Tennis South Africa NPC (Non Profit Company)
(Registration number 2000/018796/08)
Annual Financial Statements
for the year ended 31 March 2017

General Information

Country of incorporation and domicile	Republic of South Africa	
Nature of business and principal activities	To manage, promote, control and regulate the interests of tennis players and the game of tennis within the Republic of South Africa.	
Directors	Gavin Neville Crookes	appointed on 01 October 2016
	Riad Davids	appointed on 01 October 2016
	Cedric Douglas Boltman	resigned on 01 October 2016
	Jacob Johannes Klaasen	appointed on 01 October 2016
	Petros Abraham	resigned on 01 October 2016
	Zaida Beukes	appointed on 01 October 2016
	Allan Karam	appointed on 01 October 2016
	Johannes Petrus Karel Jacobs	resigned on 01 October 2016
	John Clark Coetzee	resigned on 01 October 2016
	Fuad Cassim	appointed on 01 October 2016
	Anthony Harold Loubser	appointed on 01 October 2016
	Shaun Liebenberg	appointed on 01 October 2016
	Hubert Brody	appointed on 01 October 2016
	Albert Gustav Fichardt	appointed on 01 October 2016
	David Christiaan Jaquire	co - opted on 01 October 2016
	Ronald Cornelis Walterus van 't Hof	co - opted on 01 October 2016
	Bridget Visee	co - opted on 01 October 2016
	Rosalea Anne Van Der Meer	co - opted on 01 October 2016
	Geoffrey David Whyte	resigned on 01 October 2016 co - opted on 25 November 2016
	Gugu Ntuli	co - opted on 25 November 2016
Business address	1st Floor, Block 12 The Lords Office Estate 276 West Avenue Centurion 0157	
Postal address	P O Box 521022 Saxonwold 2132	
Bankers	ABSA Bank	
Auditors	Haroon Takolia & Company Chartered Accountants (SA) Registered Auditors	
Company registration number	2000/018796/08	
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.	
Preparer	Yusuf Kolia Associate General Accountant	

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The reports and statements set out below comprise the annual financial statements.

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are 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 directors have reviewed the company's cash flow forecast for the year to 31 March 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

Tennis South Africa operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that the assets are safeguarded and the risks facing the company are controlled.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of members, the board and committees of the board. The board believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 29, which have been prepared on the going concern basis, were approved by the board on 14 August 2017 and were signed on their behalf by:

G. N. Crookes - President	**R. Davids - Vice-President**

Independent Auditor's Report

To the members of Tennis South Africa NPC (Non Profit Company)

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the Annual Financial Statements of Tennis South Africa NPC (Non Profit Company) set out on pages 12 to 27, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Profit or Loss and Other 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 a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Tennis South Africa NPC (Non Profit Company) as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 19 in the Annual Financial Statements, which indicates that even though the company incurred a surplus during the year ended 31 March 2017, the company's current liabilities still exceeded its total assets. As stated in note 19, these events or conditions, along with other matters as set forth in note 19, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Annual Financial Statements of the current period. These matters were addressed in the context of our audit of the Annual Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the material uncertainty related to going concern section, we have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Independent Auditor's Report

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 company 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 directors 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.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Haroon Takolia & Company has been the auditor of Tennis South Africa NPC (Non Profit Company) for seventeen years.

Haroon Takolia + Co

Haroon Takolia & Company
Partner: Zubair Kaka
Chartered Accountants (SA)
Registered Auditors
14 August 2017
Johannesburg

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Tennis South Africa NPC (Non Profit Company) for the year ended 31 March 2017.

1. Profile

Business and operations
To manage, promote, control and regulate the interests of tennis players and the game of tennis within the Republic of South Africa.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

They are based on appropriate accounting policies which have been consistently applied, except where otherwise stated in which case full disclosure is made, and are supported by reasonable and prudent judgements and estimates.

The directors have no reason to believe the business will not be a going concern in the year ahead.

2. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

3. Internal control

The company maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability for its assets.

Such controls and systems are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties where feasible.

