

**The Tennis Foundation**

**The Tennis Foundation**

**Report and financial statements  
for the year ended 31 December 2020**



# **The Tennis Foundation**

## **Annual Report for the year ended 31 December 2020**

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# **The Tennis Foundation**

## **Report of the Trustees for the year ended 31 December 2020**

The Board of Trustees of The Tennis Foundation (the **Foundation**) submits its report, together with the audited financial statements, for the year ended 31 December 2020. The Trustees have prepared this report and financial statements in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP under FRS102).

### **Administrative details of the Foundation**

The Foundation was incorporated on 5 June 1987 as The Lawn Tennis Foundation of Great Britain (Company Number 2138124), a company limited by guarantee and having no share capital. It was registered by the Charity Commission as a charity (Charity Number 298175) on 29 December 1987, and its name was changed to The LTA Trust on 7 October 1988, and then to The British Tennis Foundation on 9 January 1997. On 6 September 2007, The Foundation changed its name to The Tennis Foundation.

The Foundation is governed by its Memorandum and Articles of Association, as updated most recently on 18 March 2019. The Foundation is not empowered to make distributions to its members.

The Foundation's only member is LTA Operations Limited ("the LTA"). The Foundation is an independent charity with six (2019: six) trustees, four (2019: four) independent and two (2019: two) appointed by the LTA. The LTA does not have control over the day to day operations.

TF Enterprises Limited (the **Company**) is the non-charitable trading subsidiary of the Foundation (company number 14724499). The Company's principal activities are to receive sponsorship and conduct other commercial activities on behalf of the Foundation.

### **Charitable Objectives of the Foundation**

The Foundation's objectives, as approved by the Charity Commission are:

- (a) the advancement, for the benefit of the public, of the education of children and young persons who are pupils at schools, colleges or universities by organising or providing facilities which will enable and encourage them to play tennis or mini tennis (being a version of tennis adapted for children) and thereby ensuring that due attention is given to the physical education of such pupils as well as the development and occupation of their minds;
- (b) the organisation or provision (or assistance in the organisation or provision) of facilities for recreation in the interests of social welfare in any part of the United Kingdom (with the object of improving the conditions of life for the persons for whom the facilities are primarily intended) either for persons who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social or economic circumstances or for members of the public at large;
- (c) for the benefit of the public to promote community participation in healthy recreation by providing facilities for playing tennis, mini tennis or other sports ("facilities" means land, buildings, equipment and organising sporting activities); and
- (d) to promote all purposes recognised as charitable under the law of England and Wales from time to time, in particular through an association with tennis.

### **Public Benefit**

The Trustees confirm that they have complied with the duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and seek to meet the Foundation's charitable purposes in following its objectives.

### **Structure, Governance and Management**

#### **The Trustees**

The appointment of the trustees is governed by the Foundation's Articles of Association. Trustees are appointed through an open recruitment process led by LTA Operations Limited in its capacity as the sole member of the Foundation, for their specific expertise in areas relevant to the charity.

Upon appointment, all new trustees are made familiar with the terms of the charitable company's governing documents, its objectives and aims as part of the formal induction process. Trustees are assisted in the fulfilment of their duties, with on-going training provided as appropriate.

## **The Tennis Foundation**

The Board comprises six (2019: six) trustees who met five (2019: three) times during the year. Further details of the trustees can be found on page 6.

During the year under review, no new trustees were appointed (2019: five).

### **Management**

A major aspect of the Foundation's work is the provision of revenue grants. Applications that are eligible for funding are assessed, in principle, on behalf of the Foundation by the LTA Operations Limited in line with the charitable objectives of the charity. Final approval on how funds are invested is at the Board's discretion as the ultimate decision maker.

### **Strategic Report**

#### **Achievements, Performance and Future Plans**

Managing through these unprecedented times has been extremely challenging. Tennis has always been a sport that plays a role at the heart of communities, and so it was pleasing to see that demonstrated in so many different ways last year.

