

**The Tennis Foundation
(formerly The British Tennis Foundation)**

**Report and financial statements
for the year ended 30th September 2007**



Registered in England – Number 2138124 Charity Number 298175

Report of the Board of The Tennis Foundation for the year ended 30th September 2007

Introduction

The Board of The Tennis Foundation, formerly The British Tennis Foundation ("The Foundation") submits its report, together with the audited financial statements, for the year ended 30th September, 2007. The Trustees have prepared this report and financial statements in accordance with the Companies Act 1985, the Charities Act 1993 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005 (SORP 2005).

Structure, Governance and Management

The Tennis Foundation was incorporated on 5th 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 Commissioners as a charity (Number 298175) on 29th December, 1987, and its name was changed to The LTA Trust on 7th October, 1988, and then to The British Tennis Foundation on 9th January, 1997. On 6th September, 2007, The Foundation changed its name to The Tennis Foundation. The Foundation is governed by its Memorandum and Articles of Association, as updated on 7th June, 2004. The Foundation is not empowered to make distributions to its members.

The activities of The Foundation are split into the following significant areas – Tennis Development, County and Club, Education including Schools, Universities and Further Education Colleges, Coach Education and Coaching, Junior Competition, Tennis in the Community and a programme for People with Disabilities.

In July, the Board was saddened to learn of the death of Jim Cochrane, Chairman of The Foundation from 1990-2003, and, at the time of his death, Chairman of The Dan Maskell Tennis Trust. Jim's contribution to the work of the Foundation and to British Tennis as a whole was immense and is remembered with great appreciation.

The Director of The Foundation, Sue Wolstenholme, retired at the end of August 2007. The day-to-day management and decision making of The Foundation is delegated by the Trustees to staff now led by Sue Mappin. The activities of The Foundation are overseen by the Board of Trustees who met four times during the year under review. At each meeting of the Board during the year under review, a written and oral report was given by Sue Wolstenholme and the Treasurer presented a financial report. This process will continue under the direction of Sue Mappin. The Board considers these reports and reviews strategy and performance generally. The Board also receives written reports from the Indoor Tennis Initiative ("ITI") Committee and the Fundraising Committee which are both made up of Trustees and Members of The Foundation with specific terms of reference. The Board gives final approval to all ITI grants made by The Foundation as proposed by the ITI Committee.

Any project that is eligible for grant aid is developed, assessed and approved by the appropriate Committee or Board. Grants include those to clubs, schools and county associations. Grants are awarded to clubs to assist in their development and to support junior performance programmes. These are approved by the appropriate county committee and the TF Director. Small grants to facilitate tennis in schools are approved by the British Schools Tennis Association (BSTA) Management Committee who consider all applications received. Finally, the county tranche payments, to assist with coaching and development programmes at a county level, are awarded on the size and specific needs of the county. These are approved by the Head of County and Club Relations.

The Trustees (who are regarded as directors for Companies Act purposes), who served during the year to 30th September, 2007, are listed on page 8.

Report of the Board of The Tennis Foundation for the year ended 30th September 2007

The Board may, from time to time, and at any time, appoint any member of the company as a member of the Board, either to fill a casual vacancy or by way of addition to the Board. No person shall be admitted as a member of the company unless they are first approved by the Board and the Board shall have absolute discretion as to the admission of any person. During the year under review, Sir Geoffrey Cass retired as Chairman and became President of The Foundation. Mr Jonathan Lane was appointed Chairman. Three Trustees resigned towards the end of the year – Mrs Audrey Butler, The Lord Kindersley and Mr Christopher Palmer-Tomkinson. The Board acknowledges with gratitude the contributions made by those who have retired.

On appointment, new trustees receive induction and training on the working of The Foundation and they are encouraged to take a direct interest in The Foundation and to attend as many events as possible, such as school competitions, disability events, community events and junior competitions. New Trustees receive this training from the Executive Director, the Treasurer and the Chairman of The Foundation, and any other relevant personnel designated by the Executive Director or the Chairman, with each session being of no more than one hour in duration.

New Trustees are also provided with copies of the Memorandum and Articles of The Foundation, minutes of previous Board Meetings, copies of recent Annual Reports and Accounts and details of their responsibilities as Trustees in law.

The Foundation works closely with The Lawn Tennis Association ("The LTA") and The All England Lawn Tennis & Croquet Club in the pursuit of its charitable objectives. As such, these organisations are significant and major benefactors to The Foundation, providing the majority of the covenants and gift aid resources received. Note 2 in the financial statements provides details of the gift aid payments provided to cover the cost of the charitable activities approved by the Board.

Objectives and Activities

The objectives of the Foundation are

- (a) the advancement, for the benefit of the public, of the education of young persons who are pupils at School or University 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 to 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, and
- (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")

The year under review has been one of major change which has included, at the end of February, the move of the offices to the new National Tennis Centre in Roehampton. Also, as above, the Director retired at the end of August and a new Executive Director, Sue Mappin, started work on 1st September.