Nothing has come to the attention of the directors or the independent auditors to indicate that any material breakdown in the functioning of the internal controls and systems has occurred during the year under review.

4. Ethics

The directors and employees of the company maintain the highest ethical standards in ensuring that business practices are conducted in a manner, which, in all reasonable circumstances, is beyond reproach.

In any instance where ethical standards are called into question, the circumstances are investigated and resolved in the appropriate manner.

5. Risk management

The focus of risk management is on identifying, assessing, mitigating, managing and monitoring all known forms of risk across the company. Management is involved in a continuous process of developing and enhancing its comprehensive systems for risk identification and management.

The risks to the business include, but are not restricted to, such areas as weather, exchange rates, political and economic factors, legislation and national regulations, people skills, and general operational and financial risks.

6. Human resource and development

The company views the superior performance of its employees as a major source of sustainable competitive advantage. This has led to a deliberate focus on human resource policies, strategies and programs that channel employee capabilities towards the achievement of the company's objectives.

Employment equity
Tennis South Africa is an equal opportunity employer and has implemented programs to address historical distortion in our employment equity.

7. Black economic empowerment

The company is both proactive and supportive of the government's various initiatives in this regard, not only in respect of insisting of minimum levels of formerly disadvantaged people being selected for provincial and national teams, but also, where possible, in the awarding of supply tenders for requisites used.

Directors' Report

8. Directors and office bearers emoluments

Directors emoluments paid during the year under review is set out as follows:

David Christiaan Jaquire

Schools administrator	72 000

Allan Karam

Junior Davis Cup	4 000
Australia Tour	43 650
	47 650

Company Officer - Chief Executive Officer

Richard Glover	799 500

9. Directors' interests in contracts

Neither the company's business nor any part thereof was managed by a third person or by any company in which the directors have an interest.

10. Corporate social responsibility

Tennis South Africa recognises its responsibility, as a corporate and sporting body, towards its stakeholders and the country of South Africa as a whole in its capacity as the stewards of tennis.

Accordingly, the company is committed to aligning its vision and mission to that of its performance as a corporate and sporting citizen.

Corporate social investment, as a cornerstone of good corporate citizenship, forms an integral part of the company's accountability and governance programmes.

The company's social investment programme considers:
- funding projects that have a logical fit with tennis;
- engaging the full array of organisational resources, in an appropriate manner;
- considering Social Investment activities at all levels of the tennis structures;
- regularly evaluating potential and actual programmes where necessary.

11. Directors

The directors in office at the date of this report are as follows:

Directors		
Gavin Neville Crookes	President	appointed on 01 October 2016
Riad Davids	Vice-President	appointed on 01 October 2016
Cedric Douglas Boltman		resigned on 01 October 2016
Jacob Johannes Klaasen		appointed on 01 October 2016
Petros Abraham		resigned on 01 October 2016
Zaida Beukes		appointed on 01 October 2016
Allan Karam		appointed on 01 October 2016
Johannes Petrus Karel Jacobs		resigned on 01 October 2016
John Clark Coetzee		resigned on 01 October 2016
Fuad Cassim		appointed on 01 October 2016
Anthony Harold Loubser		appointed on 01 October 2016

Directors' Report

Shaun Liebenberg		appointed on 01 October 2016
Hubert Brody		appointed on 01 October 2016
Albert Gustav Fichardt		appointed on 01 October 2016
David Christiaan Jaquire	Schools	co - opted on 01 October 2016
Ronald Cornelis Walterus van 't Hof	Seniors	co - opted on 01 October 2016
Bridget Visee	Coaches	co - opted on 01 October 2016
Rosalea Anne Van Der Meer	WTSA	co - opted on 01 October 2016
Geoffrey David Whyte		resigned on 01 October 2016 co - opted on 25 November 2016
Gugu Ntuli		co - opted on 25 November 2016

12. Limitation of liability

Each member undertakes while being a member or within one year thereafter, to contribute to the assets of the company, in the event of its being wound up, for the payment of the debts and liabilities of the company contracted before he or she ceased to be a member, and of the costs, charges and expenses of the winding up, and for adjustment of the rights of the contributors amongst themselves, an amount not exceeding R1.00 (One Rand).

