Tennis SA Incorporated

ABN 19 103 003 187

Audited Financial Report

For the year ended 30 June 2025.

Tennis acknowledges the Traditional Custodians of the land on which we work, rest and play, and pay our respect to Elders past and prsent.

Tennis SA Incorporated
ABN 19 103 003 187

Annual Financial Report
30 June 2025

Tennis SA Incorporated

ABN 19 103 003 187

Tennis SA Incorporated
Statement of financial position
As at 30 June 2025

	Note	2025 $	2024 $
Assets			
Cash and cash equivalents	*10*	476,523	750,486
Trade receivables and other assets	*11*	188,516	90,946
Prepaid expenses	*12*	22,214	7,909
Total current assets		687,253	849,341
Property, plant and equipment	*13*	58,252,600	60,033,400
Right-of-use assets	*14*	377,028	376,730
Total non-current assets		58,629,628	60,410,130
Total assets		59,316,881	61,259,471
Liabilities			
Trade and other payables	*15*	227,277	251,379
Employee benefits	*16*	287,345	287,825
Deferred income	*17*	215,255	141,387
Lease liabilities	*14*	22,657	20,324
Total current liabilities		752,534	700,915
Employee benefits	*16*	77,604	72,886
Lease liabilities	*14*	385,875	383,784
Total non-current liabilities		463,479	456,670
Total liabilities		1,216,013	1,157,585
Net assets		58,100,868	60,101,886
Members' equity			
Retained earnings		58,039,746	60,039,789
Capital and general reserves		61,122	62,097
Total members' equity		58,100,868	60,101,886

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 7 to 19.

Tennis SA Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025	2024
		$	$
Revenues	5	1,248,778	1,187,309
Total revenues		1,248,778	1,187,309
Other income	6	2,484,546	2,456,542
Total other income		2,484,546	2,456,542
Tournaments & Competitions Expenses		(318,182)	(336,741)
Tennis Development Expenses		(181,945)	(115,635)
Operations & Venues Expenses		(2,480,980)	(2,491,054)
Marketing & Communications Expenses		(118,484)	(145,966)
Finance & Administration Expenses		(2,667,317)	(2,568,703)
Total expenses		(5,766,908)	(5,658,099)
Finance income		51,591	49,306
Finance cost		(19,024)	(17,521)
Net finance income	8	32,567	31,785
Other comprehensive income		-	-
Other comprehensive income		-	-
Net deficit for the period		(2,001,017)	(1,982,463)

The statement of profit and loss and other comprehensive income is to be read in conjunction with the notes to the financial statements

Tennis SA Incorporated
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Cash receipts from customers		3,934,141	4,074,958
Cash paid to suppliers and employees		(4,281,675)	(4,082,809)
Interest received		51,591	49,306
Cash receipts from operating government grants		116,185	123,892
Net cash (used)/from operating activities		(179,758)	165,347
Cash flows from investing activities			
Acquisition of property, plant and equipment	*13*	(57,545)	(149,724)
Receipt of term deposits		-	50,000
Net cash used in investing activities		(57,545)	(99,724)
Cash flows from financing activities			
Lease payments (principal and interest)		(36,660)	(33,043)
Net cash used in financing activities		(36,660)	(33,043)
Net decrease in cash and cash equivalents		(273,963)	32,580
Cash and cash equivalents at 1 July		750,486	717,906
Cash and cash equivalents at 30 June	*10*	476,523	750,486

The statement of cashflows is to be read in conjunction with the notes to the financial statements set out on pages 7 to 19.

Tennis SA Incorporated
Statement of changes in equity
For the year ended 30 June 2025

	Reserves - Ken McGregor Fund	Retained Earnings	Total Members' Equity
Balance at 1 July 2023	75,500	62,008,848	62,084,348
Deficit for the period	-	(1,982,463)	(1,982,463)
Allocation of fundraising money	(13,403)	13,403	-
Balance at 30 June 2024	62,097	60,039,788	60,101,885
Balance at 1 July 2024	62,097	60,039,788	60,101,885
Deficit for the period	-	(2,001,017)	(2,001,017)
Allocation of fundraising money	(975)	975	-
Balance at 30 June 2025	61,122	58,039,746	58,100,868

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 7 to 19.