In addition, the final report of the Grass Roots review undertaken during 2006 was produced. The LTA had already produced a Blueprint for British Tennis and, as a result of the Grass Roots review, a further Blueprint was produced to expand further the work of the Foundation, in particular, to place more focus on the development of tennis in the community.

Report of the Board of The Tennis Foundation for the year ended 30th September 2007

As the year under review drew to a close, the final stages of a review of the County network was being completed. The majority of the new team are now in place.

The overriding objectives of The Foundation are to attract and retain more players of all ages and ability across all tennis venues, to increase the frequency of play with an emphasis on encouraging more young players into competition, and to set up the infrastructure and facilities to provide the opportunities for players to develop their game.

The main objectives, therefore, for the year under review, were as follows -

- 1 To complete the move of The Foundation's offices to Roehampton
- 2 To seek a new Executive Director
- 3 To continue to promote and organise the programmes agreed by the Board

The main aims for these programmes included -

- Tennis Development – continue to support young players and their programmes at High Performance Centres and grants for Tennis Development Officers
- Coach education and coaching – continue to raise the standards of coaching, the number of licensed coaches and gaining accreditation at Level 2 of the UK Coaching Certificate
- Mini Tennis – introduce a new competition framework
- Junior Competitions – increase the number of junior players competing regularly
- Schools and Universities – continue to introduce the PESSCL programme to link more schools with clubs across the School Sports Partnerships (SSPs) with the aim to work with 270 SSPs. Schools' competitions for Years 8 & 10, Senior Students and the Schools' Championships for the Aberdare and Glanvill Cups, together with Teacher Training are high priorities
- Disabilities – introduce sport to more disabled people through camps and a project in the Spinal Units, and provide opportunities for players with potential to reach the highest possible standards
- Facilities – continue to enhance and develop facilities at clubs, schools and on local authority courts, including the ITI programme
- County and Club network – to review the role of the Counties and to establish a network of personnel for the updated responsibilities
- To raise funds for The Dan Maskell Tennis Trust to assist players with disabilities to take part and to continue to play in the game

The ITI programme was set up in 1986 with the principal objective of establishing 'pay and play' tennis centres in the local authority and school sectors open to all, with the purpose of introducing tennis to a new range of players from the broadest possible social spectrum.

Achievements and Performance

Each programme that meets the charitable objects of The Foundation is monitored and reviewed on a continuing basis so that assessments can be made on what changes, if any, are required for the following year.

- 1 The move to the new National Tennis Centre in Roehampton was completed at the end of February and The Foundation has settled in well into its new facilities
- 2 A new Executive Director, Sue Mappin, was appointed with effect from 1st September, 2007, after a rigorous recruitment process. Sue's first task was to establish a team to carry out the planned work for 2007/8
- 3 The achievements and performance of the activities can be summarised as follows -

Report of the Board of The Tennis Foundation for the year ended 30th September 2007

- Tennis Development – a substantial increase in funding enabled a higher level of grants payable to support tennis development in the High Performance Centres and for tennis development officers
- Coach Education and Coaching – more than 2,200 coaches have attended qualification courses and training throughout the year, a similar number to the previous year. There has been a 2.3% increase in the number of licensed coaches, and the Level 2 Community Coach qualification gained accreditation under the UK Coaching Certificate
- Mini Tennis – Ariel Mini Tennis is now well established and is being worked into all aspects of British tennis. The expanded competition framework has been put in place and has been communicated to the tennis fraternity. It will be operational from the Autumn of 2007. Talent ID Managers and Co-ordinators have been appointed around the country – their focus is to promote quality coaching of Mini Tennis in all club programmes
- Junior Competitions – an enhanced junior competitive programme has been established with more than 11,000 players – an increase of more than 20% during the year
- Schools and Universities – the target of working with 270 School Sports Partnerships was exceeded during the year by some 40, and The Foundation is now working with 310 SSPs. The Schools' competitions were run successfully and 80 tutors were trained to undertake Teacher Training courses
- Disabilities – four camps were run to introduce new players to wheelchair tennis, together with two weekends each for deaf and learning disability tennis, with more than 400 people introduced to tennis. The tournaments were run successfully with a record entry at the British Open Wheelchair Tennis Championships held at the City of Nottingham Tennis Centre. The progress of the juniors in wheelchair tennis has been very marked and their win in the Invacare World Team Cup (the Davis and Fed Cups of wheelchair tennis) was a highlight. In the Dresse and Maere Cups for Deaf tennis, the Men's and Women's teams came fourth, and in the World Special Olympic Summer Games in Shanghai the GB team came home with nine medals. The Foundation has continued to work with a number of organisations including the National Wheelchair Tennis Association, UK Sport, British Paralympic Association, the ITF, the British Deaf Tennis Association, UK Deaf Sport, the British Deaf Children's Society, Special Olympics GB and UK Sport for People with a Learning Disability
- Facilities - during the year, a review of the ITI Centres in existence was commissioned and the report is expected during December. New projects have been slow in coming forward, but it is anticipated that some enhancements and refurbishments may be part of the proposals. It is hoped that interest in the scheme from Local Authorities can be re-ignited to produce new schemes. An agreement has been reached to support an Indoor Tennis Centre in the Olympic park as a legacy following London 2012
- County and Club network – following the review of the County network, a recruitment process has been undertaken. It was decided to increase the number of Tennis Operations Managers from three to five, all working in areas around the country. A new team in the Counties, and, in some cases, across Counties, has been appointed and have now started work
- The Dan Maskell Tennis Trust – the aim of raising £60,000 has once again been surpassed with £131,000 being raised in the year. This is enabling the Trust to assist with more disability programmes and the provision of wheelchairs for new players