Working together with the LTA, the Foundation provided over £100,000 in charitable funds for tennis charities to help those who have been severely impacted by the COVID-19 pandemic. The funding recognises the crucial role charities play in the delivery of tennis in Britain, each in their own unique way but connected in the common purpose of encouraging and enabling involvement in the game. It also reflects an understanding of the difficult position charities are in at the moment, and the particular challenges that this year has created for them and the people they support.

A total of 13 tennis charities were provided with grant funding from the Foundation of between £5,000 and £10,000 each. The charities collectively cover a wide remit of activity across the country, including work with disadvantaged communities, ethnically diverse communities and disabled people. The Foundation also committed £50,000 towards a pilot of playground installations in a number of schools, with the potential to scale this project if successful.

As we emerge out of the COVID-19 pandemic, sport and physical activity can play a central role in the nation's recovery. The Foundation remains focused on continuing to build towards supporting the vision of 'tennis opened up' and specifically the mission to help young people to improve their life chances. The Foundation will continue to work with tennis charities and the LTA to contribute to improve inclusion and diversity in tennis by helping to provide pathways to participation for diverse communities, families from low-socio economic groups and disabled participants. The Foundation intends to provide further support to junior tennis in Britain, particularly in the community and schools sectors through supporting the LTA Youth Start programme and LTA Youth Schools programmes during the coming year.

### **Financial Review**

The Statement of Financial Activities for the year is set out on page 11 of the financial statements.

Incoming resources were £22,000 (2019: £74,000). The total net movement in funds for the year was a surplus of £149,000 (2019: £358,000 surplus). The surplus of unrestricted funds was £224,000 after £345,000 of revaluation gains (2019: surplus of £346,000 after £368,000 of revaluation gains). Note 4 details the total expenditure on the various elements of the Foundation's charitable activities. Details of the net movement in restricted funds' deficit of £75,000 (2019: £12,000 surplus), are given under note 14.

Details of the performance of the Foundation's subsidiary, TF Enterprises Limited, are set out in note 8 to the financial statements. TF Enterprises Limited generated a loss after taxation of £1,000 (2019: £1,000 loss after taxation). The Company performed according to plan and the directors are satisfied with the outcome.

### **Responsibilities and Policies**

The Board of Trustees has adopted many of the LTA policies, including those related to; Anti-bribery Policy, Equality and Diversity Policy and Safeguarding Policy.

### **Reserves Policy**

The reserves policy of the Foundation is to maintain free reserves equal to approximately six months net expenditure of the Foundation. Use of reserves should always be planned and approved in advance by Trustees and should be accompanied by a clear business case, articulating, as far as possible, how the money is intended to be used, in a self-sustaining way. The policy is reviewed annually.

## The Tennis Foundation

At the year-end, total unrestricted reserves held by the Foundation amounted to £4,546,000 (2019: £4,322,000). The restricted reserves held by the Foundation were £340,000 (2019: £415,000).

### Risk Management

The Trustees have assessed the major risks to which the charity is exposed as including: too few sources of income, negative publicity, failure to meet legal requirements, exposure to fraud and not having adequate insurance cover.

Trustees have reviewed these areas of potential risk and concluded that, operationally, these risks are significantly mitigated; record keeping is performed by the LTA which has adequate internal controls, insurance cover is reviewed every year and a lawyer is on hand when needed. The exposure to a loss of income is taken into account when reviewing the investment and reserves policies. Long term commitments are not made without having the cash in hand.

### Investment Policy

The Trustees have delegated responsibility to the Lawn Tennis Association Limited Investment Advisory Group, on which a Trustee of the Foundation now sits, to implement the investment policy and monitor the performance of the Foundation's investments. The Trustees are updated on the performance of the investments on an annual basis and seek professional advice when appropriate.

The investment policy of the Foundation is to generate a positive financial return on funds over a medium to long term period through a balanced portfolio with a low risk profile and low capital volatility.

The investments are managed by Rothschild Wealth Management (UK) Ltd.

### Indemnity Insurance

The Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the period under review and is currently in force. Directors' and Officers' Liability Insurance to indemnify the Trustees against the consequence of neglect or default on their part was purchased by the LTA Operations Limited but not recharged to the Foundation and has been treated as a gift in kind.

### Related Parties

The Foundation works closely with the LTA, the governing body of tennis in Great Britain in the pursuit of its charitable objectives.