13. Corporate governance

Tennis South Africa is committed to the principles embodied in the King Reports and as such subscribes to The code of corporate governance and conduct contained in the King Reports on governance.

All stakeholders can thus be assured that the company is being ethically managed in compliance with generally accepted corporate practices.

The board believes that in all material respects the company complied with the principles of the code throughout the year under review and the board continually strives to enhance compliance.

14. The Board and Board committees

The company has a unitary board of directors comprising of non - executive directors. Directors are elected by the council for their business acumen and skills pertinent to the business and goals of the company and meet the criteria of the King Reports.

The board of directors is ultimately responsible for ensuring that the business is a thriving concern, and to this end effectively controls the company and its management, and is involved in all decisions that are material for this purpose.

The board is responsible for:-
- overall strategy
- retaining full and effective control of the company;
- ensuring that the company is governed effectively in accordance with corporate governance best practices;
- appointment of subcommittees of the board and the delegation of authority and responsibility to such subcommittees and the monitoring of the functioning of these subcommittees;
- determine and set the tone of the company's values including the principles of ethical business practice;
- consideration of financial matters including the monitoring of operational performance against budget;
- effective, timeous and transparent communication with stakeholders, and;
- monitoring and evaluating the directors and other senior executives.

All directors have unrestricted access to the president.

The board of directors met five times during the year under review.

The president encourages full and proper deliberation on all matters requiring the board's attention and thus obtains optimum input from all the directors.

Attendance at board meetings is indicated on the following page:-

Directors' Report

Director	No. of meetings during the year	No. of meetings attended during the year
Gavin Neville Crookes	5	5
Riad Davids	5	4
Cedric Douglas Boltman	3	0
Jacob Johannes Klaasen	5	5
Petros Abraham	3	0
Zaida Beukes	5	4
Allan Karam	5	5
Johannes Petrus Karel Jacobs	3	2
John Clark Coetzee	2	2
Fuad Cassim	2	2
Anthony Harold Loubser	2	2
Shaun Liebenberg	2	2
Hubert Brody	2	2
Albert Gustav Fichardt	2	2
David Christiaan Jaquire - schools	5	5
Ronald Cornelis Walterus van 't Hof - seniors	5	5
Bridget Visee - coaches	5	3
Rosalea Anne Van Der Meer - WTSA	5	3
Geoffrey David Whyte	4	4
Gugu Ntuli	1	1
Richard Glover - CEO	3	3

Audit committee

The audit committee that reports to the board of directors comprises of two non-executive directors, Messrs. R. Van' t Hof (chairman) and G. Crookes. This committee met once during the past year on 1 August 2016. The meeting was attended per invitation, by Mr H. Takolia from the external auditors and Mr R Dawood, the company's financial manager.

The function of the committee is to assist the board in discharging its oversight responsibilities in the following areas:-
- Compliance with applicable laws and regulations;
- Transparency and integrity of financial statements;
- Effectiveness of the internal controls and risk management procedures;
- Performance of the external auditors;
- Appropriate involvement and liaison with the external auditor and audit process; and
- Overview of corporate governance.

In order to assist the committee to fulfill its duties in these areas, comprehensive reports are presented to the committee by:
- the external auditor, in respect of their audit plan and the results of the financial audit and other non-audit services provided by the the external auditor;
- the financial manager covering the financial results of the company.

The committee updates the board on all of its activities at the board meeting following the audit committee meeting. The committee's activities included:-
- a review of policies in place to identify financial as well as business risks and the appropriateness and adequacy of systems of internal and operational control to mitigate such risks;
- a review of the company's prevention and detection of fraud policy;
- understanding and confirming the method used to prepare the financial statements is accurate, balanced and consistent;

- a review of the financial statements and accounting policies which may have a material impact on the financial statements;
- confirming the company's ability to operate as a going concern;
- review the effectiveness of systems and policies for monitoring compliance with laws and regulations;
- evaluation of the independence and abilities of the independent auditor and the recommendation of their re-appointment and the fees payable to them;
- providing effective communication between the board, management and the auditors.