Report of the Board of The Tennis Foundation for the year ended 30th September 2007

The Foundation continues to follow the LTA's Equality and Diversity Policy and the LTA's Child Protection Policy

Given that this year has been a period of substantial change, The Foundation has continued to work to deliver the agreed programmes, and with some considerable success in certain areas. There was an increase in spend on Tennis Development of £1,025,000 and Coach Education of £314,000. UK Sport funding in relation to disability tennis increased by £157,000.

Incoming resources increased by 13% to £10,652,000 to meet the increase in activity. This is entirely due to increased Gift Aid from the LTA, one of the Foundation's two principal donors, the other being The Championships, Wimbledon.

The increases in spending reflect the focus on Coach education and coaching, and the programmes to attract and retain junior tennis players, and to help those with talent to progress further.

Financial Review and Reserves Policy

The net movement in funds for the year was £283,000 expended (2006 £28,000). At the year end, the unrestricted reserves held by The Foundation amounted to £3,799,000 (2006 £4,248,000). The Board of Trustees has set a target for its free reserves of one year's expenditure on its programmes for tennis development, county and club, schools, coaching and disabilities, plus the cost of their administration. This has been based on the fact that these expenses are ongoing approved programmes rather than one-off activities, and a reserve fund is needed in case of a shortfall in income in any one year. At present, unrestricted reserves do not reach the target level due to restrictions on funding. The Board reviews this target and the policy with regard to reserves annually.

The activities of the Foundation are established and will continue on similar lines in 2008, but with the added focus on tennis in the community. The Foundation will again look for support from sources other than those already committed to sport in general and the game of tennis in particular.

The Foundation's subsidiary, TF Enterprises Limited (formerly BTF Enterprises Limited), receives sponsorship and undertakes other commercial activities on behalf of The Foundation. Details of the performance of the subsidiary are set out in note 8 to the financial statements. TF Enterprises Limited generated a profit after taxation of £3,000 for the year ended 30th September 2007 (2006 £7,000). The Company performed according to plan and the directors are satisfied with the outcome.

Investments Policy & Performance

Investments are held with the Charities Aid Foundation and with Schroder Investment Management in order to generate a return on The Foundation's free reserve balance. The Board reviews the performance of the investments at each Board Meeting and seeks professional advice if it wishes to consider any other options. In line with its reserves policy, the Board of Trustees has set an objective to accumulate funds to equate to one year's gift aid income.

There were no additions or disposals of investments during the year. The unrealised gain on investments was £86,000 (2006 £318,000). The performance of investments and targets for the forthcoming year will be reviewed by the new Board.

Risk Policy

The Board of Trustees has assessed the major risks to which the charity is exposed and has taken appropriate action to mitigate any significant exposure to such risks

The Board of Trustees reviewed areas of potential risk including too few sources of income, negative publicity, failure to meet statutory requirements, financial and record keeping, exposure to fraud and keeping inadequate insurance cover. It concluded that, operationally, there were no major risks as the record keeping was done by The Lawn Tennis Association which has adequate internal controls, insurance cover was reviewed every year, and a lawyer was on hand whenever needed. The exposure to a loss of income had been taken into account when the investments and reserves policy had been agreed. Further long term commitments are not made without already having the cash in hand.

Indemnity Provisions

An amount of £nil (2006 £8,000) from funds belonging to The Foundation was used to purchase insurance to indemnify the Trustees against the consequence of any neglect or default on their part. In 2007, this insurance was purchased by The LTA, but not recharged to The Foundation.

Plans for Future Periods

The Tennis Foundation is now responsible for the delivery of a sustainable and inclusive tennis programme for all ages across local authority tennis facilities. This includes parks, leisure centres and indoor facilities on local authority land, and the whole of the education sector and disability development and performance.

The future plans for The Tennis Foundation are as follows -

- 1 To deliver a comprehensive and inclusive schools tennis programme with a package of equipment, coaching, teacher resources, competition templates for intra and inter school competition, plus setting up after-school clubs. This will be rolled out over the next six years in all primary schools across the UK in conjunction with the Youth Sport Trust through their Development and Competition Managers.
- 2 Through Building Schools for the Future, we will encourage the development of secondary school tennis facilities to be used as community tennis facilities during holiday periods and after school, and also develop them as competition sites for primary schools.
- 3 Work with the LTA Coach Education team to recruit and train coaches to deliver in the education sector, including disability awareness courses.
- 4 Work with the LTA Competition team to ensure all coaches delivering in the education sector have attended a Competition Workshop.
- 5 Continue to develop the disability programme at development and performance level across all disability groups.
- 6 Research, nominate and develop areas of sustainable tennis delivery across Local Authority tennis facilities for all age groups and abilities in the UK. It is anticipated that there will be 15/16 of these templates of good practice in the UK announced over the next twelve months, and these will be used to develop further examples in the future.
- 7 Following the transfer of the assets of The Cliff Richard Tennis Foundation, The Tennis Foundation will continue to develop the work previously carried out by The Cliff Richard Tennis Trail.