The Foundation also has a wholly owned subsidiary, TF Enterprises Limited, whose principal activity is to receive sponsorship and undertake other commercial activities on behalf of the Foundation.

For further information on related parties see Note 18 of the Financial Statements.



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T Lawler  
Trustee

11 June 2021

# **The Tennis Foundation**

## **Administrative Information**

<b>Board of Trustees</b>	Mr T Lawler Ms C Muller Mr H Patel Mr A Pitt Mr O Scadgell Mr S Steele (resigned 11 June 2021)
<b>Registered (and Principal) Office</b>	National Tennis Centre 100 Priory Lane Roehampton, London SW15 5JQ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors 1 Embankment Place, London WC2N 6RH
<b>Bankers</b>	Coutts Bank, 44 Strand, London WC2R 0QS
<b>Solicitors</b>	Bates, Wells & Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE
<b>Investment Managers</b>	Rothschild Wealth Management (UK) Ltd New Court St Swithin's Lane London EC4N 8AL

# The Tennis Foundation

## Statement of Trustees' Responsibilities

The trustees (who are also directors of Tennis Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

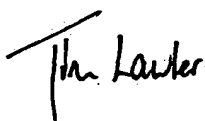
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Statement of Trustees' Responsibilities was approved and authorised for issue by the Board of Trustees on 11 June 2021 and signed by its order by:



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**T Lawler**  
Trustee

# **The Tennis Foundation**

## **Independent Auditors' Report to the Members of the Tennis Foundation**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, the Tennis Foundation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities, and the cash flow statement for the year then ended; the accounting policies; and the notes to the financial statements which include a summary of significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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.



## The Tennis Foundation

We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Strategic Report and Trustees' Annual Report*

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the trustees for the financial statements*

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed included:

- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in its accounting estimates; and
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations, journals posted by senior management and consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher

## **The Tennis Foundation**

than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

18 June 2021

## The Tennis Foundation

### Statement of Financial Activities Incorporating an Income and Expenditure Account For the year ended 31 December 2020

		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		Year to 31st Dec 2020	Year to 31st Dec 2020	Year to 31st Dec 2020	Year to 31st Dec 2019	Year to 31st Dec 2019	Year to 31st Dec 2019
		£000	£000	£000	£000	£000	£000
<b>Income from</b>	Note(s)						
Donations and legacies	2	1	(27)	(26)	18	27	45
Income from investments	3	41	-	41	39	1	40
Income from Charitable activities		7	-	7	5	(16)	(11)
<b>Total income</b>		<b>49</b>	<b>(27)</b>	<b>22</b>	<b>62</b>	<b>12</b>	<b>74</b>
<b>Expenditure on</b>							
Charitable activities	4 & 5	170	48	218	84	-	84
<b>Total expenditure</b>		<b>170</b>	<b>48</b>	<b>218</b>	<b>84</b>	<b>-</b>	<b>84</b>
<b>Net (expenditure)/income before net gains on investments</b>		<b>(121)</b>	<b>(75)</b>	<b>(196)</b>	<b>(22)</b>	<b>12</b>	<b>(10)</b>
Net gains on investments	12	345	-	345	368	-	368
<b>Net income/(expenditure)</b>		<b>224</b>	<b>(75)</b>	<b>149</b>	<b>346</b>	<b>12</b>	<b>358</b>
<b>Net income/(expenditure) after gains on investments</b>		<b>224</b>	<b>(75)</b>	<b>149</b>	<b>346</b>	<b>12</b>	<b>358</b>
<b>Net movement in funds</b>		<b>224</b>	<b>(75)</b>	<b>149</b>	<b>346</b>	<b>12</b>	<b>358</b>
Fund balances brought forward at 1 January	14	4,322	415	4,737	3,976	403	4,379
<b>Fund balances carried forward at 31 December</b>	<b>14</b>	<b>4,546</b>	<b>340</b>	<b>4,886</b>	<b>4,322</b>	<b>415</b>	<b>4,737</b>

The net movement in funds for the current and prior year derive from the continuing activities of the Foundation.

The company has no recognised losses other than those included in the results above.

