



Treasurer's Report 2016

Dear Members,

As another Gardens Tennis (GT) AGM approaches, looking back reveals it has been a busy year.

To begin with, the posted Financial Report needs to be read on the understanding that the day to day business operation of GT was only under full management by the Darwin Tennis Association (DTA) for the first three months of the financial year. The remaining 9 months were under the management of Top End Tennis (TET) as the Service Provider for GT. This change in operational management model is reflected in the large variation of Inventories, Income, Cost of Sales and Expenses from 2015 to 2016.

With the implementation of TET as the Service Provider the focus has been on ensuring long term financial health is prioritised and setting up solid foundations, for the continuing future success of GT as a membership and community focused tennis club.

With financial health a focus, the approach to any upgrades adopted was, where possible, to seek grants to supplement expenditure by GT, ensuring we obtain as much value as possible with funds. This approach resulted in \$41,910 (GST inclusive) being administered in grants in the 2015/16 year, thanks to the generosity of the Northern Territory Government, Tennis NT and Tennis Australia.

In addition to Grant money received, the committee also approved additional funding for the following projects;

- Geotechnical Report – Part of MasterPlan prerequisite
- Gardens Tennis Masterplan
- Court Repair & Hotshots Markings
- Tennis Nets & Straps
- LED Lighting upgrades
- General upgrades of seating etc.

Overall the 2015/16 provided the following financial results;

The audited accounts for 2015/16 revealed a net loss of **\$26,756.22**, the corresponding period for 2014/15 revealed a net loss of **\$25,328.21**.

The following impacts provide some insight into the net loss for the 2015/16 year;

- Facility assets, with a current written down value of \$1,334,214.00, resulted in depreciation of **\$27,143** for the reporting year.
- The sale of the DTA vehicle, with a carrying value of \$3,500 for only \$2,000 thus a loss of **\$1,500**.
- Write down in inventory and stock due to age and obsolescence of approximately **\$2,000**.

- At the end of the financial year any grants that haven't been acquitted must be listed as a liability within the accounts. At the end of the period liabilities incorporated \$29,463.64 in grants.
- A review of the ATO Gardens Account identified some anomalies, which resulted in Merit Partners being engaged to identify and assist in reconciling the issues. The reconciliation of accounts identified a number of historical issues that impacted on our accounts, which unfortunately resulted in an adjustment to our expenses, identified as 'Prior Year Adjustment' of \$12,906.32.

Without the building depreciation, which is a non cash expense to our asset account, the DTA would have posted a profit of \$386.78. Without the additional expense of \$12,906.32 for the 'Prior Year Adjustment', we would have seen this climb to a \$13,293.10 profit. This is also without taking into consideration the \$29,463 of grants, listed as a liability, that is being used for projects in the current financial year around GT.

Overall, after the change in management model for GT, we are fairing well and are continuing to grow and have a positive future outlook.

Regards,

Jamie T. O'Brien
Treasurer
26 Nov 2016