In addition to the specific plans documented above, The Foundation plans to continue to support the existing programmes that meet the objectives of the charity.

Statement of the Board of Trustees' Responsibilities in Respect of the Financial Statements

The Board of Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Foundation and the incoming resources, including the net income or expenditure, of The Foundation for that year

In preparing those financial statements the Trustees are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards 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 Foundation will continue in operation

The Board of Trustees confirm that the financial statements comply with the above requirements

The Board of Trustees is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of The Foundation and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of The Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

President

Sir Geoffrey Cass

Board of Trustees

The Board of Trustees of The Foundation during the year were as follows

Sir Geoffrey Cass – Chairman (resigned 24th May, 2007)

Mr JS Lane – Chairman (appointed 24th May 2007)

Mrs AM Butler (resigned 3rd August 2007)

Mrs L Davison

Mrs SM Hamilton

The Lord Kindersley (resigned 3rd August 2007)

Mr JCU James OBE

Mrs JM Maher

Mr CD Palmer-Tomkinson (resigned 3rd August 2007)

Mr ID Peacock OBE

Mr JE Tucker

All the above Trustees are members of The Foundation

Treasurer

Mr JA Hughes (appointed 1st November 2007)

Report of the Board of The Tennis Foundation for the year ended 30th September 2007

Secretary and Registered Office

SE Wolstenholme OBE
100 Priory Lane,
Roehampton,
London, SW15 5JQ

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Banks

National Westminster Bank, King Street, Hammersmith, London W6 9RG
Barclays Bank, Wimbledon Common, London SW19 5EQ,
HSBC, Poultry and Princes Street, London EC2P 2BX
Royal London Cash Management Limited, Gracechurch Street, London EC3V 0UF

Solicitors

Bates, Wells & Braithwaite
Cheapside House,
138 Cheapside,
London EC2V 6BB

Investment Managers

Charities Aid Foundation, West Malling, Kent, ME19 4TA
Schroder Investment Management, London EC2V 8AS

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be put to the members at the Annual General Meeting

The Trustees of The Foundation who held office on the date of approval of this annual report set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by The Foundation's auditors in connection with preparing their report) of which The Foundation's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that The Foundation's auditors are aware of that information

Approved and authorised for issue by the Board of Trustees on 17th January, 2008, and signed on its behalf by



SE Wolstenholme OBE
Company Secretary

Independent Auditors' Report to the Members of The Tennis Foundation

We have audited the charity financial statements ("the financial statements") of the Tennis Foundation for the year ended 30th September 2007 which comprise the Statement of Financial Activities, the Charity Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Trustees and auditors

The responsibilities of the Trustees (who are also the directors of the Tennis Foundation for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Charitable Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Board and the Operating and Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

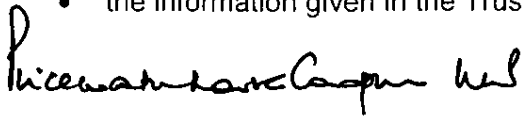
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Members of The Tennis Foundation

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charitable Company's affairs as at 30th September 2007 and of its incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors, London
17th January 2008

THE TENNIS FOUNDATION
(formerly The British Tennis Foundation)
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
Year ended 30th September 2007

		Unrestricted Funds 2007 £000	Restricted Funds 2007 £000	Total Funds 2007 £000	Total Funds 2006 £000
Incoming resources	Note				
Incoming resources from generated funds					
Gift aid	2	8,000	-	8,000	6,750
Voluntary income (donations and grants)		495	874	1,369	1,246
Investment income	3	471	21	492	488
Incoming resources from charitable activities					
Coach education and licence fees		340	-	340	506
Events and tournaments income		155	-	155	187
Disability tennis income		12	-	12	21
Schools income		3	63	66	186
Other		101	117	218	42
Total incoming resources		9,577	1,075	10,652	9,426
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		58	-	58	39
Charitable activities	4				
Tennis development		1,982	48	2,030	1,005
County and club		4,488	-	4,488	4,652
Coach education		2,256	-	2,256	1,942
Schools		216	600	816	1,140
Events and tournaments		527	-	527	525
Disability tennis		564	261	825	441
		10,033	909	10,942	9,705
Governance costs	5	21	-	21	28
Total resources expended		10,112	909	11,021	9,772
Statement of Total Recognised Gains and Losses					
Net (outgoing) / incoming resources					
- net (expenditure)/income for the year before other recognised gains or losses		(535)	166	(369)	(346)
Other recognised gains and losses					
Unrealised gains on investments	8	86	-	86	318
Net movement in funds		(449)	166	(283)	(28)
Fund balances brought forward	11	4,248	5,700	9,948	9,976
Fund balances carried forward	11	3,799	5,866	9,665	9,948