Tennis SA Incorporated
Notes to the financial statements
For the year ended 30 June 2025

1. Reporting entity

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

Tennis SA Incorporated
War Memorial Drive
Adelaide SA 5000

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

2. Basis of preparation

(a) Statement of compliance

These are Tier 2 general purpose financial statements, prepared in accordance with Australian Accounting Standards – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities, and the Associations Incorporation Act 1985 (SA).

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

(e) Going concern

These financial statements have been prepared on a going concern basis. For the financial year ended 30 June 2025, the Association recognised a deficit of $2,001,017 (2024: $1,982,463), however prior to depreciation on Memorial Drive of $1,838,345, the operating deficit was $162,672 (2024: $151,672). In addition, net cash outflows from operations were $179,757 (2024: net cash inflows of $165,347) and the Association has net current liabilities of $65,281 as at 30 June 2025 (2024: net current assets of $148,426).

In the opinion of the Officers, the Association remains a going concern and can pay its debts as and when they fall due based on the following:

- The budget for the year ending 30 June 2026, which incorporates ongoing funding from Tennis Australia (Refer to note 21), shows income exceeding expenditure sufficient to restore a current asset surplus;
- The cashflow forecast demonstrates positive cash over the relevant period; and
- In the unlikely event that Tennis Australia funding ceases or is reduced, it is the view of the Officers that the Association would still be able to continue meeting its objectives, albeit to a lesser extent.

3. Material accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These have been consistently applied to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition, initial measurement of derecognition

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

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

(ii) Classification and subsequent measurement of financial assets

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

3. Material accounting policies (continued)

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

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

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

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

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

(iii) Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

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

The Association do not currently hold any financial assets at FVOCI.

(iv) Cash and cash equivalents

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

(v) Non-derivative financial liabilities

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

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

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

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

(b) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

3. Material accounting policies (continued)

(b) Property, plant and equipment (continued)

(ii) Subsequent costs

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

(iii) Depreciation

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

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

• Building and leasehold improvements	7 - 40 years
• Plant and equipment	3 - 39 years
• Courts and court equipment	3 - 37 years

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

(c) Impairment

(i) Financial assets (including receivables)

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

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

The Association assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The maximum period considered when estimating ECLs in the maximum contractual period over which the Association is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses measured as the present value of all cash shortfalls (i.e the difference between the cash flow due to entity in accordance with the contract and the cash flow that the Association expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance of ECL in statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(ii) Non-financial assets

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

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

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Material accounting policies (continued)

(d) Employee benefits

(i) Long-term employee benefits

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

(ii) Short-term employee benefits

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

(iii) Termination benefits

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

(iv) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contribution are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(e) Provisions

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

(f) Revenue and other income

(i) Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider.
Revenue is recognised by applying a five-step model as follows:

1) Identify the contract with the customer
2) Identify the performance obligations
3) Determine the transaction price
4) Allocate the transaction price
5) Recognise revenue

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.
None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations. Costs are recognised on an accrual basis.

Grant income

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied. This is generally the case for the monies from the Government and the performance obligations are varied based on the agreement.
Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.
Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

3. Material accounting policies (continued)

(f) Revenue and other income (continued)

Affiliation fees

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

(ii) Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058).

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Association at significantly below its fair value.

Once the asset has been recognised, the Association recognises any related liability amounts. Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Capital grants

Capital grants received under an enforceable agreement to enable the Association to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Association (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Volunteer services

The Association has elected not to record volunteer services in the financial statements. Volunteer services received relate to the organising and running of tennis events throughout the state of South Australia.

Venue Hire

Revenue from venue hire comprises revenue earned from granting customers the right to use a specific venue space for a defined period of time. This income is derived under the arrangement with Adelaide Venue Management for events such as concerts, conferences, private functions or community activities. Revenue is recognised at a point in time.

(iii) Significant estimate and judgements relating to revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the Association, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the Association have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

(g) Leases

At inception of a contract, the Association assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Association uses the definition of a lease in AASB 16.

(i) As a lessee

Initial recognition and measurement

At commencement or on modification of a contract that contains a lease component, the Association allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Association has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Association recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. Material accounting policies (continued)

(g) Leases (continued)

(i) As a lessee (continued)

Initial recognition and measurement (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Association by the end of the lease term or the cost of the right-of-use asset reflects that the Association will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Generally, the Association uses its incremental borrowing rate as the discount rate.

The Association determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payment;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Association is reasonably certain to exercise, lease payments in an optional renewal period if the Association is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Association is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Association's estimate of the amount expected to be payable under a residual value guarantee, if the Association changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Association presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position.

