

The Tennis Foundation (Legacy)

The Tennis Foundation (Legacy)

**Report and financial statements
for the year ended 31 December 2022**



Registered in England – Company Number 2138124

Charity Number 298175

The Tennis Foundation (Legacy)

Annual Report for the year ended 31 December 2022

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Report of the Trustees for the year ended 31 December 2022

The Board of Trustees of The Tennis Foundation (Legacy) (the **Foundation**) submits its report, together with the financial statements, for the year ended 31 December 2022. 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. The Foundation changed its name to The Tennis Foundation (Legacy) on 3 March 2022.

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 (the trading entity of the Lawn Tennis Association Group (LTA)) became the sole member of the Foundation and changes to the composition of the Board of Trustees. The Foundation is governed by its Memorandum and Articles of Association, as updated most recently on 1 July 2021.

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 activities of the Foundation are overseen by a Board of Trustees who met once (2021: four) during the year under review. No Trustees were appointed to the Board in the year (2021: nil), and no Trustees resigned (2021: four).

On appointment, new trustees are provided with copies of the Articles of Association of the Foundation, minutes of previous Board meetings, copies of Annual Reports and Financial Statements and details of their responsibilities as trustees in law. New trustees receive an induction pack which provides detailed information on the working of the Foundation. They also receive training from the Company Secretary and any other relevant personnel. Safeguarding training is provided to new Trustees as part of the induction process.

The appointment of the Trustees is governed by the Foundation's Articles of Association. The recruitment and selection of new Trustees is an open process, resulting in the appointment of a diverse Board of Trustees with the skills and experience the charity needs. At every annual general meeting a trustee who has served for a

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term of three years shall retire and may be reappointed by the Trustees provided that a trustee who has served three consecutive periods shall usually, unless exceptional circumstances apply, take a break from office and shall not be reappointed for four years. The appointment or reappointment of a trustee shall be announced at the annual general meeting. It is the policy of the Foundation to recruit via an open recruitment process which includes advertising the position and an interview process resulting in making a recommendation to the Board Nominations Committee and final approval by the Board. There can be a minimum of two trustees, however, there are no current plans for the appointment of additional Trustees following the transfer of its assets to LTA Tennis Foundation on 1 July 2021.

Management

A major aspect of the Foundation's work during the period was the provision of revenue grants. Applications that were eligible for funding were 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

The Tennis Foundation (Legacy) and LTA Tennis Foundation agreed on 1 July 2021 that The Tennis Foundation (Legacy) would transfer its assets and charitable undertakings (valued at £4.9m) to LTA Tennis Foundation. Both The Tennis Foundation (Legacy) and LTA Tennis Foundation have similar objects that advance charitable purposes associated with the game of tennis and, having independently determined that their charitable purposes could best be achieved by a merger and that it was in the best interests of each of them.

Financial Review

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

Incoming resources were £nil (2021: £11,000).

The total net movement in funds for the year was £nil (2021: deficit of £4,884,000). The movement of unrestricted funds was £nil (2022: deficit of £4,544,000 after £327,000 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' £nil (2021: £340,000 deficit), are given under note 14.

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

On 1 July 2021 The Tennis Foundation (Legacy) transferred its reserves to LTA Tennis Foundation, having determined its charitable purposes could best be achieved by LTA Tennis Foundation; the Trustees therefore decided that holding reserves was no longer necessary.

At the year-end, total unrestricted reserves held by the Foundation amounted to £2,000 (2021: £2,000). The restricted reserves held by the Foundation were £nil (2021: £nil).

Risk Management

The Board has assessed the major risks to which the charity is exposed as being: 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 LTA Operations Limited which has robust internal controls, insurance cover is reviewed every year. Processes, governance, policies, and Charity Commission check lists are regularly featured and reviewed in board meetings to ensure all legal requirements are met. Long term commitments are not made without having the adequate financial resources available, and investments and reserve policies are reviewed periodically.

Investment Policy

Pre-transfer of the Foundation's £4.4m of investments on 1 July 2021, the Trustees were responsible for oversight of the implementation of the investment policy and monitoring the performance of the Foundation's investments.

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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.

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



T Lavler

Chair of Board of Trustees

8 June 2023

The Tennis Foundation (Legacy)

Administrative Information

Board of Trustees	Mr T Lawler (Chair) Mr O Scadgell
Registered (and Principal) Office	National Tennis Centre 100 Priory Lane Roehampton, London SW15 5JQ
Bankers	Coutts Bank, 44 Strand, London WC2R 0QS
Solicitors	Bates, Wells & Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE

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Statement of Trustees' Responsibilities

The trustees (who are also directors of The Tennis Foundation (Legacy) 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 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.

