 560</b>

# Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years
Video camera and accessories	Straight line	6 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

#### 1.2 Revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

## Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

Figures in Rand 2017                      2016

#### 2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	8 172	(8 169)	3	8 172	(8 169)	3
Video camera and accessories	51 410	(27 219)	24 191	51 410	(18 651)	32 759
<b>Total</b>	<b>59 582</b>	<b>(35 388)</b>	<b>24 194</b>	<b>59 582</b>	<b>(26 820)</b>	<b>32 762</b>

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Total
IT equipment	3	-	3
Video camera and accessories	32 759	(8 568)	24 191
	<b>32 762</b>	<b>(8 568)</b>	<b>24 194</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
IT equipment	3	-	-	3
Video camera and accessories	34 749	5 921	(7 911)	32 759
	<b>34 752</b>	<b>5 921</b>	<b>(7 911)</b>	<b>32 762</b>

#### 3. Trade and other receivables

Loan to Juniors Tennis	-	31 967
Loan to Viljoen	10 000	-
Loan to Van Zyl	20 000	-
	<b>30 000</b>	<b>31 967</b>

#### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Nedbank current account	27 320	10 194
Nedbank Investment account	60 000	140 366
	<b>87 320</b>	<b>150 560</b>

# Tennis Eastern Province

Annual Financial Statements for the year ended 31 March 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>5. Trade and other payables</b>		
Excess received for Cradock Tournament	305	305
Deposits from EP Coaches	3 158	10 325
Deposits from Tennis Nelson Mandela Bay	56 333	51 874
Affiliation fees payable to TSA	16 480	13 400
Accrued audit fees	6 900	7 000
Loan from Juniors Tennis	4 398	-
	<u>87 574</u>	<u>82 904</u>
<b>6. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	5 801	31 327
Less allocated to EP Coaches	(456)	(607)
Less allocated to Tennis Nelson Mandela Bay	(3 659)	(2 837)
	<u>1 686</u>	<u>27 883</u>
<b>7. Auditor's remuneration</b>		
Fees	6 900	7 000
Adjustment for previous year	(559)	(3 348)
	<u>6 341</u>	<u>3 652</u>
<b>8. Cash used in operations</b>		
Deficit before taxation	(78 445)	(912 183)
<b>Adjustments for:</b>		
Depreciation and amortisation	8 568	7 911
Interest received	(1 686)	(27 883)
<b>Changes in working capital:</b>		
Trade and other receivables	1 967	(31 967)
Trade and other payables	4 670	10 075
	<u>(64 926)</u>	<u>(954 047)</u>