The net outgoing resources for the current and prior year derive from the continuing activities of The Foundation

The notes on pages 15 to 25 form part of these financial statements

THE TENNIS FOUNDATION
(formerly The British Tennis Foundation)
Balance Sheet
As at 30th September 2007

	Note	2007 £000	2006 £000
Fixed assets			
Investments	8	3,616	3,530
Current assets			
Debtors - amounts falling due within one year	9	3,384	436
Debtors - amounts falling due after one year	9	875	890
Cash at bank and on hand - ITI and other restricted funds		5,892	5,726
Cash at bank		1,563	7,016
		11,714	14,068
Current liabilities			
Creditors - amounts falling due within one year	10	(5,665)	(7,650)
Net current assets		6,049	6,418
Net assets		9,665	9,948
Funds			
Unrestricted funds	11	3,799	4,248
Restricted funds	11	5,866	5,700
		9,665	9,948

Approved and authorised for issue by the Board of Trustees
on 17th January 2008 and signed on its behalf by

Sir Geoffrey Cass
President



The notes on pages 15 to 25 form part of these financial statements

THE TENNIS FOUNDATION
(formerly The British Tennis Foundation)
Cash Flow Statement
Year ended 30th September 2007

	Note	2007 £000	2006 £000
Net cash (outflow)/inflow from operating activities	13	(5,667)	6,509
Returns on investments and servicing of finance			
Interest received		247	257
Investment income received		133	96
(Decrease)/increase in cash in the year		<u>(5,287)</u>	<u>6,862</u>

Reconciliation of net cash flow to movement in net cash

(Decrease)/increase in cash	(5 287)	6,862
Opening cash	12,742	5,880
Closing cash	<u>7,455</u>	<u>12,742</u>

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

The notes on pages 15 to 25 form part of these financial statements

THE TENNIS FOUNDATION
(formerly the British Tennis Foundation)
Notes to the Financial Statements
Year ended 30th September 2007

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 1985 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 - issued in March 2005 (SORP 2005)

b) Consolidation

The Tennis Foundation has one wholly owned subsidiary, TF Enterprises Limited (formerly BTF Enterprises Limited). As the results of the subsidiary are not considered material, consolidated financial statements have not been prepared.

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,
 - designated funds which are unrestricted funds earmarked by the Board of Trustees for particular purposes, and
 - 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 incoming resources are included in the Statement of Financial Activities when The Foundation is entitled to the income and the amount can be quantified with reasonable accuracy.

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 on receipt. 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 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 virtually certain and the amount receivable can be quantified with reasonable accuracy.

iv) Investment income

Investment income from fixed asset 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) Incoming resources from charitable activities

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

vi) Volunteers

The value of services provided by volunteers has not been included.

All incoming resources are generated in the United Kingdom.

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 and overhead and support 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.

THE TENNIS FOUNDATION

(formerly the British Tennis Foundation)

Notes to the Financial Statements (continued)

Year ended 30th September 2007

1 Statement of accounting policies (continued)

e) Resources expended (continued)

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

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.

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, all its expenditure is recorded exclusive of any VAT incurred.

h) Irrecoverable VAT

Any irrecoverable VAT is charged to the Statement of Financial Activities, 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 with the exception of those in respect of the Indoor Tennis Initiative (ITI) which are recognised as liabilities when the grant offers have been accepted and work has commenced on site. ITI grants are regarded as approved when the ITI Committee commits future funding to a scheme.

j) Investments

Listed investments are stated at market value based on the closing price at the balance sheet date. Surpluses or deficits 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. Other investments are shown at cost and are reviewed regularly for impairment.

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(formerly the British Tennis Foundation)
Notes to the Financial Statements (continued)
Year ended 30th September 2007

2	Gift aid	2007	2006
		£000	£000
	The Lawn Tennis Association	5,000	3,750
	The Championships	3,000	3,000
		<u>8,000</u>	<u>6,750</u>
3	Investment income	2007	2006
		£000	£000
	Income from listed investments and investment funds	133	96
	Interest from cash deposits	247	257
	TF Enterprises Limited (gift aid)	112	135
		<u>492</u>	<u>488</u>
	All investment income relates to assets held in the UK		
4	Charitable activities	2007	2006
		£000	£000
	Tennis development		
	- Grants payable (note 14a)	1,294	422
	- Support costs (note 6)	295	128
	- Other tennis development running costs	266	276
	- Staff costs	175	179
		<u>2,030</u>	<u>1,005</u>
	County and club		
	- Grants payable (note 14b)	2,271	2,010
	- Recharge for club development officers and tennis managers	1,561	1,724
	- Support costs (note 6)	653	590
	- Other county and club costs	2	189
	- Travel and other related county costs	1	139
		<u>4,488</u>	<u>4,652</u>
	Coach education		
	- Coaches, temporary staff and tutors used to assist coach education	601	567
	- Staff costs	330	214
	- Support costs (note 6)	329	246
	- Resources to assist in coaching	305	142
	- Grants payable (note 14c)	170	145
	- Court hire	156	112
	- Accommodation costs	111	58
	- Travelling expenses	103	102
	- Criminal Records Bureau costs	81	72
	- Other coach education costs	70	284
		<u>2,256</u>	<u>1,942</u>
	Schools		
	- Grants payable (note 14d)	404	618
	- Other schools costs	242	250
	- Support costs (note 6)	117	146
	- Accommodation costs	46	33
	- Travelling expenses	7	17
	- Staff costs	-	76
		<u>816</u>	<u>1,140</u>
	Events and tournaments		
	- Court hire	151	143
	- Other costs associated with running events	139	95
	- Support costs (note 6)	77	67
	- Accommodation costs	68	60
	- Catering	35	33
	- Referees fees and umpires expenses	30	76
	- Prize money	25	31
	- Equipment hire	2	20
		<u>527</u>	<u>525</u>