Short-term leases and leases of low-value assets

The Association has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Association recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Association allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Leases with significantly below-market terms and conditions

The Association has the right to use the Memorial Drive Tennis Centre for a nominal amount (2024: $21,906). This property is used for the Associations administration office as well as various tennis activities. The lease term ends in 2057.

The Association has elected to measure the right of use asset arising from this lease at cost, which is based on the associated lease liability.

(ii) As a lessor

When the Association acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Association makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying assets. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Association considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

3. Material accounting policies (continued)

(g) Leases (continued)

(ii) As a lessor (continued)

If an arrangement contains lease and non-lease components, then the Association applies AASB 15 to allocate the consideration in the contract.

The Association recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of Commercial and Administrative Revenue.

(h) Finance income and costs

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

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

(i) Income tax

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

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

(j) Goods and services tax

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

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

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

(k) New accounting standards adopted

A number of other new accounting standards are also effective from 1 July 2024 but they do not have a material effect of the 'Association's financial statements.

(l) New accounting standards and interpretations not yet adopted

There are no standards or amendments that have been issued but not yet effective that are expected to have a significant impact on the Association. The Association has not adopted, and currently does not anticipate adopting any standards prior to their effective dates.

4. Determination of fair values

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

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

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

5. Revenue and other income

	Note	2025	2024
(i) Revenue from contracts with customers - AASB 15 *Revenue from Contracts with Customers*		$	$
Affiliation and registrations		317,158	306,014
Entry fees		287,819	313,799
Sponsorship and advertising		26,000	72,508
Event ticket sales		154,446	254,503
Commissions		90,000	90,000
Tennis Australia funding		79,656	-
Government funding - operating		46,649	-
Venue hire income		182,092	97,487
Other revenue		64,958	52,998
		1,248,778	1,187,309
(ii) Timing of revenue recognition			
Services transferred at point in time		689,315	718,787
Services transferred over time		559,463	468,522
		1,248,778	1,187,309

6. Other income

	Note	2025	2024
Revenue recognised under AASB 1058 *Income of NFP entities*		$	$
Government funding - operating		105,622	112,629
Tennis Australia funding		2,280,190	2,174,693
Donations received		21,511	10,077
		2,407,323	2,297,399
Revenue recognised under AASB 16 *Leases*			
Rental income	*14 (b)*	77,223	159,143
		77,223	159,143
Total other income		2,484,546	2,456,542

7. Other expenses

The Association has the following key expenses:

	Note	2025	2024
Depreciation expense:		$	$
Buildings & leasehold improvements	*13*	1,502,437	1,496,475
Plant and equipment	*13*	24,449	20,366
Courts	*13*	311,459	313,950
Right-of-use assets	*14 (a)*	25,272	23,895
		1,863,617	1,854,686
Employee benefits		2,340,559	2,276,775
Superannuation		249,533	225,104
Insurance expense		100,624	137,100

8. Finance income and finance costs

		2025	2024
Interest income on bank deposits		51,591	49,306
Total finance income		51,591	49,306
Bank charge fees		(3,510)	(3,108)
Interest expense on lease liabilities		(15,514)	(14,413)
Total finance costs		(19,024)	(17,521)
Net finance income and costs		32,567	31,785

9. Auditor's remuneration

	2025	2024
Audit services	**$**	**$**
Auditor's of the Association		
KPMG Australia: Audit and review of financial reports	26,547	19,054
	26,547	19,054

10. Cash and cash equivalents

	2025	2024
	$	**$**
Bank balances	226,523	500,486
Term deposits	250,000	250,000
Cash and cash equivalents	476,523	750,486

Term deposits include those with a maturity date of less than 3 months.