The committee assesses its performance both collectively and on an individual basis annually. This assessment will be reported to the board.

Directors' Report

The external auditors have unrestricted access to this committee, whose main task is to ensure the maintenance and, where necessary, review the effectiveness of internal control in the company.

Other areas covered include, but are not restricted to, the review of important accounting issues, pending litigation, specific disclosures in the financial statements and the review of the major audit recommendations.

The committee is satisfied that, based on their activities in the 2017 financial year, the company's risk and internal control processes are adequate and are generally functioning effectively, and that the company has adequate resources to continue in operational existence.

Remuneration committee
The company's remuneration committee comprises the board's management committee, the president being the chairman, and is responsible for the assessment and approval of the company's remuneration strategy.

No meetings was held of this committee during the year. Due to the nature and size of the company, it does not warrant formal meetings of this committee.

The remuneration philosophy of the company is to ensure that employees are rewarded for their contribution to the company's operating and performance levels which endeavour to take into account the needs of the various stakeholders and the goals of the company.

The committee also recommends the fees, if any, for board members that would have to be approved at the annual general meeting of the company.

The committee is responsible for the development and determination of the company's general policy on senior management remuneration, which includes the full range of benefits including basic salary, incentive schemes, medical aid schemes and retirement benefits.

The committee plays an integral part in succession planning relative to senior management.

Management committee (Manco)
The company's executive Management committee (Manco) meets to review operational performance, various new and ongoing programmes, and to assist the Company's senior management with the month to month decision making processes. In addition, consideration is given to major new project and initiative proposals as well as issues of strategic importance to the company, for recommendation to the company's board.

Director	No. of meetings during the year	No. of meetings attended during the year
Gavin Neville Crookes	4	4
Riad Davids	4	4
John Clark Coetzee	2	1
Shaun Liebenberg	2	1
Geoffrey David Whyte	3	3
Richard Glover - CEO	2	2

15. External auditor

The external auditor, Haroon Takolia & Company provides an independent opinion on the annual financial statements. The external audit provides reasonable, but not absolute, assurance of the fair presentation of the annual financial statements.

Haroon Takolia & Company will continue in office in accordance with Section 90 of the Companies Act of South Africa.

16. Management reporting

The company has established and is implementing comprehensive management reporting disciplines which includes presentation of detailed and meaningful management accounts at each Manco and board meeting, and which also include the preparation of annual strategic plans and budgets by the various divisions within the company.

Results and the financial status of each division are to be reported against approved budgets and compared to the year to date budgets. Surpluses and cash flow projections are reviewed and operating capital levels are closely monitored.

Directors' Report

17. Financial statements

The company's board of directors are responsible for preparing the annual financial statements and other information presented in the reports to council in a manner that fairly presents the state of affairs and results of the company's financial operations. The independent auditors are responsible for carrying out an independent examination of the annual financial statements in accordance with the provisions of the South African Accounting Standards and reporting their findings.

18. Going concern

The current income has decreased tremendously compared to earlier years as is reflected in the annual financial statements. The continued existence of the company as a going concern depends on the future funding by way of grants and sponsorships from external sources.

19. Events after the reporting period

No material fact or circumstance has occurred between the accounting date and the date of this report.

Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	3	63 572	64 326
Share Investment	4	1	1
Unit trust investment	5	1 386 020	1 552 930
		1 449 593	**1 617 257**
Current Assets			
Trade and other receivables	6	1 155 845	744 854
Cash and cash equivalents	7	2 957 788	6 614 373
		4 113 633	**7 359 227**
Total Assets		**5 563 226**	**8 976 484**
Equity and Liabilities			
Equity			
Accumulated loss		(1 352 717)	(1 406 989)
Liabilities			
Current Liabilities			
Trade and other payables	8	6 915 943	10 383 473
Total Equity and Liabilities		**5 563 226**	**8 976 484**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue			
Affiliation and registration fees		1 758 810	1 729 756
Coaching courses and manuals sales		1 479 803	1 133 951
Donations received		164 901	-
Fair value adjustment on investment		26 578	21 678
Grants - SRSA	9	2 198 731	2 200 000
Officiating courses		23 495	22 895
Recoveries		1 964 242	1 014 664
Sponsorship, grants and competition revenue	10	2 852 338	3 276 709
Schools assistance		762 790	870 130
Sundry income		640 449	202 707
Tennis ball endorsements		133 333	400 000
Tournament contributions, membership and sanction fees		1 225 506	1 453 579
Wimbledon, French Open and Davis Cup ticket recoveries		395 712	302 077
		13 626 688	**12 628 146**
Operating expenses			
Competitions and events	11	4 063 312	5 397 981
Development and high performance	12	3 684 874	3 860 941
Management and administration	13	6 192 923	5 815 681
		13 941 109	**15 074 603**
Operating deficit		**(314 421)**	**(2 446 457)**
Interest income		371 662	465 736
Interest paid		(2 969)	(4 460)
Surplus (deficit) for the year		**54 272**	**(1 985 181)**

Statement of Changes in Equity

Figures in Rand	Accumulated surplus / (deficit)	Total equity
Balance at 01 April 2015	**578 192**	**578 192**
Deficit for the year	(1 985 181)	(1 985 181)
Balance at 01 April 2016	**(1 406 989)**	**(1 406 989)**
Surplus for the year	54 272	54 272
Balance at 31 March 2017	**(1 352 717)**	**(1 352 717)**

Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from (used in) operations	15	(4 153 796)	(3 763 438)
Interest income		371 662	465 736
Interest paid		(2 969)	(4 460)
Net cash used in operating activities		**(3 785 103)**	**(3 302 162)**
Cash flows from investing activities			
Additions to property, plant and equipment	3	(39 057)	(42 679)
Proceeds on disposal of property, plant and equipment	3	665	-
Increase in unit trust investment		166 910	(116 415)
Net cash from (used in) investing activities		**128 518**	**(159 094)**
Total cash movement for the year		**(3 656 585)**	**(3 461 256)**
Cash at the beginning of the year		6 614 373	10 075 629
Total cash at end of the year	7	**2 957 788**	**6 614 373**

Accounting Policies

General information

Tennis South Africa NPC (Non Profit Company) is a Section 21 Non Profit Company founded in the Republic of South Africa.

1. Statement of compliance

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

1.1 Basis of preparation

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.3 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost or recorded at a nominal value of R1 where the cost of an item is insignificant.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	
Office furniture and equipment	3 years
Computer equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit,category.

Accounting Policies

1.4 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

Accounting Policies

1.7 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

The company is an association incorporated under Section 21 and does not have a share capital.

Each member undertakes while being a member or within one year thereafter, to contribute to the assets of the company, in the event of its being wound up, for the payment of the debts and liabilities of the company contracted before he or she ceased to be a member and of the costs, charges and expenses of the winding up, and for adjustment of the rights of the contributors amongst themselves, an amount not exceeding R1.00 (One Rand).

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:
- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

1.11 Income and expenditure

Income and expenditure are brought to account as and when recorded.

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

Dividends are recognised, in surplus or deficit, when the company’s right to receive payment has been established.

1.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

Accounting Policies

1.12 Borrowing costs (continued)

- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2017 or later periods:

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 01 January 2019.

The company expects to adopt the standard for the first time in the 2020 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

2. New Standards and Interpretations (continued)

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The company expects to adopt the standard for the first time in the 2019 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The company expects to adopt the standard for the first time in the 2019 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

3. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Office furniture and equipment	163 949	(157 690)	6 259	200 942	(191 516)	9 426
Computer equipment	137 684	(80 371)	57 313	162 787	(107 887)	54 900
Total	**301 633**	**(238 061)**	**63 572**	**363 729**	**(299 403)**	**64 326**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Disposals - depreciation	Depreciation	Total
Office furniture and equipment	9 426	-	(36 993)	36 944	(3 118)	6 259
Computer equipment	54 900	39 057	(64 161)	63 545	(36 028)	57 313
	64 326	**39 057**	**(101 154)**	**100 489**	**(39 146)**	**63 572**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Disposals - depreciation	Depreciation	Total
Office furniture and equipment	4 345	8 872	-	-	(3 791)	9 426
Computer equipment	48 402	33 807	-	-	(27 309)	54 900
	52 747	**42 679**	**-**	**-**	**(31 100)**	**64 326**

Property, plant and equipment are depreciated as per note 1.