THE TENNIS FOUNDATION
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Year ended 30th September 2007

4	Charitable activities (continued)	2007	2006
		£000	£000
	Disability tennis		
	- Other disability costs	316	123
	- Temporary and coaching staff used to assist disability tennis	135	108
	- Support costs (note 6)	119	56
	- Travelling expenses	107	82
	- Accommodation costs	78	26
	- Grants payable (note 14e)	44	5
	- Equipment purchases	26	41
		<u>825</u>	<u>441</u>
5	Governance costs	2007	2006
		£000	£000
	Auditors remuneration - audit services current year	16	12
	Auditors remuneration - audit services prior year	2	5
	Support costs (note 6)	3	3
	Trustees liability insurance	-	8
		<u>21</u>	<u>28</u>

During 2007, liability insurance for the The Foundation Trustees was paid for by The LTA

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Notes to the Financial Statements (continued)
Year ended 30th September 2007

6 Allocation of overhead and support costs

Overhead and support costs	Costs of generating funds £000	Tennis development £000	County and club £000	Coach education £000	Schools £000	Events and tournaments £000	Disability tennis £000	Governance costs £000	Total 2007 £000	Total 2006 £000
Staff costs	2	70	156	78	28	18	29	1	382	307
Property costs	2	61	134	68	24	16	25	1	331	109
Management	2	70	154	77	28	18	28	1	378	349
Marketing	-	3	7	4	1	1	1	-	17	17
Finance	1	30	67	34	12	8	12	-	164	31
Information technology	1	43	95	48	17	11	17	-	232	242
Printing, postage & stationery	-	5	11	6	2	1	2	-	27	15
Office running costs	-	8	18	9	3	2	3	-	43	40
Legal and professional	-	3	6	3	1	1	1	-	15	-
Travel and subsistence	-	2	5	2	1	1	1	-	12	45
Events and tournaments costs	-	-	-	-	-	-	-	-	-	74
Player and coaching costs	-	-	-	-	-	-	-	-	-	10
	8	295	653	329	117	77	119	3	1,601	1,239
Total costs excluding support costs	2007	1,735	3,835	1,927	699	450	706	18	9,420	
Percentage of total costs	2007	0.5%	40.7%	20.5%	7.4%	4.8%	7.5%	0.2%	100%	

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7 Employees

The average monthly number of persons (excluding trustees) employed directly by The Foundation during the year was

	2007 Number	2006 Number
Tennis development	4	3
Schools	1	2
Administration	4	4
	<u>9</u>	<u>9</u>

Direct staff costs relating to the above persons

	2007 £000	2006 £000
Wages and salaries	369	328
Social security costs	41	39
Other pension costs	22	22
	<u>432</u>	<u>389</u>

67 employees are employed jointly by LTA Services Limited and The Foundation (2006 78) LTA Services Limited charges The Foundation for the provision of these staff at cost plus a 1% administration charge

The recharge of £1,860,000 (2006 £2,024,000) comprises, wages and salary costs of £1,587,000 (2006 £1,665,000), social security costs of £182,000 (2006 £205,000), pension costs of £78,000 (2006 £78,000) and other operating expenses relating to these staff of £13,000 (2006 £76,000)

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

	2007 Number	2006 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
	<u>1</u>	<u>1</u>

For the staff member whose emoluments exceeded £60,000 pension contributions amounting to £5 965 (2006 £7,065) were paid for the provision of money purchase benefits The staff member has benefits accruing under a money purchase pension scheme only

Trustees' remuneration

Neither the trustees nor any person connected with them received any remuneration from The Foundation during the year One trustee (2006 three trustees) received reimbursement totalling £1,270 for travel and accommodation expenses (2006 £1,417)

None of the trustees were accruing benefits under the defined contribution pension scheme

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 length of service and the total pension cost charged for the year amounted to £21 521 (2006 £21,521) There were no outstanding or prepaid contributions as at 30th September 2007 (2006 £nil)

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Notes to the Financial Statements (continued)
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8 Investments

	2007 £000	2007 £000	2007 £000	2006 £000
Listed securities at market value	Schroder Investment Mgt	Charities Aid Foundation	Total	Total
Balance at beginning of year	1,664	1,866	3,530	3,212
Unrealised gain on revaluation to market value	74	12	86	318
Balance at end of year	1,738	1,878	3,616	3,530