There is no material difference between the net outgoing resources before other recognised gains and the net movement in funds for the financial year stated and their historic cost equivalents.

The notes on pages 14 to 25 form part of these financial statements.

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## Balance Sheet As at 31 December 2020

	Note	31st Dec 2020 £000	31st Dec 2019 £000
<b>Fixed assets:</b>			
Investments in Subsidiary undertaking	8	-	-
Tangible assets	9	-	2
Total fixed assets		-	2
<b>Current assets:</b>			
Stock	10	-	-
Debtors: amounts falling due within one year	11	24	40
Debtors: amounts falling due after one year	11	21	27
Investments	12	4,060	3,707
Cash at bank and in hand		922	1,068
Total current assets		5,027	4,842
Creditors: amounts falling due within one year	13	(141)	(107)
<b>Net current assets</b>		<u>4,886</u>	<u>4,735</u>
<b>Total assets less current liabilities</b>		<u>4,886</u>	<u>4,737</u>
<b>The funds of the charity:</b>			
Restricted income funds	14	340	415
Unrestricted income funds	14	4,546	4,322
Total charity funds		<u>4,886</u>	<u>4,737</u>

The financial statements on pages 11 to 25 were approved by the Board of Trustees on 11 June 2021 and signed on its behalf by



**T Lawler**  
Trustee

The notes on pages 14 to 25 form part of these financial statements.

Charity Number 298175  
Company Number 2138124

## The Tennis Foundation

### Cash Flow Statement For the year ended 31 December 2019

	Note	Year to 31st Dec 2020 £000	Year to 31st Dec 2019 £000
<b>Net cash outflow from operating activities</b>	16	(179)	(987)
<b>Cash flows from investing activities</b>			
Payments to acquire investments	12	(878)	(376)
Receipts from disposal of investments	12	1,024	182
Fund cash movements	12	(136)	195
Realised gain/(loss) on disposal	12	143	(8)
Movement in cash held in Rothschild for investment purposes		(140)	-
Foreign exchange movement		(21)	-
Interest received	3	1	2
Investment income received	3	40	38
<b>Increase / Decrease in cash in the year</b>		<b>(146)</b>	<b>(954)</b>

#### Reconciliation of net cash flow to movement in net funds

Decrease in cash	(146)	(954)
Opening cash	1,068	2,022
Closing cash	<b>922</b>	<b>1,068</b>

The movement in cash relates solely to movements in cash and deposits.

The notes on pages 14 to 25 form part of these financial statements.

# The Tennis Foundation

## Notes to the Financial Statements For the year ended 31 December 2020

### 1. Statement of accounting policies

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 2006, Charities Act 2011 and applicable United Kingdom Accounting Standards. The financial statements also comply with the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP under FRS102). The Foundation has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Foundation activities. The financial statements have been prepared on a going concern basis and accounting policies have been applied consistently.

#### b) Consolidation

The Tennis Foundation has one wholly owned subsidiary, TF Enterprises Limited. As the results of the subsidiary are not considered material, consolidated financial statements have not been prepared in accordance with the exemption under Companies Act 2006 s400.

#### c) Fund accounting

The Foundation's funds comprise:

- unrestricted funds which are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes;
- restricted funds which may only be used in accordance with specific restrictions imposed by the donor. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### d) Incoming resources

All income is included in the Statement of Financial Activities when the Foundation is entitled to the income, the amount can be quantified with reasonable accuracy, and it's probable that the cash will be received.

##### i) Gift aid

Donations under gift aid together with income tax recoverable are recognised when the donation is receivable.

##### ii) Voluntary income - donations and grants

Donations and grants are recognised as incoming resources when commitment has been confirmed. Where a grant has been received for a specific purpose, it is recognised as incoming resources in the Statement of Financial Activities when receivable and held in a restricted reserve. Grants receivable would be deferred only if the grant was subject to donor imposed or performance related conditions that specified a future time period when the expenditure of resources should take place.

##### iii) Legacies

Incoming legacies are included in the Statement of Financial Activities when receipt is probable and the fair value amount receivable can be estimated with reasonable accuracy.