Approved and authorised for issue by the Board of Trustees on 8 June 2023 and signed on its behalf by:



T Lawler
Chair of Board of Trustees

8 June 2023

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Statement of Financial Activities Incorporating an Income and Expenditure Account For the year ended 31 December 2022

		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		Year to 31st Dec 2022 £000	Year to 31st Dec 2022 £000	Year to 31st Dec 2022 £000	Year to 31st Dec 2021 £000	Year to 31st Dec 2021 £000	Year to 31st Dec 2021 £000
Income from	Note(s)						
Donations and legacies	2	-	-	-	2	-	2
Income from investments	3	-	-	-	9	-	9
Total income		-	-	-	11	-	11
Expenditure on							
Charitable activities	4 & 5	-	-	-	4,882	340	5,222
Total expenditure		-	-	-	4,882	340	5,222
Net (expenditure) before net gains on investments		-	-	-	(4,871)	(340)	(5,211)
Net gains on investments		-	-	-	327	-	327
Net (expenditure) income		-	-	-	(4,544)	(340)	(4,884)
Net (expenditure) income after gains on investments		-	-	-	(4,544)	(340)	(4,884)
Net movement in funds		-	-	-	(4,544)	(340)	(4,884)
Fund balances brought forward at 1 January	10	2	-	2	4,546	340	4,886
Fund balances carried forward at 31 December	10	2	-	2	2	-	2

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 losses and the net movement in funds for the financial year stated and their historic cost equivalents.

The notes on pages 11 to 18 form part of these financial statements.

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Balance Sheet As at 31 December 2022

	Note	31st Dec 2022 £000	31st Dec 2021 £000
Current assets:			
Debtors: amounts falling due within one year	8	4	-
Cash at bank and in hand		5	2
Total current assets		9	2
Creditors: amounts falling due within one year	9	(7)	-
Net current assets		2	2
Total assets less current liabilities		2	2
The funds of the charity:			
Restricted income funds	10	-	-
Unrestricted income funds	10	2	2
Total charity funds		2	2

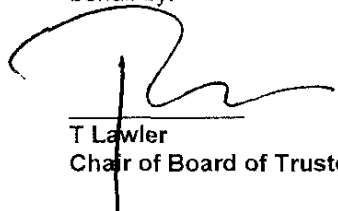
The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 8 to 18 were approved by the Board of Trustees on 8 June 2023 and signed on its behalf by:



T Lawler
Chair of Board of Trustees

The notes on pages 11 to 18 form part of these financial statements.

Charity Number 298175
Company Number 2138124

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Cash Flow Statement For the year ended 31 December 2022

		Year to 31st Dec 2022 £000	Year to 31st Dec 2021 £000
Net cash inflow/outflow from operating activities	12	3	(5,316)
Net cash nflow/outflow from operating activities		<u>3</u>	<u>(5,316)</u>
Payments to acquire investments		-	(574)
Receipts from disposal of investments		-	5,014
Investments cash transfer following merger		-	(253)
Investment income received	3	-	9
Net cash inflow from Investment activities		<u>-</u>	<u>4,196</u>
Increase/Decrease in cash in the year		<u>3</u>	<u>(1,120)</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at the beginning of the year		2	1,122
Net increase/(decrease) in cash and cash equivalents		3	(1,120)
Cash and cash equivalents at the end of the year		<u>5</u>	<u>2</u>
Cash at bank and in hand		5	2
Cash held for investment purposes		-	-
Cash and cash equivalents		<u>5</u>	<u>2</u>

The notes on pages 11 to 18 form part of these financial statements.

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Notes to the Financial Statements For the year ended 31 December 2022

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) 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.

c) 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.

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d) 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.

e) 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.

f) 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.

g) 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.

h) Grants payable

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

i) 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

j) 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.

k) 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.

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2. Donations and legacies

	Year to 31st Dec 2022 £000	Year to 31st Dec 2021 £000
Other	-	2
	-	2

3. Income from Investments

	Year to 31st Dec 2022 £000	Year to 31st Dec 2021 £000
Income from listed investments and investment funds	-	9
Interest from cash deposits	-	-
	-	9

All investment income relates to assets held in the UK.

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4. Charitable activities

	Direct costs £000	Grant funding (note 16) £000	Support costs (note 6) £000	Total Year to 31st Dec 2022 £000	Total Year to 31st Dec 2021 £000
Community	-	-	-	-	4,901
Education	-	-	-	-	309
Competitions	-	-	-	-	12
Disability tennis	-	-	-	-	-
	-	-	-	-	<u>5,222</u>

On 1 July 2021, the net assets of The Tennis Foundation (Legacy) totalling £4,872k were transferred to LTA Tennis Foundation.