11. Trade and other receivables

	2025	2024
	$	**$**
Trade receivables	171,117	90,047
Other receivables	17,399	899
	188,516	90,946

12. Prepaid expenses

	2025	2024
	$	**$**
Current		
Prepaid expenses	22,214	7,909
	22,214	7,909

13. Property, plant and equipment

	Building and leasehold improvements	Plant and Equipment	Courts and court equipment	Work In Progress	Total
Cost					
Balance at 1 July 2023	52,559,250	275,768	11,382,938	-	64,217,956
Additions	57,618	43,388	48,718	-	149,724
Disposals	-	(13,403)	(6,273)	-	(19,676)
Balance at 30 June 2024	52,616,868	305,753	11,425,383	-	64,348,004
Balance at 1 July 2024	52,616,868	305,753	11,425,383	-	64,348,004
Additions	30,631	5,427	7,907	13,580	57,545
Disposals	-	-	-	-	-
Balance at 30 June 2025	52,647,499	311,180	11,433,290	13,580	64,405,549

13. Property, plant and equipment (continued)

	Building and leasehold improvements	Plant and Equipment	Courts and court equipment	Work In Progress	Total
Accumulated Depreciation					
Balance at 1 July 2023	(1,137,419)	(146,424)	(1,219,646)	-	(2,503,489)
Depreciation charge for the year	(1,496,475)	(20,366)	(313,950)	-	(1,830,791)
Disposals	-	13,403	6,273	-	19,676
Balance at 30 June 2024	(2,633,894)	(153,387)	(1,527,323)	-	(4,314,604)
Balance at 1 July 2024	(2,633,894)	(153,387)	(1,527,323)	-	(4,314,604)
Depreciation charge for the year	(1,502,437)	(24,449)	(311,459)	-	(1,838,345)
Disposals	-	-	-	-	-
Balance at 30 June 2025	(4,136,331)	(177,836)	(1,838,782)	-	(6,152,949)
Carrying amounts					
At 1 July 2023	51,421,832	129,344	10,163,292	-	61,714,468
At 30 June 2024	49,982,974	152,366	9,898,060	-	60,033,400
At 1 July 2024	49,982,974	152,366	9,898,060	-	60,033,400
At 30 June 2025	48,511,168	133,344	9,594,508	13,580	58,252,600

14. Leases

(a) Right-of-use assets - Leases as lessee

(i) Amounts recognised within the statement of financial position

	2025 $	2024 $
Balance as at 1 July - Property	363,448	383,929
Additions to right-of-use assets	25,570	-
Depreciation charge for the year	(21,986)	(20,481)
Balance as at 30 June - Property	367,032	363,448
Balance as at 1 July - Equipment	13,282	1,383
Additions to right-of-use assets	-	15,313
Depreciation charge for the year	(3,286)	(3,414)
Balance as at 30 June - Equipment	9,996	13,282
	377,028	376,730

The Association leases two properties and a photocopier. One of the property leases is a long-term lease, running to at least 2057, and has no extension options. The other property lease runs until June 2026 and the printer lease operates until 2028. None of the leases have any extension options.

The property leases contain the following arrangements:

- The Association leases property from The City of Adelaide (Memorial Drive Tennis Centre) and The City of Unley (Millswood Tennis Centre);
- The Association subleases out a portion of the Memorial Drive Tennis Centre (Note 15 (b)); and
- The Association transfers out the day-to-day operations of the Millswood Tennis Centre to Tennis World (operated by Tennis Australia Limited).

(ii) Future lease payment

The total future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-term leases and leases of low-value items) are disclosed for each of the following periods.

	2025 $	2024 $
Less than one year	36,483	34,113
One to five years	87,062	98,616
More than five years	535,527	519,691
	659,072	652,420

14. Leases (continued)

(iii) Lease liability

	2025 $	2024 $
Current		
Lease liabilities	22,657	20,324
	22,657	20,324
Non-current		
Lease liabilities	385,875	383,784
	385,875	383,784

The following table sets the terms and repayment schedule for right-of-use assets held by the Association

	Incremental borrowing rate	Years of maturity	2025 Carrying Amount	2024 Carrying Amount
Lease liabilities	5.90%	Between 1 and 35 years	408,532	404,108

(b) Operating leases as lessor

The Association leases out a portion of the Memorial Drive complex. The Association has classified these as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of
Rental income recognised by the Association during 2025 was $77,223 (2024: $159,143)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2025 $	2024 $
Less than one year	36,991	34,687
Between one and five years	41,311	70,717
More than five years	-	-
Total	78,302	105,404

15. Trade and other payables

	2025 $	2024 $
Trade payables	42,992	37,119
Other payables and accrued expenses	184,285	214,260
	227,277	251,379

16. Employee benefits

	2025 $	2024 $
Current		
Provision for long-service leave - Current	131,325	106,532
Provision for annual leave	156,020	181,293
	287,345	287,825
Non-current		
Provision for long-service leave - Non-Current	77,604	72,886
	77,604	72,886

17. Deferred income

	2025 $	2024 $
Current		
Affiliation & registrations	51,461	51,846
Government funding	87,892	89,541
Tennis Australia Funding	70,902	-
Sponsorship	5,000	-
	215,255	141,387

18. Capital and general reserves

Ken McGregor Fund Reserve
This reserve originated in the 2009/10 financial year, with the establishment of the Ken McGregor Fund. The fund was set up to assist junior player development and players with a disability.