##### iv) Investment income

Investment income from investments and cash at bank is recognised on an accruals basis. Credit is taken for interest in the period in which the Foundation is entitled to receipt.

##### v) Events income

Incoming resources from charitable activities are recognised on an accruals basis.

##### vi) Incoming resources from charitable activities

Incoming resources from charitable activities are recognised on an accruals basis.

## The Tennis Foundation

### e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that activity.

#### i) *Costs of generating voluntary income*

Costs of generating funds comprise the costs directly associated with attracting voluntary income and overhead and support costs relating to this activity. It also includes investment management fees.

#### ii) *Charitable activities*

Charitable activities comprise expenditure related to carrying out the various projects and programmes of the Foundation in advancement of its objects. Expenditure includes directly attributable costs.

#### iii) *Allocation of overhead and support costs*

Overhead and support costs are allocated between The Foundation's activities on the basis of the percentage of the total costs the activity absorbs.

#### iv) *Governance costs*

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and include audit fees and costs linked to the strategic management of the charity.

### f) Pensions

Contributions payable to defined contribution schemes are charged to the profit and loss account in the year to which they relate. There are no defined benefit pension obligations.

### g) Taxation

No charge to corporation tax arises as the Company is a registered charity. The Foundation is registered for value added tax (VAT) and, accordingly its expenditure is recorded exclusive of any VAT incurred.

### h) Irrecoverable VAT

Where irrecoverable VAT is incurred, it is charged to the Statement of Financial Activities as an overhead cost, or capitalised as part of the cost of the related asset, where appropriate.

### i) Grants payable

Grants are recorded as liabilities on approval of the grant by the Board of Trustees and its communication to the recipient.

### j) Investments

Listed investments are stated at fair value based on the closing price at the balance sheet date. Surpluses or deficit on sale or revaluation are dealt with in the Statement of Financial Activities within the fund owning the investments. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Investments are classified as current assets to reflect the fact that they are short term in nature and are not part of a long term investment strategy.

### k) Depreciation

Tangible fixed assets are stated in the balance sheet at cost less provision for depreciation. Accumulated depreciation is calculated to write off the costs, less estimated residual value, of tangible fixed assets over their expected lives by equal annual instalments. Depreciation is provided on all tangible fixed assets.

The following asset lives were used:

Field Equipment	5 years
Technology Development	4 years

### l) Investments

Investments in subsidiaries are stated at cost less any provision considered necessary for permanent diminution in value.

### m) Stock

Stock is stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised.

## The Tennis Foundation

### n) Loans

Loans made on an interest free basis are initially recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

### o) Termination Benefits

Termination benefits are recognised as a liability and an expense only when employment is terminated before the normal retirement date or as a result of an offer made in order to encourage voluntary redundancy.

## 2. Donations and legacies

	Year to 31st Dec 2020 £000	Year to 31st Dec 2019 £000
LTA Operations Limited	-	-
TF Enterprises Limited	-	-
Other	(26)	45
	<u>(26)</u>	<u>45</u>

## 3. Income from Investments

	Year to 31st Dec 2020 £000	Year to 31st Dec 2019 £000
Income from listed investments and investment funds	40	38
Interest from cash deposits	1	2
	<u>41</u>	<u>40</u>

All investment income relates to assets held in the UK.



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## 4. Charitable activities

	Direct costs £000	Grant funding (note 17) £000	Support costs (note 6) £000	Total Year to 31st Dec 2020 £000	Total Year to 31st Dec 2019 £000
Junior tennis development	-	-	-	-	-
Community	(1)	110	50	159	164
Tennis development	-	-	-	-	-
Coaching	-	-	-	-	-
Education	-	64	-	64	(64)
Competitions	-	-	-	-	-
Disability tennis	(9)	-	-	(9)	(21)
	<u>(10)</u>	<u>174</u>	<u>50</u>	<u>214</u>	<u>79</u>

## 5. Governance costs

	Year to 31st Dec 2020 £000	Year to 31st Dec 2019 £000
Auditors' remuneration - audit services	4	5
Support costs (note 6)	-	-
	<u>4</u>	<u>5</u>