4. Share investment

ITF Limited	1	1

The assets and business affairs of the International Tennis Federation were transferred to an incorporated body known as ITF Limited with effect from 1 January,1998. As a result, the association is the registered holder of nine class B shares in ITF Limited. The said shares are not transferable.

5. Unit trust investment

Nedgroup Investments

Flexible Income Fund A	1 386 020	1 552 930

This investment is ringfenced for activities specific to seniors tennis.

6. Trade and other receivables

Trade receivables	931 845	744 854
Prepaid expenses	224 000	-
	1 155 845	**744 854**

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	38 821	58 525
Bank balances	1 786 515	2 272 024
Funds on call and fixed deposits	1 132 452	4 283 824
	2 957 788	**6 614 373**

8. Trade and other payables

Accrued expenses	6 272 605	9 566 619
Income received in advance	643 338	816 854
	6 915 943	**10 383 473**

9. Grants - SRSA

SRSA		
Administration	198 731	200 000
Programs and projects	800 000	800 000
Disabled	200 000	200 000
School sport	800 000	800 000
Bloemfontein and Gauteng Open	-	200 000
Open Tournaments	200 000	-
	2 198 731	**2 200 000**

10. Sponsorship, grants and competition revenue

ITF	1 750 067	3 142 285
CAT	191 558	84 424
AJC	30 713	-
Sponsorships	880 000	50 000
	2 852 338	**3 276 709**

11. Competitions and events

Africa Junior Championship	1 129 740	1 887 077
Davis Cup		
- Davis Cup - away	430 572	17 604
- Davis Cup - home	1 575 770	2 476 642
Fed Cup		
- Event expenses	23 546	528 969
Futures		
- Event expenses	-	9 734
Sundry events		
- Seniors	903 684	477 955
	4 063 312	**5 397 981**

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

12. Development and high performance

Lotto development expenditure and projects	336 265	332 423
Coaches	895 632	560 455
Officiating	20 983	217 824
High performance	1 206 686	615 139
WTSA	201 739	200 000
Junior tournaments	1 023 569	1 935 100
	3 684 874	**3 860 941**

13. Management and administration

Included in management and administration expenditure are the following amounts:

Auditor's remuneration	84 912	150 000
Depreciation	39 146	31 100
IT costs	313 364	152 002
Staff salary, wages and contributions	2 945 067	1 497 074

14. Expenditure grants - SRSA

Grants received from Sport and Recreation South Africa were expended as follows:

Administration	198 731	200 000
Programs and projects	800 000	800 000
Disabled	200 000	200 000
School sport	800 000	800 000
Bloemfontein and Gauteng Open	-	200 000
Open Tournaments	200 000	-
	2 198 731	**2 200 000**

15. Cash generated from (used in) operations

Surplus (deficit) for the year	54 272	(1 985 181)
Adjustments for:		
Depreciation	39 146	31 100
Interest income	(371 662)	(465 736)
Interest paid	2 969	4 460
Changes in working capital:		
Trade and other receivables	(410 991)	(614 891)
Trade and other payables	(3 467 530)	(733 190)
	(4 153 796)	**(3 763 438)**

16. Taxation

No provision has been made for taxation as the company has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

17. Directors and office bearers emoluments

2017

	Other	Total
David Christiaan Jaquire	72 000	72 000
Allan Karam	47 650	47 650
Richard Glover	799 500	799 500
	919 150	**919 150**

2016

	Other	Total
David Christiaan Jaquire	72 000	72 000
Allan Karam	75 992	75 992
John Clark Coetzee	308 840	308 840
	456 832	**456 832**

18. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Market risk management

Market risk is the risk that the company's income and capital will be adversely affected by movements in the level or volatility of market rates or prices such as interest rates and foreign exchange rates. The overarching objective of market risk management is to protect the company's net surplus against adverse market movements through containing the innate interest rate and foreign currency risks within acceptable parameters, as with all risk management within the company, the market risk management resides under the authority of the board incorporating interest rate and currency risk parameters.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company’s risk to liquidity is a result of the funds available to cover future commitments.