5. Governance costs

	Year to 31st Dec 2022 £000	Year to 31st Dec 2021 £000
Auditors' remuneration - audit services	-	-
Support costs (note 6)	-	-
	<u>-</u>	<u>-</u>

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6. Allocation of overhead and support costs during the year

		TOTAL £000	Junior tennis development £000	Community £000	Tennis development £000	Coaching £000	Education £000	Competitions £000	Disability tennis £000	Governance costs £000	Total Year to 31st Dec 2022 £000	Total Year to 31st Dec 2021 £000
Management costs		-	-	-	-	-	-	-	-	-	-	10
Property costs		-	-	-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-	-	21
		-	-	-	-	-	-	-	-	-	-	31
Total costs excluding support costs	2022		-	-	-	-	-	-	-	-	-	
Percentage of total costs	2022		0%	0%	0%	0%	0%	0%	0%	0%	-	
Total costs excluding support costs	2021		-	4,872	-	-	307	12	-	-		5,191
Percentage of total costs	2021		0%	94%	0%	0%	6%	0%	0%	0%		100%

The Tennis Foundation (Legacy)

7. Employees

The Foundation had no employees in 2022 (2021: nil).

Trustees' remuneration

None of the Trustees (2021: none) received remuneration from The Foundation. No Trustees (2021: none) received reimbursement for travel and accommodation expenses (2021: £nil). No Trustees were accruing benefits under the money purchase pension scheme (2021: none).

8. Debtors

	31st Dec 2022 £000	31st Dec 2021 £000
Amounts falling due within one year:		
Amounts due from LTA Operations Limited	4	-
	<u>4</u>	<u>-</u>

9. Creditors: amounts falling due within one year

	31st Dec 2022 £000	31st Dec 2021 £000
Amounts owed to LTA Tennis Foundation	7	-
	<u>7</u>	<u>-</u>

10. Statement of funds

	Fund at end of year £000	Income £000	Expenditure £000	Net (expenditure)/ income £000	Fund at end of year £000
Unrestricted Funds					
General unrestricted funds	(2,114)	-	-	-	(2,114)
Other unrestricted recognised gains	2,116	-	-	-	2,116
Total unrestricted funds	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

11. Analysis of net assets between funds

	Unrestricted Funds 31st Dec 2022 £000	Restricted Funds 31st Dec 2022 £000	Total Funds 31st Dec 2022 £000	Total Funds 31st Dec 2021 £000
Cash	5	-	5	2
Other current assets	4	-	4	-
Creditors: amounts falling due within one year	(7)	-	(7)	-
Total	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

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

	Year to 31st Dec 2022 £000	Year to 31st Dec 2021 £000
Net income/(expenditure)	-	(4,884)
Gain on Investments	-	(327)
Investment income receivable	-	(9)
Operating Result/loss	-	(5,220)
Working capital movements:		
(Increase)/Decrease in debtors	(4)	45
Increase/(Decrease) in creditors	7	(141)
Net cash inflow/outflow from operating activities	3	(5,316)

13. Grants

	Grants to institutions Total	Grants to individuals Total	Grants to institutions Total	Grants to individuals Total
	Year to 31st Dec 2022 £000	Year to 31st Dec 2022 £000	Year to 31st Dec 2021 £000	Year to 31st Dec 2021 £000
Community	-	-	4,872	-
Tennis development	-	-	-	-
Coaching	-	-	-	-
Education	-	-	307	-
Competitions	-	-	12	-
Disability Tennis	-	-	-	-
Total grants	-	-	5,191	-

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14. Related parties

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 2022 LTA Operations Ltd donated £nil (2021: £nil) to the Foundation. At the balance sheet date £4,029 (2021: £nil) was due from the LTA.

LTA Tennis Foundation is a registered charity (charity number 1148421) and a wholly owned subsidiary within the LTA. LTA Operations Limited is the sole member of the charity and as such, The Tennis Foundation (Legacy) is included in the Group's financial statements. At the balance sheet date £6,977 (2021: £nil) was due to the LTA Tennis Foundation and this was included within the creditors balance as at 31 December 2022.

15. Ultimate Controlling Party

The Tennis Foundation (Legacy) 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 (2021: 1).

The Articles of Association of the Tennis Foundation (Legacy) have most recently been updated on 1 July 2021.