## The Tennis Foundation

### 6. Allocation of overhead and support costs during the year

		TOTAL	Junior tennis development	Community development	Tennis development	Coaching	Education	Competitions	Disability tennis	Governance costs	Total Year to 31st Dec 2020	Total Year to 31st Dec 2019
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Office support costs		-	-	-	-	-	-	-	-	-	-	-
Management costs		6	-	6	-	-	-	-	-	-	6	39
Property costs		2	-	2	-	-	-	-	-	-	2	-
Finance		42	-	42	-	-	-	-	-	-	42	52
		<u>50</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>91</u>
Total costs excluding support costs	2020		-	109	-	-	64	-	(9)	4	168	
Percentage of total costs	2020		0%	100%	0%	0%	0%	0%	0%	0%	100%	
Total costs excluding support costs	2019		-	73	-	-	(64)	-	(21)	5		(7)
Percentage of total	2019		0%	100%	0%	0%	0%	0%	0%	0%		100%

# The Tennis Foundation

## 7. Employees

The average monthly headcount of full time employees (excluding Trustees) employed directly by The Foundation was:

	Year to 31st Dec 2020 Number	Year to 31st Dec 2019 Number
Disability Tennis	-	-
Education	-	-
Administration	-	-
Community	-	-
	<u>-</u>	<u>-</u>
	Year to 31st Dec 2020 £000	Year to 31st Dec 2019 £000
Direct staff costs relating to the above persons:		
Wages and salaries	-	11
Social security costs	-	3
Other pension costs	-	-
	<u>-</u>	<u>14</u>

Termination costs, included above, amounted to £nil (2019: £11,000).

Currently no employees are employed jointly by LTA Services Limited and The Foundation (2019: 0). LTA Services Limited charges The Foundation for the provision of these staff at cost plus a 1% administration charge. The recharge of £nil (2019: £nil) comprises; wages and salary costs of £nil (2019: £nil), social security costs of £nil (2019: £nil), pension costs of £nil (2019: £nil) and other operating expenses relating to these staff of £nil (2019: £nil).

The number of the Tennis Foundation employees whose emoluments exceeded £60,000 were:

	2020 Number	2019 Number
£60,001 - £69,999	-	-
£70,000 - £79,999	-	-
£100,000 - £109,999	-	-
£130,000 - £139,999	-	-
£150,000 - £159,999	-	-
£190,000 - £199,999	-	-
£220,000 - £229,999	-	-
	<u>-</u>	<u>-</u>

No member of staff's (2019: zero) annual emoluments exceeded £60,000, pension contributions amounting to £nil (2019: £nil) were paid in the year for the provision of money purchase benefits.

Total emoluments to the zero (2019: zero) key management personnel were £nil (2019: £nil).

## The Tennis Foundation

### Trustees' remuneration

None of the Trustees (2019: none) received remuneration from The Foundation. Zero Trustees (2018: two) received reimbursement totalling £nil for travel and accommodation expenses (2019: £985). No Trustees were accruing benefits under the money purchase pension scheme (2019: none).

### Pension costs

The employees of The Tennis Foundation are members of The Lawn Tennis Association (The "LTA") pension scheme. The LTA Group Money Purchase Pension Plan is closed for new contributions and members but has assets which are held in a separate trustee administered fund. The Trustees of the scheme are all officers of The Lawn Tennis Association. All new contributions for The Foundation's employees are paid into The LTA Group Personal Pension Plan. The pension plan is funded by contributions from The Foundation and its employees. Annual contributions to the scheme by The Foundation were related to pensionable salaries and the total pension cost charged for the year amounted to £nil (2019: £nil). There were no outstanding or prepaid contributions as at 31 December 2020 (2019: £nil).