TF Enterprises Limited (formerly BTF Enterprises Limited)
100 ordinary shares of £1 each
(100% of the company)

-	-
3,616	3,530

Listed securities at historical cost

3,000	3,000
-------	-------

All investments are held in the UK and provide an investment return for The Foundation

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 at 30th September is shown below

	2007 £000	2006 £000
Turnover	105	135
Profit for year after taxation	3	7
Net assets		
At beginning of year	93	86
At end of year	96	93

9 Debtors

	2007 £000	2006 £000
Amounts falling due within one year		
Trade debtors	11	39
Loans repayable by affiliated clubs	83	103
Amounts due from subsidiary undertaking	87	-
Other debtors	-	1
Prepayments	-	16
Other tax	172	277
Accrued income	3,031	-
	3,384	436
Amounts falling due after one year		
Loans repayable by affiliated clubs	875	890

During the year, no new loans (2006 £386,000) were made to tennis clubs affiliated to The Lawn Tennis Association

10 Creditors - amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	-	113
Amounts due to subsidiary undertaking	-	29
Amounts due to LTA group companies	4,787	6,693
Accruals	867	802
Other taxes and social security costs	11	13
	5,665	7,650

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Notes to the Financial Statements (continued)
Year ended 30th September 2007

11 Statement of funds

	Income	Expenditure	Net income/ (expenditure)	Fund at start of year	Fund at end of year
	£000	£000	£000	£000	£000
Unrestricted Funds					
General unrestricted funds	9,577	(10,112)	(535)	3,376	2,841
Other unrestricted recognised gains	86	-	86	872	958
Total unrestricted funds	9,663	(10,112)	(449)	4,248	3,799
Restricted Funds					
ITI Fund	6	-	6	3,767	3,773
Dan Maskell Tennis Trust	131	(88)	43	552	595
Capital Grant Fund	-	-	-	516	516
Give it Your Max	208	(18)	190	93	283
Barclays Capital City Tennis Programme	-	(14)	(14)	235	221
BSTA	276	(280)	(4)	165	161
UK Sport	157	(160)	(3)	103	100
Seed Legacy Fund	-	-	-	64	64
Murton Pitts	-	(3)	(3)	59	56
Intercity Challenger Fund	-	-	-	41	41
PESSCL	272	(320)	(48)	66	18
Young Players	-	-	-	15	15
TASS	23	(11)	12	(1)	11
Clissold Park	-	(10)	(10)	20	10
History of Deaf Tennis	2	-	2	-	2
NEC Player Support Fund	-	(1)	(1)	2	1
Wall Trust	-	(1)	(1)	1	-
BWTA Junior Fund	-	(3)	(3)	2	(1)
Total restricted funds	1,075	(909)	166	5,700	5,866
Total funds	10,738	(11,021)	(283)	9,948	9,665

Purposes of each fund

ITI Fund - Relates to the Indoor Tennis Initiative for the development of property
Dan Maskell Tennis Trust - To help disabled people to play tennis
Capital Grant Fund - Grants for Indoor Tennis Centres from The All England Lawn Tennis & Croquet Club
Give it Your Max - To support junior programmes in the London Borough of Merton and in the Reading area
Barclays Capital City Tennis Programme - To fund training programmes for financially disadvantaged juniors
BSTA - British Schools Tennis Association to promote tennis in schools
UK Sport - To support wheelchair athletes on the Worldclass Performance Pathway in preparation for the Paralympic Games
Seed Legacy Fund - To support Junior Development Programmes
Murton Pitts - For the development of young players in Kent
Intercity Challenger Fund - To promote competition for inner-city tennis clubs
PESSCL - Received from Sport England to support the Club Links Programme and is used to increase the number of accredited clubs school sport partnerships and the number of young people participating in accredited clubs
Young Players - For the development of young players needing financial support
TASS - To support disabled tennis
Clissold Park - Performance Squad for young players
History of Deaf Tennis - To collate and promote the history of deaf tennis
NEC Player Support Fund - To support players to compete in wheelchair tournaments
Wall Trust - Scholarship fund for young players in need
BWTA Junior Fund - For junior girls' competitions

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions
The Foundation is currently reviewing its restricted funds with a view to increasing expenditure in the coming years

THE TENNIS FOUNDATION
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Notes to the Financial Statements (continued)
Year ended 30th September 2007

12 Analysis of net assets between funds

The net assets are held for the various funds as follows

	2007 £000	2007 £000	2007 £000	2006 £000
	Investments	Net current assets	Total	Total
Restricted funds	-	5,866	5,866	5,700
Designated funds	-	7	7	7
Unrestricted funds	3,616	176	3,792	4,241
Total	3,616	6,049	9,665	9,948

During 2004 the Board of Trustees set aside a designated fund of £1 000,000 to provide loans to tennis clubs affiliated to The Lawn Tennis Association. No new loans (2006 £386,000) were made from this fund during the year, leaving £7,000 still designated at the year end