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

19. Financial Instruments

The following table shows the carrying amounts of financial assets and financial liabilities

		2025	2024
Financial assets measured at amortised cost	***Note***	**$**	**$**
Trade receivables	*11*	171,117	90,047
Cash and cash equivalents	*10*	476,523	750,486
		647,640	840,533
Financial assets measured at amortised cost			
Trade payables	*15*	42,992	37,119
Other payables and accrued expenses	*15*	184,285	214,260
Lease Liabilities	*14*	408,532	404,108
		635,809	655,487

20. Related party transactions

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

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

Anne Marie Lush (elected 1 July 2024), Brandon Oster, David To (resigned 30 June 2025), Debbie Sterrey, Gary Stratford, Joanna Lydeamore, Julie Day, Liz Campbell, Natalie Morley, Philip Roberts and Tim Crichton (appointed 1 July 2024).

Officers of the Association are acting on an honorary basis other than Debbie Sterrey who is Chief Executive Officer of the Association.

Natalie Morley was the Executive Director of KWP! Agency. The following transactions between the association and KWP! Agency occurred during the financial year:

	2025	2024
	$	**$**
Purchase of goods or services from entity controlled by related party	1,830	960
	1,830	960

20. Related party transactions (continued)

The key management personnel for the Association include the following employees:

Debbie Sterrey (Chief Executive Officer and General Manager Adelaide International), Matthew Fitzgerald (Head of Operations), Dylan Hicks (Head of Tournaments & Competitions), Bianca Marron (Head of Marketing, Communications & Partnerships) and James Pick (Head of Tennis Development & Venues).

	2025	2024
Key management personal compensation	**$**	**$**
In AUD		
Short-term employee benefits	471,598	433,963
Post-employment benefits	38,346	33,437
Total compensation	509,944	467,400

21. Economic dependence

The Association, being an associate member of Tennis Australia, receives grant funding from Tennis Australia that forms an important part of the funding it requires to deliver the services to its members in line with its objective of promoting and supporting tennis in South Australia.
In the unlikely event that grant funding from Tennis Australia should cease, or be reduced, it is the view of the officers that if the Association was not able to replace that funding from other sources then it would need to change the services provided to its members so that those services were consistent with the funding available while still meeting its underlying objective.

22. Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities pertaining to the Association in existence as at 30 June 2025 (2024: nil).

23. Subsequent events

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

Tennis SA Incorporated
Statement by the Officers

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

(a) the Association is not publicly accountable;

(b) the financial statements and notes set out on pages 3 to 19, are in accordance with the Associations Incorporation Act 1985 (SA), including:

(i) presenting fairly, in all material respects, of the Association's financial position as at 30 June 2025 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Association Incorporation Act 1985 (SA);

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

Dated at Adelaide 18th day of August. 2025.

Signed in accordance with a resolution of the officers:

Philip Roberts.

P. Roberts
President

G. Stratford
Director

Independent Auditor's Report

To the members of Tennis SA Incorporated

Opinion

We have audited the ***Financial Report*** of Tennis SA Incorporated (the Association).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Association as at 30 June 2025, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards -Simplified Disclosures* and the *Associations Incorporation Act 1985 (SA)*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2025
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Statement by the Officers.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Association in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Restriction on use and distribution

The Financial Report have been prepared to assist the Officers of Tennis SA Incorporated in complying with the financial reporting requirements of the *Associations Incorporation Act 1985 (SA)*.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the members of Tennis SA Incorporated and should not be used by or distributed to parties other than the members of Tennis SA Incorporated. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the members of Tennis SA Incorporated or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Tennis SA Incorporated's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Officers are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Officers for the Financial Report

The Association's Officers are responsible for:

- the preparation and fair presentation, of the Financial Report in accordance with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Associations Incorporation Act 1985 (SA)*
- implementing necessary internal control to enable the preparation of Financial Statements that are Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Association's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Adrian Nathanielsz

Partner

Melbourne

22-Aug-2025 | 13:42 AEST