## 8. Investments in Subsidiary undertaking

The principal activity of the subsidiary undertaking (TF Enterprises Limited) is to receive sponsorship and undertake other commercial activities on behalf of The Foundation. A summary of the audited results of TF Enterprises Limited for the year ended 31 December is shown below:

	31st Dec 2020 £000	31st Dec 2019 £000
Turnover	-	-
Loss for year after taxation	(1)	(1)
Net assets:		
At beginning of year	8	8
At end of year	7	8
TF Enterprises Limited		
100 (2019: 100) ordinary shares of £1 each (100% of the company)	-	-

# The Tennis Foundation

## 9. Tangible Assets

	Technology Development £000	Field equipment £000	Total £000
<b>Cost:</b>			
at 1 January 2020	29	19	48
Additions	-	-	-
Disposals	-	-	-
<b>at 31 December 2020</b>	<b>29</b>	<b>19</b>	<b>48</b>
<b>Accumulated depreciation:</b>			
at 1 January 2020	(27)	(19)	(46)
Charge for the year	(2)	-	(2)
Disposals	-	-	-
<b>at 31 December 2020</b>	<b>(29)</b>	<b>(19)</b>	<b>(48)</b>
<b>NBV at 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
NBV at 31 December 2019	<b>2</b>	<b>-</b>	<b>2</b>

## 10. Stock

	31st Dec 2020 £000	31st Dec 2019 £000
Tennis Equipment	-	-

Tennis equipment is stated at the lower of cost and net realisable value.

## 11. Debtors

	31st Dec 2020 £000	31st Dec 2019 £000
Amounts falling due within one year:		
Trade debtors	1	10
Amounts due from subsidiary	6	7
Loans repayable by places to play	17	20
Other debtors	-	3
Accrued income	-	-
	<b>24</b>	<b>40</b>
Amounts falling due after one year:		
Loans repayable by places to play	<b>21</b>	<b>27</b>

Loans made to places to play are made on an interest-free basis repayable over 10 years.

# The Tennis Foundation

## 12. Investments

	31st Dec 2020 £000	31st Dec 2019 £000
Listed securities at market value:	Total	Total
Balance at beginning of year	3,707	3,332
Additions during the year	878	376
Disposals during the year	(1,024)	(182)
Realised gain/(loss) on disposal	143	(8)
Fund cash movement	136	(195)
Unrealised gain on revaluation to market value	220	384
Balance at end of year	4,060	3,707
Listed securities at historical cost	3,460	3,327

All investments are held in the UK and provide an investment return for the Foundation. The Directors believe that the carrying value of the investments is supported by the underlying net assets.

## 13. Creditors: amounts falling due within one year

	31st Dec 2020 £000	31st Dec 2019 £000
Amounts owed to LTA group companies	73	56
Accruals and deferred income	68	51
	141	107

# The Tennis Foundation

## 14. Statement of funds

	Fund at start of year	Income	Expenditure	Net Fund at end (expenditure) / income	Fund at end of year
	£000	£000	£000	£000	£000
<b>Unrestricted Funds</b>					
General unrestricted funds	2,878	49	(170)	(121)	2,757
Other unrestricted recognised gains	1,444	345	-	345	1,789
Total unrestricted funds	4,322	394	(170)	224	4,546
<b>Restricted Funds</b>					
ITIFund	18	-	4	4	22
Cliff Richard Tennis Trail - General	143	-	-	-	143
Cliff Richard Tennis Trail - Suffolk	5	-	-	-	5
Seed Legacy Fund	61	-	-	-	61
PESSYP	58	-	(52)	(52)	6
Murton Pitts	24	-	-	-	24
Intercity Challenger Fund	41	-	-	-	41
BSTA	3	-	-	-	3
The Harris Fund	10	-	-	-	10
Keith Baker Fund	23	-	-	-	23
Comic Relief	2	-	-	-	2
GYM Tennis Ball	27	(27)	-	(27)	-
Total restricted funds	415	(27)	(48)	(75)	340
Total funds	4,737	367	(218)	149	4,886

The purposes of each fund are provided below:

ITI Fund:	To provide capital and revenue grant aiding for indoor and outdoor tennis facilities on local authority land
Cliff Richard Tennis Trail – General:	For the development of tennis in primary schools
Cliff Richard Tennis Trail – Suffolk:	For the development of tennis in Suffolk
Seed Legacy Fund:	To support Junior Development Programmes
PESSYP:	To support the Club Links Programme to increase the number of accredited clubs, school sports partnerships and the number of young people participating in accredited clubs
Murton Pitts:	For the development of young players in Kent
Intercity Challenger Fund:	To promote competition for inner-city tennis clubs
BSTA:	British Schools Tennis Association to promote tennis in schools
The Harris Fund	For the support of Kent LTA
Keith Baker Fund	For the support of deaf tennis
Comic Relief	For the support of the Serves programme in named sites in Manchester, Birmingham and 2 sites in London
GIYM Tennis Ball	To provide coaches to children in primary schools within the state sector