13 Reconciliation of net outgoing resources to net cashflow from operating activities

	2007 £000	2006 £000
Net outgoing resources before other recognised gains and losses	(369)	(346)
Interest receivable	(247)	(257)
Investment income receivable	(133)	(96)
(Increase)/decrease in debtors	(2,933)	3,735
(Decrease)/increase in creditors	(1,985)	3 473
Net cash (outflow)/inflow from operating activities	(5 667)	6,509

14 Grants payable

14a Tennis development grants

	Grants to institutions Total 2007 £000	Grants to individuals Total 2007 £000	Grants to institutions Total 2006 £000	Grants to individuals Total 2006 £000
Accredited Coaching Plan	-	-	61	-
Barclays Capital City Tennis Programme	-	-	20	-
Capital Investment	4	-	15	-
Community Revenue Grants	72	-	208	-
Development	147	-	-	-
Give It Your Max	16	-	31	-
Tennis Development Officer Grants	118	-	83	-
Walter Development Scheme	-	-	4	-
Clissold Park Development Fund	10	-	-	-
HPC Funding	927	-	-	-
Total tennis development grants	1,294	-	422	-

Significant tennis development grants (in excess of £100,000) made to institutions

Name of institution	Purpose of grant	Total grant 2007 £000	Total grant 2006 £000
Win Tennis	HPC Funding	209	-
Sutton Junior Tennis Centre	HPC Funding	150	-
Nottingham City Council	HPC Funding	150	-

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14b County and club grants	Grants to institutions	Grants to individuals	Grants to institutions	Grants to individuals
	Total 2007 £000	Total 2007 £000	Total 2006 £000	Total 2006 £000
Active Sports Funding	-	-	96	-
County Accredited Performance Programmes	-	-	2	-
County Tranche Payments	1,517	-	1,502	-
Virtual Budgeting System	754	-	410	-
Total county and club grants	2,271	-	2,010	-

Significant county and club grants (in excess of £100,000) made to institutions

Name of institution	Purpose of grant	Total grant 2007 £000	Total grant 2006 £000
Tennis Scotland	County Tranche Payments	327	164
Tennis Wales	County Tranche Payments	230	118

14c Coach education grants	Grants to institutions	Grants to individuals	Grants to institutions	Grants to individuals
	Total 2007 £000	Total 2007 £000	Total 2006 £000	Total 2006 £000
Advanced Apprenticeship in Sporting Excellence	118	-	105	-
Assistance Grants	-	-	-	8
Coach Led Scheme	-	39	-	30
National Individualised Coach Development Programme (ICDP)	-	-	2	-
Universities Programme	13	-	-	-
Total coach education grants	131	39	107	38

14d Schools grants	Grants to institutions	Grants to individuals	Grants to institutions	Grants to individuals
	Total 2007 £000	Total 2007 £000	Total 2006 £000	Total 2006 £000
British Schools Tennis Association (BSTA)	77	-	88	-
Hornchurch School Fund	-	-	2	-
Physical Education Secondary School Club Links (PESSCL)	324	-	389	-
Revenue Grants - Schools & Universities	2	-	139	-
Wall Trust	1	-	-	-
Total schools grants	404	-	618	-

14e Disability tennis grants	Grants to institutions	Grants to individuals	Grants to institutions	Grants to individuals
	Total 2007 £000	Total 2007 £000	Total 2006 £000	Total 2006 £000
Dan Maskell Tennis Trust	32	-	5	-
Disabled Events	2	-	-	-
TASS	3	-	-	-
Walter Development Scheme	7	-	-	-
Total disability tennis grants	44	-	5	-

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15 Related parties

TF Enterprises Limited (formerly BTF 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 £112,000 (2006 £135,000) to The Foundation. At the balance sheet date £87,000 was due from TF Enterprises Limited (2006 £29,000 due to).

The Lawn Tennis Association ("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 2007 the LTA donated £5,000,000 (2006 £3,750,000) to The Foundation. At the balance sheet date £nil (2006 £nil) was due from the LTA in respect of this transaction.

Under agreement, the LTA and The Foundation run a number of programmes jointly in partnership for the advancement of tennis across the areas of schools, juniors and tennis facilities. 67 employees (2006 78) 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 year, the LTA and its subsidiaries charged The Foundation £1,860,000 (2006 £2,024,000) for the provision of staff and £899,000 (2006 £1,399,000) for support, administrative and management services provided to The Foundation. At the balance sheet date £4,787,000 (2006 £6,693,000) was due to the LTA and its subsidiaries in respect of these transactions.

The Lawn Tennis Championships ("The Championships") are held annually at Wimbledon. The Championships are controlled, managed and promoted by a Committee of Management consisting of members representing The All England Lawn Tennis & Croquet Club and the LTA respectively. During the year The Championships made a donation to The Foundation of £3,000,000 (2006 £3,000,000). At the balance sheet date £3,000,000 (2006 £nil) was due from The Championships in respect of this transaction.

16 Events since the balance sheet date

On 31st October 2007 The Cliff Richard Tennis Foundation agreed to transfer its net assets of £593,000 to The Tennis Foundation. The Tennis Foundation will continue to promote the objectives of The Cliff Richard Tennis Foundation.