The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the company has no significant interest-bearing assets, the company’s income and operating cash flows are substantially independent of changes in market interest rates.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

18. Risk management (continued)

The company’s interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

Borrowings issued at fixed rates expose the company to fair value interest rate risk

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

19. Going concern

We draw attention to the fact that at 31 March 2017, the company had accumulated losses of R (1 352 717) and that the company's total liabilities exceed its assets by R (1 352 717).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
Revenue			
Affiliation and registration fees		1 758 810	1 729 756
Tennis ball endorsements		133 333	400 000
Coaching courses and manuals sales		1 479 803	1 133 951
Donations received		164 901	-
Fair value adjustment on investment		26 578	21 678
Sponsorship, grants and competition revenue		191 558	84 424
Grant - AJC		30 713	-
Grant - ITF - Africa Junior Championship		724 804	1 844 167
Grant - ITF - Davis Cup		693 436	1 004 412
Grant - ITF - Fed Cup		-	162 100
Grant - ITF - other		331 827	131 606
Grants - SRSA		2 198 731	2 200 000
Interest income		371 662	465 736
Officiating courses		23 495	22 895
Recoveries		1 964 242	1 014 664
Schools assistance		762 790	870 130
Sponsorships		880 000	50 000
Sundry income		640 449	202 707
Tournament contributions, membership and sanction fees		1 225 506	1 453 579
Wimbledon, French Open and Davis Cup ticket recoveries		395 712	302 077
		13 998 350	**13 093 882**
Expenses (Refer to page 29)		**(13 944 078)**	**(15 079 063)**
Surplus (deficit) for the year		**54 272**	**(1 985 181)**

Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
Operating expenses			
Accounting fees		15 604	88 957
Affiliation fees - CAT / ITF		527 352	694 321
Africa Junior Championship		1 129 740	1 887 077
Audit fees		84 912	150 000
Bank charges		42 590	78 290
Board, Manco, council and other meeting expenses		444 940	594 759
Commission - registration fees received (Sporting HQ)		60 738	105 959
Courier charges		5 349	8 636
Davis Cup expenses			
- Davis Cup away		430 572	17 604
- Davis Cup home		1 575 770	2 476 642
Depreciation		39 146	31 100
Development program			
- Lotto hubs expenditure and projects		336 265	332 423
- Officiating		20 983	217 824
- Coaches		895 632	560 455
- High performance		1 206 686	615 139
Fed Cup		23 546	528 969
Futures		-	9 734
Gifts and donations		2 776	317
Insurance		74 678	83 541
Interest paid		2 969	4 460
IT costs		313 364	152 002
Junior tournaments and schools		1 023 569	1 935 100
Legal fees		145 161	130 222
Loyalty card expenditure		-	284 301
Marketing and media		624 803	733 864
Payroll administration		-	6 664
Penalties and interest		6 340	-
Printing and stationery		33 353	49 168
Refreshments and entertainment		24 987	30 676
Rent, electricity and water		227 849	291 317
Rental / purchase equipment		26 534	13 789
Repairs and maintenance		16 021	6 050
Seniors		903 684	477 955
Small assets written off		4 280	14 445
Staff salary, wages and contributions		2 945 067	1 497 074
Subscriptions		1 810	-
Sundry		135 697	403 073
Telephone and postages		129 580	155 285
Wimbledon and French Open tickets		259 992	211 871
WTSA		201 739	200 000
		13 944 078	**15 079 063**

The supplementary information presented does not form part of the annual financial statements and is unaudited