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

## The Tennis Foundation

### 15. Analysis of net assets between funds

	Unrestricted Funds 31st Dec 2020 £000	Restricted Funds 31st Dec 2020 £000	Total Funds 31st Dec 2020 £000	Total Funds 31st Dec 2019 £000
Cash	582	340	922	1,068
Investments	4,060	-	4,060	3,707
Fixed Assets	-	-	-	2
Other current assets	45	-	45	67
Creditors: amounts falling due within one year	(141)	-	(141)	(107)
Total	4,546	340	4,886	4,737

In order to maximise efficiencies in relation to its working capital, the Foundation manages its cash jointly across unrestricted and restricted funds.

### 16. Reconciliation of net outgoing resources to net cash flow from operating activities

	Year to 31st Dec 2020 £000	Year to 31st Dec 2019 £000
Net expenditure before gains on investments	(196)	(10)
Interest receivable	(1)	(2)
Investment income receivable	(40)	(38)
Depreciation	2	10
Decrease in stocks	-	110
Decrease in debtors	22	151
Increase/(Decrease) in creditors	34	(1,208)
Net cash outflow from operating activities	(179)	(987)



# The Tennis Foundation

## 17. Grants

	Grants to institutions Total	Grants to individuals Total	Grants to institutions Total	Grants to individuals Total
	Year to 31st Dec 2020 £000	Year to 31st Dec 2020 £000	Year to 31st Dec 2019 £000	Year to 31st Dec 2019 £000
Community	110	-	(35)	-
Tennis development	-	-	-	-
Coaching	-	-	-	-
Education	64	-	28	-
Disability Tennis	-	-	42	8
Total grants	174	-	35	8

## 18. Related parties

TF Enterprises Limited is a wholly owned subsidiary of the Foundation whose principal activity is to receive sponsorship and undertake other commercial activities on behalf of the Foundation. During the year TF Enterprises Limited donated £nil (2019: £nil) to the Foundation. At the balance sheet date £6,175 was due from TF Enterprises Limited (2019: £6,175).

Lawn Tennis Association Limited ("the LTA") is the governing body of tennis in Great Britain, the Channel Islands and the Isle of Man. Its objects are to promote and develop tennis and to advance and safeguard the interests of the sport and the governing body. During 2020 LTA Operations Ltd donated £nil (2019: £nil) to The Foundation. At the balance sheet date £nil (2019: £nil) was due from the LTA in respect of this transaction.

Under agreement, the LTA and The Foundation ran a number of programmes jointly in partnership for the advancement of tennis across the areas of schools, juniors and tennis facilities. No employees (2019: 0) are employed jointly by LTA Services Limited (a subsidiary of the LTA) and The Foundation in order to operate and administer these charitable programmes. During the period, the LTA and its subsidiaries charged The Foundation £nil (2019: £nil) for the provision of staff and £nil (2019: £nil) for support, administrative and management services provided to the Foundation. At the balance sheet date £73,244 (2019: £56,102) was due to the LTA and its subsidiaries in respect of these transactions and this was included within the creditors balance as at 31 December 2020.

## 19. Ultimate Controlling Party

The Tennis Foundation is a company limited by guarantee and the members undertake to contribute £1 in the event of the company being wound up.

At an Extraordinary General Meeting held on 18 March 2019 the members of the Foundation approved changes to the Articles so that LTA Operations Limited became the sole member of the Foundation (2019: 1).

## 20. Non-adjusting event after the end of the reporting period

As at 11 June 2021, the Foundation's Board of Trustees is considering whether or not a merger with another charity would be in the best interests of the Foundation. A potential merger could result in a transfer of the Foundation's £4.5m net assets to the merged charity. A decision has not yet been taken on whether or not the Foundation will proceed with a potential merger.